

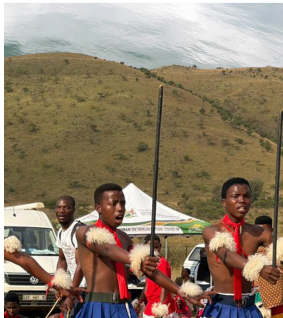


co-operative governance,
human settlements & traditional affairs
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



ANNUAL REPORT

20
25
26



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

ANNUAL REPORT 2025/26

MPUMALANGA PROVINCE

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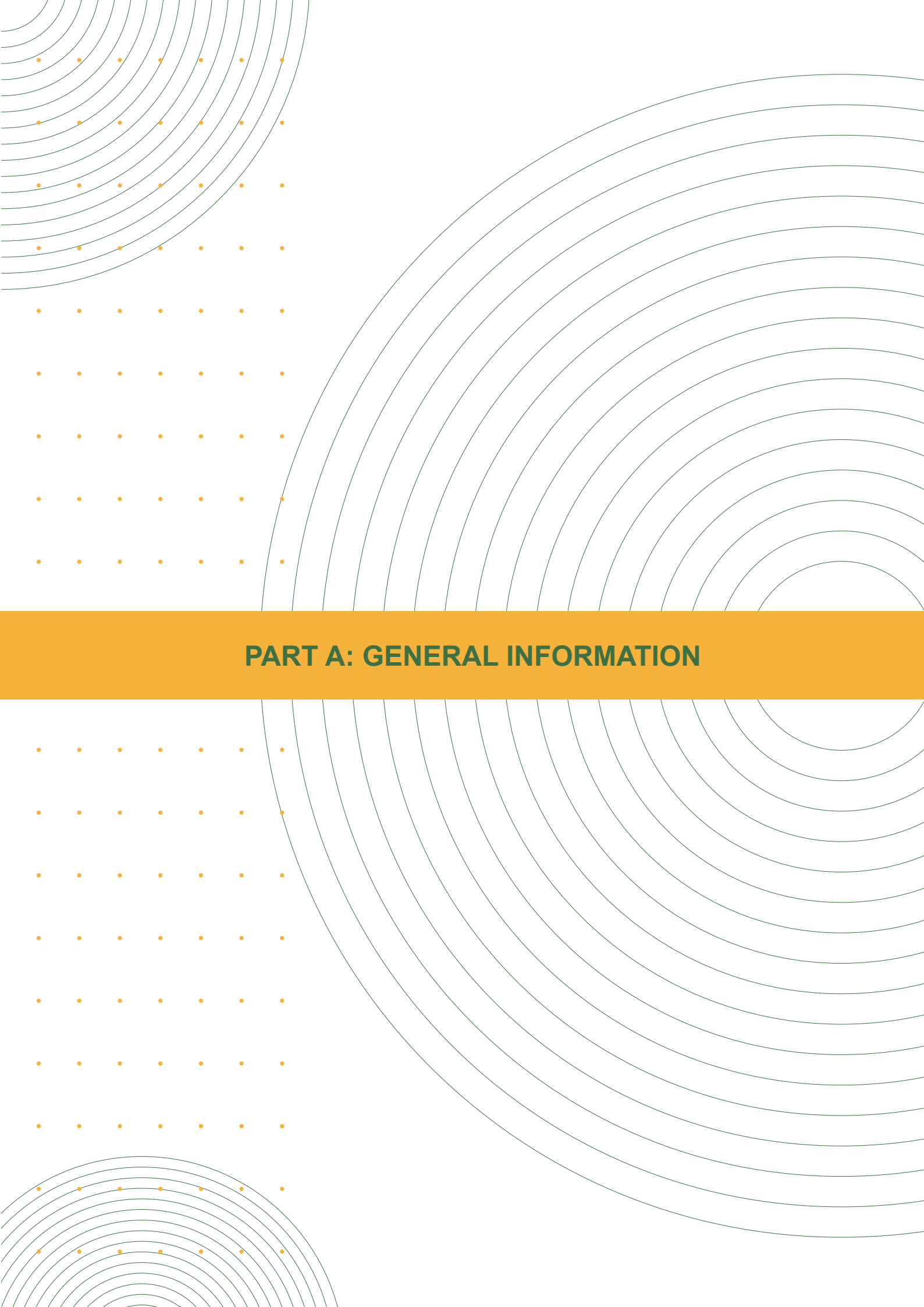
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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General South Africa
AR	Annual Report
APP	Annual Performance Plan
B2B	Back to Basics
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BNG	Breaking New Grounds
CDW	Community Development Workers
CoGTA	Co-operative Governance and Traditional Affairs
CRU	Community Residential Unit
CWP	Community Works Programme
DCSC	District Coordination Steering Committee
DDM	District Development Model
DHS	Department of Human Settlements
DORA	Division of Revenue Act
EPWP	Expanded Public Works Programme
EPHP	Enhanced People's Housing Process
HH	Households
FBSA	Fire Brigade Services Act
FLISP	Finance Linked Individual Subsidy Programme
FHF	First Home Finance
HDA	Housing Development Agency
HTL	House of Traditional Leaders
HSDG	Human Settlements Development Grant
HSS	Housing Subsidy System
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations
IRDP	Integrated Residential Development Programme
ISUPG	Informal Settlements Upgrading Partnership Grant
IUDF	Integrated Urban Development Framework
LAN	Local Area Network
LED	Local Economic Development
LUS	Land Use Schemes
MTDP	Medium Term Development Plan
MP:CoGHSTA	Mpumalanga Department of Co-operative Governance, Human Settlements and Traditional Affairs
MPSDF	Mpumalanga Spatial Development Framework
MPACs	Municipal Public Accounts Committees
MPRA	Municipal Property Rates Act
MUNIMAN	Municipal and Management (Administration)
MUNIMEC	Municipal and Member of the Executive Council
NDHS	National Department of Human Settlements
NHBRC	National Home Builders Registration Council
NSDF	National Spatial Development Framework
PCC	President's Coordinating Council
PCF	Premier's Coordinating Forum

PDA	Priority Development Areas
PRM	Project Readiness Matrix
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act
PMU	Programme Management Unit
PPP	Public Private Partnership
PST	Public Service Transformation
PSDF	Provincial Spatial Development Framework
PSDF	Provincial Spatial Development Framework
SANS	South African National Standards
SDF	Spatial Development Framework
SDI	Service Delivery Improvement
SHRA	Social Housing Regulatory Authority
SPLUMA	Spatial Planning Land Use Management Act
TC	Traditional Council
TID	Technical Indicator Description
TSC	Thusong Service Centre
USDG	Urban Settlement Development Grant
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works



Mr SK Mashilo (MPL)

**MEC: Co-operative Governance,
Human Settlements and
Traditional Affairs**

3. FOREWORD BY THE MEC

Government has a responsibility to ensure the provision of services and realisation of development in an integrated and sustainable manner. As espoused in the county's development blueprint – National Development Plan (2030), the South African government is constitutionally obligated and carries a colossal developmental duty, focusing on eradicating poverty, reducing inequality and creating employment. These strategic responsibilities include driving inclusive economic growth, enhancing service delivery at local government (municipalities) and ensuring equitable access to basic services like water, electricity, sanitation, and general infrastructure.

Being a development forerunner, the Department

of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) stands tall as a vanguard for public advance. Sequel to the pronouncement and subsequent finalisation of the merger, the 2025/26 financial year took-off with an unblemished concentration on its voyage to rebuild and refocus government. Guided by our vision of improved and sustainable quality of livelihoods for the people of Mpumalanga, the Department committed to ensure the provision of integrated human settlements, functional local government and traditional councils across the Province.

The implementation of inter-governmental planning and coordination structures, improved monitoring of municipal spending on local government and advance of platforms that enhance community participation remained central to the Department's delivery machinery. Significant improvements on municipal governance, acceleration of human settlements delivery and supporting traditional leadership were recorded. During the period under review, CoGHSTA subsequently concluding the period with an overall achievement of 91% over the twelve-month period.

Despite such a showing, the year experienced its fair share of challenges, thus having a huge impact on service delivery and people's livelihoods. During the period, local government had to contend with critical challenges mainly on financial distress, infrastructure decay, and governance instability, with roughly 63% of municipalities considered not fully functional.

To this end, South Africans were given an opportunity to relook at how the cities, towns, and localities through local government are being run and serviced. The review processes aim to rectify historical imbalances by ensuring that all voices are heard, particularly those that have been silenced in the past. It calls for inclusive engagement, reaching beyond the usual voices, and providing marginalised communities the opportunity to participate.

The November 2025 - January 2026 heavy rains and flooding had a huge effect to the province. At the conclusion of the status report on the catastrophe, 20 deaths were confirmed, over 2500 houses damaged, 81 schools, public facilities, farms, and several roads and bridges have been recorded as affected by the disaster across the province – requiring billions of rands to rehabilitate. Upon the classification of the disaster in five provinces, by the National Disaster Management Centre, including Mpumalanga, all state organs across the board moved swiftly to bring relief and intervene on the disaster. The visit by President Cyril Ramaphosa exposed how government and stakeholders coordinate response to natural disasters. Equally challenging was the water crisis which presented itself as a matter requiring urgent intervention – hence a call by government to re-focus and prioritise water provision efforts.

Over the medium to long term period, CoGHSTA is committed to building a dynamic, responsive, and forward-thinking institution. This will involve leveraging innovation and technology to enhance

planning and decision-making, strengthening partnerships with municipalities and private sector, academic institutions and adopting a people-centred approach to governance. The Department envisions a future where every citizen of Mpumalanga has access to adequate housing, well-planned communities, and accountable local government and traditional structures that deliver on their mandates effectively.

Permit me to appreciate the public of this Province for their unrelenting credence in the African National Congress (ANC) to lead, oversee their affairs and eventually advance their livelihoods whilst we deliver on the electoral mandate. Their confidence in the party (ANC) and its developmental policies cannot be undercut. My salutation goes to my party (ANC) and its alliance partners, for affording me an opportunity to principal this important

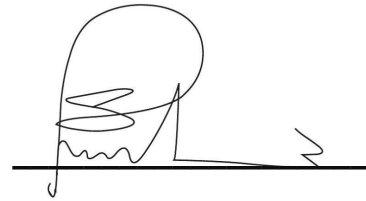
development-inclined portfolio. I acknowledge the Premier, Mr Mandla Ndlovu, for having poise in me to lead this institution, my colleagues at the Executive Council, oversight bodies, my office and my family for their sustained support.

My appreciation goes to CoGHSTA's Acting Superintendent General, Mr Sam Ngubane, the management, and the entire Department's staff complement (employees), for their determination to assure the provision of human settlements, efficient municipalities and traditional councils – much to the enhancement of communities. As we are ushering another term of local government – we will ensure the consolidation on all the gains we have made over the last five years – to even deliver better to communities.

Now that the newly amalgamated CoGHSTA is in full swing – ours is to appreciate

the reasons behind the move, navigate any challenges and put our shoulder behind the institution to deliver on its intended purpose. In approaching the new financial year, we ought to remain steadfast in government's resolve of driving inclusive growth and job creation, reduce poverty and tackle the high cost of living and building a capable, ethical and developmental state – as envisaged by the Medium-Term Development Plan (MTDP) priorities.

“Let us make Mpumalanga to be a Province that works for all”



MR SK MASHILO (MPL)

**MEC: CO-OPERATIVE
GOVERNANCE, HUMAN
SETTLEMENTS AND
TRADITIONAL AFFAIRS**



Mr CM Chunda

**Acting Superintended General/Head:
Co-operative Governance, Human
Settlements & Traditional Affairs**

and responsive to on-the-ground realities.

Over the years, planning and coherent delivery continued to be a challenge for government delivery. Planning for human settlements and basic services and infrastructure delivery has largely operated in silos, often resulting in fragmented and misaligned implementation, hence the birth of CoGHSTA. In its quest to live up to the broadened mandate, the Department moved to establish harmonised governance framework that aligns local government structures with human settlements and spatial planning, ensuring a seamless and holistic approach to sustainable development and cooperation with traditional leaders and sector stakeholders.

One of the benefits of having Internal Audit within the Department is that it is not only the Accounting Officer that will have full access to the Internal Audit, but everyone within the institution. The service is now available to everyone at any time. On risk management, the Department ensures that this continuous process and systematic process as effected by the Executive Authority, Accounting Officer, management and the entire personnel is applied in strategic planning and across the organisation. It is designed to identify and manage the risks within its tolerance to provide reasonable assurance regarding the achievement of the Department's objectives.

4. REPORT OF THE ACCOUNTING OFFICER

The 2025/26 financial year witnessed the dissolution of the Departments of Human Settlements (DHS) and Cooperative Governance and Traditional Affairs (CoGTA) and finally ushering the merged Department of Cooperative Governance, Human Settlements, and Traditional Affairs (CoGHSTA). The merger represents more than a mere structural realignment - it is a deliberate and strategic intervention aimed at enhancing efficiency, coordination, and impact in the way government serves communities. The objective of the merger is to improve service delivery by eliminating duplication, fostering better intergovernmental coordination, and ensuring that development initiatives are more integrated

This merger was not a rigid redistribution, but a people-centred transformation to enable integration. During the year, a new organisational structure was developed, thoroughly consulted with all relevant stakeholders. The approved organogram has elevated the Head of the institution to a Superintendent General (SG) with two branches at a Deputy Director General level heading the Integrated Human Settlements and Cooperative Governance and Traditional Affairs Support. On the same breath, the reworked organogram also brought to the equation a dedicated Internal Audit Unit; two new Chief Directorates; namely Provincial Disaster Management, and Strategy and Governance. This move will further bring budget alignment and programme structure, coherence and pointedly upturns capacity.

In terms of the Annual Performance Plan, the Department planned to achieve one hundred and fifteen (115) targets in the 2025/26 financial year and managed to register an overall achievement of 90%, which is 104 out of 115 planned targets.

In support of the delivery of integrated human settlements, functional local government and traditional leadership, the following achievements were recorded during the financial year:

- 4 611 sites were serviced
- 1 238 low cost (Breaking New Grounds) BNG houses delivered
- 6 Informal Settlements completed in phase 2
- 6 units completed through Military veterans programme

- 4 Social and economic facilities were completed
- 20 subsidies disbursed through First Home Finance
- 475 houses repaired through the emergency housing programme
- 150 Community Residential Units (CRU) delivered
- 2 014 title deeds received and registered
- seventeen (17) municipalities monitored on the implementation of the infrastructure delivery programme.
- 21 water and 25 sanitation related projects were monitored.
- All seventeen (17) local municipalities were supported to respond to community concerns on issues of service delivery.
- twenty municipalities were supported on the implementation of audit action plans
- Implemented the Expanded Public Works Program (EPWP) Youth Waste Management Project and in the process created 190 full time equivalent jobs.
- The Community Works Programme (CWP) created

20 870 work opportunities in all the local municipalities in the Province except the three (3) Districts.

- The Department supported 54 Traditional Councils to observe their annual cultural ceremonies.
- Four Anti GBVF interventions/ campaigns were held for Traditional Leadership to address the increase in gender base violence and femicide among communities

Challenges

In 2025, local government faced critical challenges centered on financial distress, infrastructure decay, and governance instability, with roughly 63% of municipalities considered “at risk”. Key priorities include reforming funding models, professionalizing staff, and enhancing service delivery amid high service protest rates and aging infrastructure. The department’s quest for roll out of human settlements had to contend with sluggish contractors, rising costs for building materials, and governance challenges at some local municipalities which necessitated intervention by the Provincial Administration by invoking relevant legislations.

The November 25 – January 26 heavy rains and flooding which left a huge destruction trail to

households, infrastructure and the economy didn’t help matters either. Since the start of the 2025 summer season, there were life-threatening incidents recorded in various municipalities with 20 fatalities (18 drownings, one (01) strike by lightning and another who succumbed to injuries from a collapsed wall) in various municipalities of the Province. By 17 January 2026, a total of 2,507 houses were recorded as affected by the disaster and 177 households identified to be in need of temporary housing structures.

The entire Nkomazi area remained with water supply challenges due to the collapse of water supply system, which necessitated intervention of water tankers. During this difficult period, schooling especially in Bushbuckridge Local Municipality was suspended for few days as a precaution measure. In a bid to resume teaching and learning, temporary classrooms and recovery plans were explored within the locality. This disaster also affected some sectors of the economy, ranging from micro, small to medium enterprises with nearly 300 jobs affected. This devastating calamity compounded more misery as it came at a backdrop of previous disasters where there we still outstanding houses still to be rehabilitated.

Further, the Department was confronted by water supply challenges ranging from lack

of adequate sources versus high and growing demand, ageing infrastructure requiring large immediate investments, and treatment work operating beyond capacity levels and other operational issues. The lack of operation and maintenance plans in some municipalities and their failure to prioritise operation and maintenance through refurbishment and upgrading of Waste Water Treatment Works

(WWTW) proved testing. It is common knowledge that the energy challenges faced by municipalities, especially on huge Eskom debts, poor revenue collection and aging infrastructure proved challenging to effectively conduct business and daily living.

To this end, the Department has since developed remedial action plan which aims to

address identified challenges and incorporated into the 2026/27 Annual Performance Plan for urgent attention. The Department will be working in collaboration with Provincial Treasury, the South African Local Government Association (SALGA) and the Auditor General of South Africa (AGSA), amongst others to assist municipalities achieve sound financial management and improve audit outcomes.

5.1. Overview of the financial results of the department:

Departmental receipts

Departmental receipts	2025/2026			2024/2025		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	462	668	(206)	-	-	-
Interest, dividends and rent on land	3 810	4 890	(1 080)	-	-	-
Sale of capital assets	140	3 338	(3 198)	-	-	-
Financial transactions in assets and liabilities	75	1 448	(1 373)	-	-	-
Total	4 487	10 344	(5 857)	-	-	-

The Department collected revenue amounting to **R 10.3 million** during the 2025/26 financial year, representing 230 per cent of the revenue collection estimate for the year. The over-collection mainly relates to auction proceeds from disposal of redundant and obsolete motor vehicles through government auctions, as well as recoveries relating to expenditure from previous financial years. The disposal of motor vehicles was undertaken in line with asset management prescripts and aimed at replacing ageing and uneconomical assets.

The Department does not have revenue-generating activities except for bank interest, commission on deductions, Debt recoveries, and disposal of assets through government auctions, as such, no tariff determination policies are applicable.

Bad debts amounting to **R 92 thousand** were written off during the financial year after all reasonable recovery processes had been exhausted. The write-off had no material impact on the overall revenue performance of the Department.

Programme Expenditure

Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	391 168	365 176	25 992	-	-	-
Human Settlements	1 290 619	1 281 475	9 144	-	-	-
Cooperative Governance	424 888	398 644	26 244	-	-	-
Traditional Institutional Development	246 930	226 167	20 763	-	-	-
House of Traditional Leaders	35 178	32 729	2 449	-	-	-
Total	2 388 783	2 304 191	84 593	-	-	-

The Department's original appropriation for the 2025/26 financial year amounted to **R 2.36 billion** and was adjusted to **R 2.39 billion** through the Adjustments Budget process in November 2025.

The Department spent **R 2.30 billion** or 96.5 per cent of the adjusted appropriation as at 31 March 2026. The Department recorded an under-expenditure of **R 84.5 million** which will be surrendered to the Provincial Revenue Fund, in line with the requirements of the Public Finance Management Act (PFMA).

Programme 1: Administration

The programme had an adjusted appropriation of **R391.1 million** and recorded expenditure of **R365.1 million**, representing **93.3** per cent of the allocated budget. The under-expenditure is primarily attributed to delays in filling vacant funded posts. On goods and services, underspending was mainly in the training budget, resulting from challenges with the Memorandum of Understanding with the National School of Governance. Further delays were encountered in implementing contractor panels inherited from the two former departments, which constrained spending. The under-expenditure on capital assets was mainly in the budget allocated for the procurement of computers for the Community Development Worker (CDW). However, the quotations received exceeded the available budget, resulting in the suspension and review of procurement processes. In addition, certain planned activities were implemented at lower-than-anticipated costs due to the non-filling of vacant funded posts.

Programme 2: Human Settlements

The programme had an adjusted appropriation of **R1.29 billion** and recorded expenditure of **R1.28 billion**, representing **99.3** per cent of the allocated budget. The minimal under-expenditure is mainly attributable to delays in the Parliamentary Village project, which experienced challenges related to vandalism as well as the contractor's inability to commit to completing the project within the planned timeframe. These factors resulted in slower-than-anticipated progress and associated spending.

Programme 3: Co-operative Governance

The programme had an adjusted appropriation of **R424.9 million** and recorded expenditure of **R398.6 million**, representing **93.8** per cent of the allocated budget. The under-expenditure is mainly attributable to delays in the implementation of municipal support projects, largely due to non-responsive bids received during the procurement process. Furthermore, challenges were experienced in harmonising contractor panels inherited from the two former departments, which affected the timely rollout of planned activities and consequently slowed expenditure.

Programme 4: Traditional Institutional Development

The programme had an adjusted appropriation of **R246.9 million** and recorded expenditure of **R226.1 million**, representing **91.6** percent of the allocated budget. The under-expenditure is mainly attributable to underspending on Goods and Services, particularly the non-utilisation of funds earmarked for the induction and payment of stipends to Traditional Councils. The induction programme could not be implemented due to a lack of agreement with the House of Traditional Leaders on the stipend structure, which resulted in the process being stalled. In addition, under-expenditure on capital assets relates to delays in the appointment of service providers for the construction of buildings and other fixed structures for Traditional Councils.

Programme 5: House of Traditional Leaders

The programme had an adjusted appropriation of **R35.1 million** and recorded expenditure of **R32.7 million**, representing 93 per cent of the allocated budget. The under-expenditure is mainly attributable to plan activities being implemented at lower costs than initially budgeted for during the reporting period.

Virement / rollovers

During the 2025/26 financial year, the Department received approved rollovers amounting to **R 893 thousand** for audit software and **R 2.2 million** for the Parliamentary Village bulk infrastructure project. The rollover funds were appropriated and implemented through the Adjustments Budget process during the financial year.

Budget Adjustments

The Department received additional funding amounting to **R 28.6 million** from the Provincial Revenue Fund under Equitable Share and Other allocations, inclusive of the rollover amounts referred to above, as follows:

The above additional amount has been broken down as reflected on the table below:

Table 1.2: Additional Funding

Description	Amount	Programme
	R'000	
Additional budget - Section 106 Investigations	2 500	Co-operative Governance
Additional budget - Skills Audit & Capacity building	5 000	Co-operative Governance
Additional budget - Traditional Leaders, councils	8 000	Traditional Institutional Development
Additional budget - Parliamentary Village Bulk	4 652	Human Settlements
Rollover - Parliamentary Village bulk and other	3 129	Administration and Human Settlements
Self-financing	5 375	House of Traditional Leaders
TOTAL	28 656	

Virements

Post Adjustment Virement / Shift

The Department effected the following post-closure shifts:

Compensation of employees

An amount of **R 540 thousand** was shifted within Programme 1: Administration to defray excess expenditure under Transfers and Subsidies (**R 448 thousand**) and Payment for Financial Assets (**R 92 thousand**).

Payment for capital assets

An amount of **R 187 thousand** has been shifted within Programme 3: Co-operative Governance from Buildings and Other Fixed Structures to Machinery and Equipment to defray excess expenditure within the economic classification.

All implemented shifting of funds to address projected over- and under-expenditure between programmes and economic classifications were undertaken in compliance with section 43(1)–(3) of the Public Finance Management Act (PFMA) and applicable Treasury Regulation.

The Department did not incur unauthorised expenditure.

The Department incurred fruitless and wasteful expenditure amounting to **R 16.1 million**, mainly due to VAT incorrectly charged on housing stock funded through the Human Settlements Development Grant and the Informal Settlements Upgrading Grant.

The Department has formally notified the affected service providers of the irregular charges and has initiated recovery processes. Bilateral engagements are currently underway with the affected service providers to facilitate the reimbursement of the amounts incorrectly invoiced. The Department is strengthening its financial controls and invoice verification processes to ensure compliance with applicable grant funding frameworks. In addition, awareness is being reinforced among officials and service providers regarding the correct application of VAT on grant-funded projects to prevent recurrence. Continuous monitoring and follow-up on recovery processes are being undertaken to ensure full resolution of the matter.

Strategic focus over the short to medium term period

In terms of service delivery, the merged Department of Cooperative Governance, Human Settlements and Traditional Affairs will continue implementing interventions to address the identified challenges. As stated in the challenges on the overview of the operations of the Department, there is lack of operation and maintenance plans in municipalities which result in dilapidated infrastructure for service delivery. The Department will support municipalities to set aside 10% of the Municipal Infrastructure Grant (MIG) as per the revised MIG Framework for repairs and maintenance of serviced delivery infrastructure. In addressing the water challenges, the Department will support municipalities to improve water conservation management and monitor the implementation of water infrastructure projects. Furthermore, the Department will continue to monitor the spending of the Municipal Infrastructure Grant in an attempt of delivering services to the people.

The Department will collaborate with all municipalities and sector departments relevant for the delivery of basic services required in settlements, whilst leveraging on grant support such as the MIG, WSIG, RBIG, ISUPG and HSDG to assist municipalities in the provision of the much-needed bulk infrastructure to unlock potential housing development opportunities. This will ensure that no houses are built without the required basic services are simultaneously available at the completion of a settlement.

In realising the MTDP priority 2 of reducing poverty and tackle the cost of living, 10 housing units will be developed through various programmes for households earning less than R3 500 per month, five (5) social and economic facilities completed, 5 200 serviced sites are anticipated to be completed, and 1 000 title deeds will be registered.

In contributing to priority 3 of building a capable, ethical and developmental state, the Department will support municipalities in preparation for the 2026 local government elections, monitor implementation of revenue enhancement strategies to improve revenue collection. In order to improve audit outcomes, the Department will support municipalities to implement audit action plans, monitor the extent to which anti-corruption measures are implemented, reduce the unauthorised, irregular as well as fruitless and wasteful expenditure, support district municipalities to achieve DDM One Plan targets and Standardize and professionalize appointment of SMS at local government.

In promotion of local economic development and job creation, the Department will continue to oversee the implementation of the Community Works Programme (CWP) in all seventeen (17) local municipalities, create 190 work opportunities through the Youth Waste Management Project and coordinate business sector interventions to support the reduction of poverty.

The Department will continue to support Traditional Councils to improve their functions. In preservation of culture and customs, the Department will support Traditional Councils and Kings' Councils to observe cultural heritage ceremonies. the Department will continue supporting Traditional Councils with construction of offices and support interventions provided to the PICC in accordance with legislative requirements.

Public Private Partnerships

None.

Discontinued key activities / activities to be discontinued

None.

New or proposed key activities

None.

Supply chain management

The Department did not have any unsolicited bid proposals for the financial year under review. The Department has a fully functional Supply Chain Management unit and a Supply Chain Management Policy with internal controls. All officials have signed the financial disclosure forms, and the Department has an approved Fraud Prevention Plan.

Monthly and quarterly reports are prepared and submitted to the Provincial Treasury. The Department has a functional system of internal control which assists in prevention and early detection of irregular, fruitless and wasteful expenditure. Furthermore, the Department continues to implement internal control measures to avoid awarding of business or contracts to officials employed by the state through verification of directors of all suppliers invited for quotations on the Central Supplier Database.

All SCM processes are guided by the approved Supply Chain Management Policy, Annual Procurement Plan together with National Treasury Instruction Notes and relevant prescripts.

Gifts and Donations received in kind from non-related parties

Refer to **Annexure 1J** of the Annual Financial Statements

List the nature of the in-kind goods and services provided by the department to or received from parties other than related parties.

Refer to AFS.

Exemptions and deviations received from the National Treasury

The Department did not have any exemptions and deviations received from the National Treasury

Events after the reporting date

None.

Other

There are no other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in the report.

Acknowledgement/s or Appreciation

The Accounting Officer would like to acknowledge and appreciate the support received from the MEC, Senior Management and Staff of COGHSTA to make this year a success.

Conclusion

I trust that the Financial Statements and the whole Annual Report is a fair presentation of the state of affairs and performance of the Department for the year under review.



Mr CM Chunda

Acting Superintendent General/ Head: CoGHSTA

Date: 21 August 2026

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

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

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

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

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

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

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

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2026.

Yours faithfully



Mr CM Chunda

Acting Superintendent General/ Head: CoGHSTA

Date: 21 August 2026

6. STRATEGIC OVERVIEW

1. VISION

Improved and sustainable quality of livelihoods for the people of Mpumalanga

2. MISSION

To facilitate the creation of integrated human settlements and fostering a cooperative governance system which ensures that municipalities and traditional institutions perform their basic functions and responsibilities to create a better life for all

3. VALUES

Guided by the spirit of Batho Pele our values are:

- **Ubuntu:** Employees should demonstrate a quality that includes essential human virtues, compassion and humanity;
- **Ethical Standards:** Employees demonstrate a high degree of integrity and honesty in the execution of duties;
- **Professionalism:** Employees display effectiveness, efficiency in line with norms and standards in delivering the mandate of the Department ;
- **Goal orientated:** Employees focused in achieving the mandate of the Department;
- **Excellent and quality services:** The Department that strive to provide a level of services meeting acceptable standards in delivering services;
- **Responsive and solutions driven:** Departmental quality of reacting quickly, proactive and positively to issues to address actual needs of our clients; and
- **Inclusivity:** The Department strives to provide equal access to opportunities for people who might otherwise be excluded or marginalized (Elderly, Women, Youth and Persons with Disabilities).

7. LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATE

The following Chapters with the relevant sections of the Constitution of the Republic of South Africa, 1996 are important regarding the specific constitutional mandates of the Department:

1.1 The Constitution of the Republic of South Africa, 1996

The mandate of the Department of Cooperative Governance, Human Settlement and Traditional Affairs is derived from the Constitution of the Republic of South Africa, 1996, as contained in Chapters 1, 2, 3, 6, 7 and 12 of the Constitution, including the Bill of Rights, as well as the principles of co-operative governance and intergovernmental relations. The Department's mandate further emanates from section 26 of the Constitution which states, amongst others, that:

- 1) Everyone has the right to have access to adequate housing;
- 2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right; and
- 3) No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

i. Section 139, Chapter 6 of the Constitution of the Republic of South Africa, 1996

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

ii. Section 154(1), Chapter 7 of the Constitution of the Republic of South Africa, 1996

The MEC as assigned by the Provincial Government to ensure by legislative or other measures, must support and strengthened the capacity of Municipalities to manage their own affairs, to exercise their powers and to perform their functions.

iii. Section 155(6), Chapter 7 of the Constitution of the Republic of South Africa, 1996

The MEC as assigned by the Provincial Government to establish Municipalities in the Province in a manner consistent with legislation enacted in terms of section 155(2) and 155(3), respectively, and by legislative or other measures, must monitor and support local government in the Province and promote the development of local government capacity to enable Municipalities to perform their functions and manage their own affairs.

iv. Section 156 (1), Chapter 7 of the Constitution of the Republic of South Africa, 1996

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

v. Section 212, Chapter 12 of the Constitution of the Republic of South Africa, 1996

The Department acknowledges the role for Traditional Leadership as an institution at local level on matters affecting local communities and to deal with matters relating to traditional leadership, the role of Traditional Leaders, customary law and the customs of communities observing a system of customary law by the establishment of Houses of Traditional Leaders.

vi. Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)

The Act empowers the MEC to establish Municipalities in accordance with the requirements relating to categories and types of municipality; to establish criteria for determining the category of municipality to be established in an area; to define the type of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of Municipalities; to provide for appropriate electoral systems; and to provide for matters in connection therewith.

vii. Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

The Act seeks 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 and ensure universal access to essential services that are affordable to all; to define the legal nature of a municipality as including the local community within the municipal area, working in partnership with the municipality's political and administrative structures; to provide for the manner in which municipal powers and functions are exercised and performed to provide

for community participation; to establish a simple and enabling framework for the core processes of planning, performance management, resource mobilization and organizational change which underpin the notion of developmental local government; to provide a framework for the provision of services, service delivery agreements and municipal service districts; to provide for credit control and debt collection; to establish a framework for support, monitoring and standard setting by other spheres of government in order to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities in harmony with their local natural environment; to provide for legal matters pertaining to local government; and to provide for matters incidental thereto.

2.1.3 Local Government: Municipal Structures Amendment Act, 2021 (Act No. 3 of 2021)

The Act amends the Local Government: Municipal Structures Act, 1998, to provide, amongst others, for a minimum of 10 councillors per municipality; to provide for the prohibition of a councillor who was found guilty of a breach of the Code of Conduct for Councillors for a period of two years; to require the municipal manager to inform the MEC in addition to the Electoral Commission of ward vacancies; to provide that the MEC call and set the date for by-elections; to allow the MEC to designate a person to call and chair a meeting of the municipal council when the speaker, acting speaker or municipal manager refuses to call the meeting; to allow for the MEC to inform the chief electoral officer of vacancies if the municipal manager fails to do so; to provide for a Code of Conduct for Councillors; and to provide for matters connected therewith.

2.1.4 Local Government: Municipal Systems Amendment Act, 2022 (Act No. 3 of 2022)

The Act makes further provision for the appointment of municipal managers and managers directly accountable to municipal managers; to provide for procedures and competency criteria for such appointments, and for the consequences of appointments made otherwise than in accordance with such procedures and criteria; to determine timeframes within which performance agreements of municipal managers and managers directly accountable to municipal managers must be concluded; to make further provision for the evaluation of the performance of municipal managers and managers directly accountable to municipal managers; to 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; to require all staff systems and procedures of a municipality to be consistent with uniform standards determined by the Minister by regulation; to bar municipal managers and managers directly accountable to municipal managers from holding political office in political parties; to regulate the employment of municipal employees who have been dismissed; to provide for the approval of staff establishments of municipalities by the respective municipal councils; to prohibit the employment of a person in a municipality if the post to which he or she is appointed is not provided for in the staff establishment of that municipality; and to provide for matters connected therewith.

2.1.5 Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004)

The MEC to support Municipalities with the process to impose rates on property; to assist Municipalities to make provision to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies; to make provision for objections and appeals process and to provide for matters connected therewith.

2.1.6 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

The Act requires of the Department to advise on sound and sustainable management of the financial affairs of Municipalities and other institutions in the local sphere of government; and to provide for matters connected therewith. The execution of the provisions of the Act is shared with the Provincial Treasury in as far as functions to be performed by the MEC for local government are concerned.

2.1.7 Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)

The Act requires of the Department to acknowledge the framework for the three spheres of government, namely national, provincial and local government, to promote and facilitate intergovernmental relations between the three spheres of government, which are distinctive, interdependent and interrelated; to provide mechanisms and procedures to facilitate the settlement on intergovernmental disputes and incidental matters thereto.

2.1.8 Disaster Management Act, 2002 (Act No. 57 of 2002)

Chapter 4 of the Act requires of the Department to take cognisance of provincial disaster management –

Part I: Provincial Disaster Management Framework:

Section 28:

- (1) Each Province must establish and implement a framework for disaster management in the Province aimed at ensuring an integrated and uniform approach to disaster management in the Province by all provincial organs of state, provincial statutory functionaries, non-governmental organizations involved in disaster management in the Province and by the private sector.
- (2) A Provincial disaster management framework must be consistent with the provisions of this Act and National Disaster Management Framework.
- (3) (a) Provincial disaster management framework, or any amendment thereto, must be published in the *Provincial gazette*.
- (b) Before establishing or amending a Provincial disaster management framework, particulars of the proposed framework or amendment must be published in the *Provincial gazette* for public comment.

Part 2: Provincial Disaster Management Centres

Section 29:

- (1) Each Province must establish a disaster management centre.
- (2) A Provincial disaster management centre forms part of and functions within the Department.

2.1.9 Fire Brigade Services Act, 1987 (Act No. 99 of 1987)

The Act seeks to provide for the establishment, maintenance, employment, coordination and standardization of the brigade services and for matters connected therewith. This is achieved through the Fire Brigade Board and the establishment of the fire services by local municipalities and by recognizing designated fire services in those areas where a fire service is required.

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

The Act provides for the recognition of traditional and Khoi-San communities, leadership positions and for the withdrawal of such recognition; to provide for the functions and roles of traditional and Khoi-San leaders; to provide for the recognition, establishment, functions, roles and administration of kingship or queenship councils, principal traditional councils, traditional councils, Khoi-San councils and traditional sub-councils, as well as the support to such councils; to provide for the establishment, composition and functioning of the National House of Traditional and Khoi-San Leaders; to provide for the establishment of provincial houses of traditional and Khoi-San leaders; to provide for the establishment and composition of local houses of traditional and Khoi-San leaders; to provide for the establishment and operation of the Commission on Khoi-San Matters; to provide for a code of conduct for members of the National House, provincial houses, local houses and all traditional and Khoi-San councils; to provide for regulatory powers of the Minister and Premiers; to provide for transitional arrangements; to amend certain Acts; to provide for the repeal of legislation; and to provide for matters connected therewith.

2.1.11 Mpumalanga Traditional Leadership and Governance Act, 2005 (Act No. 3 of 2005)

The Act requires of the Department to take cognisance and assist to provide for the recognition and withdrawal of recognition of traditional communities; to provide for the establishment and recognition of Traditional Councils; to provide for the recognition and appointment of Traditional Leaders and their removal from office; to provide for the implementation of the Provincial Code of Conduct; and to provide for matters connected therewith.

2.1.12 Mpumalanga Provincial House and Local Houses of Traditional Leaders Act, 2005 (Act No.6 of 2005)

The Act provides for the establishment and composition of the Mpumalanga Provincial House and Local Houses of Traditional Leaders, determine the procedure for the election of members of the Provincial and Local Houses, to provide for the powers and functions of the Mpumalanga Provincial House and Local Houses of Traditional Leaders and to provide for matters incidental thereto.

2.1.13 Mpumalanga Ingoma Act, 2011 (Act No. 3 of 2011)

The Act seeks to regulate the holding of an Ingoma or initiation schools; the Act empowers the MEC responsible for traditional matters to monitor the holding of an Ingoma; empowers the MEC to make regulations on any matter that will ensure the proper implementation of the Act.

2.1.14 Customary Initiation Act, 2021 (Act No. 2 of 2021)

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

2.1.15 Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013)

The Act seeks to serve as the framework for Municipalities in order to ensure effective spatial planning and land use and management; the MEC would have to strengthen the monitoring of spatial planning and land use management by Municipalities including ensuring compliance with section 156(2) of the Constitution, which stipulates that *“A municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer”*. Therefore, Municipalities in the Province should develop their own planning By-laws.

2.1.16 Housing Act

To provide for the facilitation of a sustainable housing development process; for this purpose, to lay down general principles applicable to housing development in all spheres of government.

2.1.17 National Housing Code

The purpose of the National Housing Code is to set out clearly, in one comprehensive document, the National Housing Policy of South Africa. National Housing Policy comprises an overall vision for housing in South Africa and the way in which this vision should be implemented. National Housing Policy is contained in a range of reports, debates, laws, legislation and government papers. The National Housing Code seeks to bring together this extensive range of documentation into one overall document, so as to facilitate understanding and ensure that all implementers work towards a common vision. The requirement to develop the National Housing Code is set out in Section 4 of the Housing Act, 1997 [Act No. 107 of 1997]. This Act requires the Minister of Housing to publish a code to be called the National Housing Code [the Code]. The Code must contain national housing policy and administrative guidelines, in order to facilitate the effective implementation of the National Housing Policy.

2.1.18 Rental Housing Act

Promote a stable and growing market that progressively meets the latent demand for affordable rental housing among persons historically disadvantaged by unfair discrimination and poor persons, by the introduction of incentives, mechanisms and other measures.

2.1.19 Housing Consumers Protection Measures Act

To promote a home for purposes of sale, renting, leasing or otherwise disposing of a home.

2.1.20 Intergovernmental Relations Framework Act, 2005

To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and to provide for matters connected therewith.

2.1.21 Social Housing Act (Act No.16 of 2008)

To establish and promote a sustainable social housing environment; to define the functions of national, provincial and local governments in respect of social housing; to provide for the establishment of the Social Housing Regulatory Authority in order to regulate all social housing institutions obtaining or having obtained public funds; to allow for the undertaking of approved projects by other delivery agents with the benefit of public money; to give statutory recognition to social housing institutions; and to provide for matters connected therewith.

2.1.22 Property Rates Act (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 make provision for fair and equitable valuation methods of properties.

2.1.23 National Water Act (Act No. 36 of 1998)

Seeks to ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner for the benefit of all people. Acting through the Act assigns the national government acting through the Minister as the public trustee of the water resources. Minister, it has power to regulate the allocation, use, flow and control of all water in the Republic.

2.1.24 Deeds Registry Act (Act No 11 of 1996)

The aim of the above-mention Act is to consolidate and amend laws concerning the registration of deeds, ensuring a secure and reliable system for property ownership and transactions. The primary goal of the afore-said is to establish a framework for registration of deeds, which are legal documents that prove ownership or other rights related to land or property.

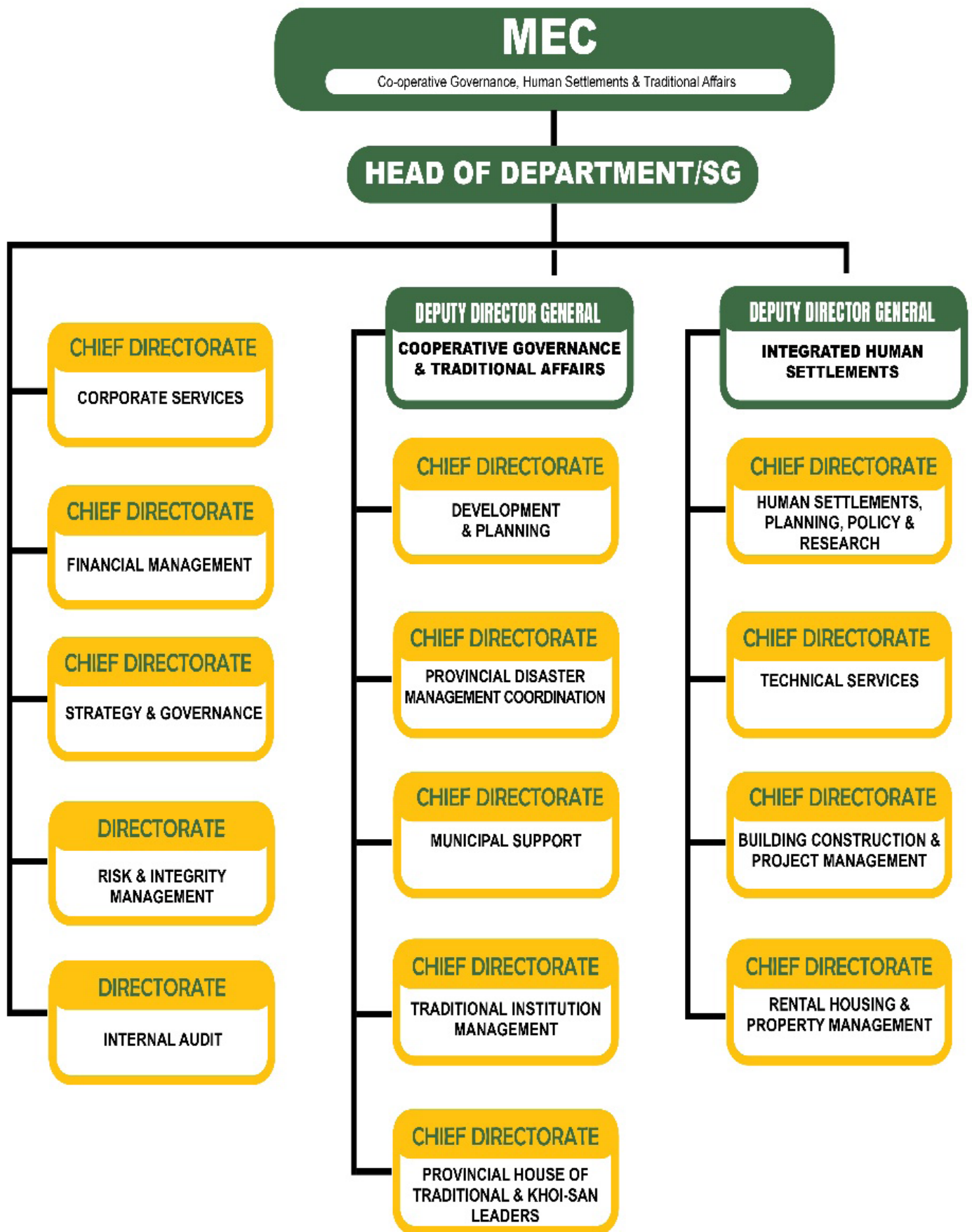
2.1.25 Upgrading of Land Tenure Act (Act No. 34 of 1996)

The above-mentioned Act relates to the process of converting existing, often informal or insecure, land rights (like leaseholds or deed of grant) into full ownership rights, as formalized by the above-mentioned Act. The Act primarily deals with facilitating the conversion of rights, not limited to, leasehold or deed of grants into full ownership. Further, dealing with the transfer of tribal land into full ownership and the formalisation of land rights which provides greater security and recognition of full ownership in line with the Constitution.

2.2. Other legislations that also impact on the Department include:

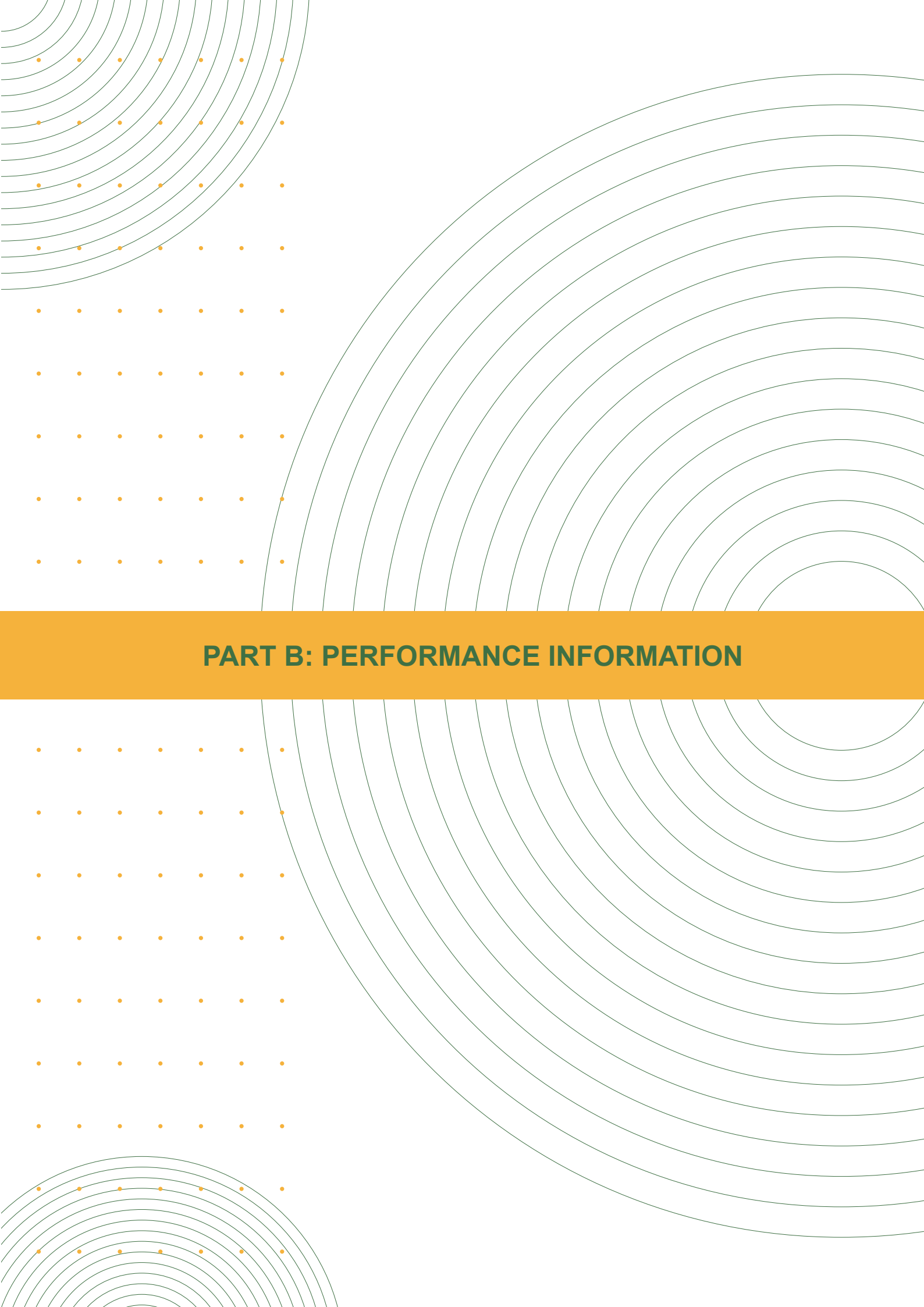
- Regulations for the Election of the 40% Members of Traditional Councils, 2007
- Mpumalanga Commissions of Inquiry Act, 1998 (Act No. 11 of 1998)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)
- Other enabling legislation of Local Government
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Protection of Personal Information Act, 2013 (Act No. 4 of 2013)
- Labour Relations Act, 1995, Act No. 66 of 1995)
- Public Service Act, 1994
- Public Administration Management Act, 2014 (Act No. 11 of 2014)
- Basic Conditions of Employment Act 1997(Act No. 75 of 1997)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Skills Development Act, 1998 (Act No. 97 of 1998)

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

The Department does not have entities reporting to the MEC.

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PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 195 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The National Development Plan provides a long-term vision for eliminating poverty and reducing inequality by 2030. It emphasizes building a capable state, promoting inclusive economic growth, and improving access to basic services such as housing, water, and sanitation. On Disaster Relief, National Development Plan emphasizes proactiveness measures, rapid response mechanisms and community resilience building to minimize damage from natural disasters. On water and Sanitation, the NDP aims to achieve universal access to clean water and adequate services to all South Africans. These priorities directly inform the mandate of the Department, particularly in addressing housing backlogs and enhancing integrated human settlements across the province.

Statistics South Africa remains the primary source of population and housing data used for planning, monitoring, and policy development. Since the advent of democracy, South Africa has conducted four national censuses (1996, 2001, 2011, and 2022). The most recent Census 2022, which was the first fully digital census, has improved the accuracy and timeliness of data collection.

According to Census 2022, the population of Mpumalanga Province increased significantly from 4,039,939 in 2011 to approximately 5,143,324 in 2022. This rapid population growth has intensified demand for housing, bulk infrastructure, and basic services, thereby placing additional pressure on the Department to accelerate service delivery.

Demographic data further indicates that 7.6% of children in the province are orphaned, having lost both parents, while a significant proportion reside in rural areas under vulnerable conditions. This reality necessitates a targeted approach in service delivery, where vulnerable groups, including child-headed households, are prioritized in housing allocation and support programmes. The Department continues to collaborate with key stakeholders such as the Department of Social Development, South African Social Security Agency, and other sector departments to ensure integrated support.

The housing demand in the province remains substantial. A total of 46,956 beneficiaries is registered and approved on the Housing Subsidy System (HSS), while the broader housing demand, including unapproved applicants, is estimated at 314,087. This reflects a growing housing backlog that exceeds the current rate of delivery. In response, the Department has adopted innovative approaches, including:

- Accelerating the upgrading of informal settlements
- Increasing the provision of serviced sites
- Enhancing partnerships with municipalities

In addition to housing delivery, the Department plays a critical role in the provision of disaster relief material and support to municipalities during emergencies. In line with the Disaster Management Act, the Department collaborates with the National Disaster Management Centre and local municipalities to respond to disasters such as floods, fires, and severe storms.

Recent trends in South Africa indicate an increase in climate-related disasters, which disproportionately affect vulnerable communities, especially those residing in informal settlements. The Department therefore ensures:

- Provision of emergency housing assistance (temporary shelters)
- Distribution of disaster relief material (e.g., blankets, food parcels)
- Support to municipalities in disaster response and recovery efforts

These interventions are aligned with the broader objective of safeguarding livelihoods and ensuring continuity in service delivery.

To strengthen accountability and responsiveness, the Department has established multiple service access channels, including walk-in centers at district offices, telephonic enquiries, complaints and compliments boxes, and referrals from Chapter 9 institutions such as the Office of the Public Protector.

The Department has further institutionalised the Batho-Pele Principles through the development and approval of key delivery instruments, including:

Service Delivery Improvement Plan (SDIP) Service Charter

- Service Standards
- Service Delivery Model
- Complaints and Compliments Management System
- Standard Operating Procedures (SOPs)
- Batho-Pele Norms and Standards

2.1 SERVICE DELIVERY IMPROVEMENT PLAN

MAIN SERVICES AND STANDARDS

The Department delivers its mandate through two primary service areas:

- 1. Provision of Human Settlements (Low-Cost Housing and Basic Services)**
- 2. Disaster Management Support (Provision of Disaster Relief Material and Emergency Assistance)**

Main Services	Beneficiaries	Standard Current/Actual (2025/26)	Desired Standard (2025/26)	Actual Achievements (2025/26)
Provision of Bulk Water and Sanitation Infrastructure	Municipalities and qualifying beneficiaries earning below R3,500	7 projects completed	5 projects planned	5 projects still in progress
Provision of Basic Services (Serviced Sites for Low-Cost Housing)	Qualifying beneficiaries earning below R3,500	5,583 sites serviced	4,310 sites targeted	4611 sites serviced
Disaster Management Support (Provision of Relief Material and Emergency Assistance)	Affected households and municipalities	Ad hoc provision of relief material during disasters	Strengthened, coordinated and timely response to all declared disasters	Coordinated the provision of disaster relief support to municipalities, resulting in the distribution of 3 710 blankets, 1 623 sponges, 3 322 tarpaulins, 592 gel stoves, and 1 227 food parcels and 542 water sachets to affected communities.

BATHO-PELE ARRANGEMENTS WITH BENEFICIARIES

The Department continues to uphold Batho-Pele principles as follows:

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
1. Consultation	Ongoing engagement with internal and external stakeholders, including municipalities and beneficiaries	Engaged with internal and external stakeholders, including municipalities and beneficiaries
2. Access	Services are provided through the Head Office, three district offices and two satellite offices, accessible physically and telephonically	Services provided through Head Office, three district offices and two satellite offices, accessible physically and telephonically
3. Courtesy	All queries will be responded to within 21 calendar days	Queries were received and responded to within 21 calendar days
4. Openness and Transparency	Share information through media platforms and public communication channels	Information shared through media platforms and public communication channels
5. Information	Disseminated via reports, media briefings, community engagements, and PAIA processes	Disseminated via reports, media briefings, community engagements, and PAIA processes
6. Redress	Manage complaints through the Directorates: Stakeholder Management and Strategic Planning	Complaints managed through the Directorates: Stakeholder Management and Strategic Planning
7. Customer Impact	Access to housing, water, sanitation and disaster relief services	Improved access to housing, water, sanitation, and disaster relief services

SERVICE DELIVERY INFORMATION TOOLS

The Department utilizes the following tools to monitor and improve delivery service:

- | |
|--|
| 1. Approved Service Delivery Improvement Plan (SDIP) |
| 2. Service Standards |
| 3. Service Charter |
| 4. Service Delivery Model |
| 5. Complaints and Compliments Management System |
| 6. Batho Pele Norms and Standards |

Progress is monitored through regular reporting on SDIP implementation.

Complaints Mechanism

The Department has established multiple channels for lodging complaints, including:

- | |
|---|
| 1. Chapter 9 institutions |
| 2. Oversight structures such as the Legislature |
| 3. Walk-in complaints |
| 4. Telephone and electronic communication |
| 5. Social media platforms |
| 6. Rental Tribunal |

Enhancements include:

- | |
|---|
| 1. Installation of complaints and compliments boxes across district offices |
| 2. Approval of Service Charter and Service Standards |
| 3. Regular reporting on complaints received and resolved |

DISASTER MANAGEMENT CONTEXT AND PROVINCIAL TRENDS

In recent years, Mpumalanga Province has experienced an increase in climate-related disaster incidents, particularly **floods, severe storms, and veld fires**, which have had a direct impact on vulnerable communities and service delivery infrastructure.

According to reports from the National Disaster Management Centre and provincial disaster management structures, flooding remains one of the most frequent and damaging hazards in the province.

- During the **2024/25 and 2025/26 financial years**, several local municipalities in Mpumalanga, including areas within Ehlanzeni and Gert Sibande Districts, experienced **localized flooding and storm damage**, resulting in:
 - Damage to residential structures, particularly informal settlements
 - Disruptions to water and sanitation infrastructure
 - Temporary displacement of affected households
 - Heavy rainfall events, consistent with broader national trends reported by Statistics South Africa, have increased the vulnerability of low-lying and poorly serviced areas.
 - While exact figures vary per incident, provincial reports indicate that **hundreds of households are affected annually** by disaster-related incidents, necessitating coordinated emergency response and post-disaster support.

In response, the Department, in line with the Disaster Management Act, continues to:

- Provide **disaster relief material**, including food parcels and blankets amongst others.
- Support municipalities with **rapid response and recovery interventions**
- Priorities affected by households for **housing assistance and relocation where required**

Furthermore, the increasing frequency of disasters has reinforced the need to integrate **disaster risk reduction measures** into human settlements planning, particularly:

- Avoiding development in high-risk flood-prone areas
- Strengthening the resilience of low-cost housing structures
- Improving early warning systems and community awareness

2.3 Organisational environment

The Department is structured into four programmes namely;

- Programme 1: Administration;
- Programme 2: Human Settlements;
- Programme 3: Co-operative Governance;
- Programme 4: Traditional Institutional Development; and
- Programme 5: House of Traditional Leaders.

The 2025/2026 Marks the first financial year of a successfully merged department of Co-operative Governance, Human Settlements and Traditional Affairs operating under vote 4. This is a process at which a new organisational structure was approved, budget structure is formed, new departmental committees are formed, and integration of systems took place.

After successful restructuring and organisational redesign, the Honourable Premier appointed Mr S. Ngubane as the Acting Superintendent General/Head of Department. Subsequently, Ms NH Zitha and Ms LT Sibiya were appointed acting DDG for integrated human settlements and Cooperative governance respectively.

During the period under-review period the department faced significant challenges that severely affected service delivery and people's livelihoods. Local government struggled with **financial distress, infrastructure decay, and governance instability**, leaving roughly **63% of municipalities not fully functional**. The review offers an opportunity to reassess how cities, towns, and localities are governed and serviced. Its purpose is to **rectify historical imbalances** by ensuring inclusive engagement that reaches beyond usual stakeholders and gives marginalised communities a meaningful voice.

2.4 Key policy developments and legislative changes

There has not been any significant change to legislation that affected the department.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Department's Impact is as follows:

Spatially transformed local municipalities and traditional communities.

The Department's Outcomes are summarized as follows:

Outcome 1: Efficient and effective administrative support provided to the Department

- The Department of Human Settlements obtained an unqualified audit opinion with findings and CoGTA sustained a clean outcome.

Outcome 3: Reduced poverty and improved livelihoods

- 6 informal settlements upgraded by completing Phases 2 of the National Housing Code (provision of security of tenure, engineering infrastructure, basic services and activating livelihood)
- 4 611 sites serviced completed
- 1088 Housing units completed
- 150 CRUs delivered
- 2014 Title deeds registered
- 20 Subsidies disbursed through FHF
- 2 Project Linked individual subsidies disbursed
- 4 Social and Economic Facilities completed

Outcome 3: Improved performance and service delivery by municipalities

- 20 Municipalities assessed on signed Senior Management Performance Agreement
- 20 Municipalities assessed on the effectiveness of S79, S80 committees & LLF
- 17 Municipalities supported to institutionalise Batho Pele (Service Standards)
- 20 Municipalities supported to review their organograms
- 17 Municipalities guided to comply with the MPRA
- 20 Municipalities monitored on the extent to which of Anti-corruption measures are implemented
- 20 Municipalities supported to institutionalize Performance Management Systems.
- 20 Municipalities monitored on the implementation of workplace skills plan
- 17 Municipalities supported to resolve community concerns.

Outcome 4: Improved planning, development coordination and access to basic services

- 20 Municipalities with improved planning and development coordination
- 20 Municipalities supported with SDF alignment to the SPLUMA provisions
- 20 Municipalities supported in the implementation of SPLUMA on LUM
- 20 870 Work opportunities reported through the Community Work Programme
- 3 Municipalities supported to maintain functional Disaster Management Centres
- 1 267 320 households have access to basic water (municipal data)
- 1 367 910 households have access to basic sanitation (municipal data)
- 1 333 808 households have access to basic electricity (municipal data)
- 907 808 households have access to waste removal (municipal data)

Outcome 5: Improved performance of Traditional Councils

- 62 Traditional Councils supported to perform their functions by monitoring their operations and financial management
- 55 Traditional/ Kings Councils supported on the holding of cultural ceremonies
- 59 Traditional Councils supported to participate in Ward Committees

Outcome 6: Developed communities in areas of traditional leadership

- 12 Agricultural Projects monitored in Traditional Communities (Ndzundza Somphalali, Bakgatla ba Mocha, Bakgatla ba Moepi, Bakgatla ba Maloka, Mantjolo, Mandlamakhulu, Madabukela, Emfumbeni, Sethlare, Mathibela, Hhoyi and Amashangane)
- 3 Local Houses participating in District Development Model meetings
- 3 DDM projects monitored in Traditional Communities Ehlanzeni, Gert Sibande and Nkangala

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Purpose of the Programme

This Programme aims at providing effective financial, technical, political and administrative support to Department in terms of Political guidance, Strategic Management, Risk Management, Legal Services, Financial Management, Security Management, Human Resource Management, Transversal services, Strategic Planning, Monitoring and Evaluation, Communication and IT services in accordance with the applicable Acts and policies of the Department

List of Sub-programmes

- Office of the MEC
- Corporate Services
- Office of the Head of Department
- Finance
- Human Resource Management
- Legal Services
- Security Management
- Strategic Planning
- Monitoring and Evaluation
- Communications
- IT Support

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 2.4.4.1: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements for the re-table Annual Performance Plan

(To be used for a report against the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has **re-tabled** an Annual Performance Plan in the financial year under review)

Programme/ Sub-programme: Administration									
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026 until date of re-tabling	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
There were no revisions made to the outputs, output indicators and targets of Programme 1: Administration Sub-Programmes Office of the MEC, Finance, and Corporate Services with sub-sub programmes, Security Management and Communication and IT Services. All the indicators as reflected on table 2.4.4.2 were indicators on the originally tabled 2025/26 Annual Performance Plan.									

Table 2.4.4.2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements for the originally table Annual Performance Plan

Programme: Administration								
Sub-programme: Corporate Service								
Sub-sub programme: Finance								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Efficient and effective administrative support provided to the Department	Risk management reports approved	Number of risk management reports approved	5	5	4	Achieved: 4 risks management reports approved	None	None

Programme: Administration								
Sub-programme: Corporate Service								
Sub-sub programme: Human Resource Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Efficient and effective administrative support provided to the Department	Compliance to applicable prescripts	Percentage of compliance to applicable prescripts	100% (4)	100% (5)	100% (5)	Achieved: 100% (5) compliance to applicable prescripts	None	None
	Professional Public Service	Number of reports on Professionalisation of the Public Service	-	2	4	Achieved: 4 reports on Professionalisation of the Public Service	None	None

Programme: Administration								
Sub-programme: Corporate Service								
Sub-sub programme: Employee Health and Wellness								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Efficient and effective administrative support provided to the Department	Disaster Management Plans developed	Number of Disaster Management Plans developed	-	-	1	Achieved: 1 Disaster Management Plans developed	None	None

Programme: Administration								
Sub-programme: Corporate Service								
Sub-sub programme: Security Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Efficient and effective administrative support provided to the Department	Report on Security Assessment Conducted	Number of reports on Security assessments conducted	16 (Louisville, Mbangwane, Casteel, Verena, Klarinet, Tholulwazi, Marapyane, Wonderfontein, Mpu-luzi, MEC's Office, Siyathemba, Daggakraal, Moremele, Morgenzon, Driefontein and Vaka-sha)	10 (Kwa Mhlanga, Klipfontein, PDMC, Kwa Mhlanga GC, Marapyane, Balfour, Moremele, Mbangwane, Morgenzon and Driefontein)	16	Achieved: 18 reports on Security assessments conducted (Wonderfontein, Mbangwane, Marapyane, Siyathemba, Driefontein, Fernie, Samora Machel Building, Rhino buildings, Gert-Sbande District office (Ermelo), Cycad building Ehlanzeni District), KwaMhlanga Government Complex building, Piet Koornhof Office (eMalahleni), Morgenzone TSC, Daggakraal TSC, King Makhosonke Mabena's private residence at KwaMhlanga, Makhosonke Mabena's Kraal at Klipfontein, Provincial Disaster Management Centre [PDMC] and Sonjoy 2010 building	Two more security assessments were conducted	The condition of the guard houses at Marapyane and Siyathemba TSC's necessitated additional security assessments to be conducted

Programme: Administration								
Sub-programme: Corporate Service								
Sub-sub programme: Information and Communication Technology								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Efficient and effective administrative support provided to the Department	ICT systems functional	Number of ICT Systems monitored on functionality	-	2 (Disaster Management Integrated information system and Municipal Monitoring and Support System)	3	Achieved: 3 ICT Systems monitored on functionality (HSS, MMSS and GIS)	None	None

Linking performance with budgets

The final adjusted budget for the programme amounted to **R391.1 million**, against which expenditure of **R365.1 million** was incurred, representing spending of 93.3 percent of the final allocation. Certain planned activities were implemented at lower-than-anticipated costs due to the non-filling of vacant funded posts.

Sub-programme expenditure

Administration	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	15 195	13 744	1 451	-	-	-
Corporate Services	375 973	351 432	24 541	-	-	-
Total	391 168	365 176	25 992	-	-	-

Strategy to overcome areas of under performance

None.

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

- The Programme did not have Standardised outputs and output indicator for sectors with concurrent function during the financial year under review and only reported on the Province specific outputs and output indicator as reflected on the Annual Performance Plan.

4.2 Programme 2: Human Settlements

4.2.1 Programme Purpose: To facilitate and undertake integrated human settlements planning. The Programme ensures integrated and cohesive provincial spatial planning. It also facilitates integrated planning for development in urban, rural spaces through integrated human settlements as well as upgrading of informal settlements and the priority human settlements, housing development areas. The planning functions of the programme are geared towards the realization of National Development Plan 2030, Mpumalanga Vision 2030, and The National Spatial Development Perspective as well as the provincial spatial development framework.

List of Sub-Programmes:

- Housing Needs, Research and Planning
- Housing Needs, Policy and Research
- Housing Development, Financial Intervention
- Incremental intervention
- Social and Rental intervention
- Rural housing subsidies
- Breaking New Grounds
- Bulk Infrastructure projects and
- Housing Asset Management

Table 2.4.4.1: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

*(To be used for a report against the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has **re-tabled** an Annual Performance Plan in the financial year under review)*

Programme / Sub-programme: Housing Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026 <u>until date of re-tabling</u>	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
There were no revisions made to the outputs, output indicators and targets of Programme 2: Housing Needs, Research and Planning, Housing Needs, Policy and Research, Housing Development, Financial Intervention, Incremental intervention, Social and Rental intervention, Rural housing subsidies, Breaking New Grounds Bulk Infrastructure projects and Housing Asset Management. All the indicators as reflected on table 2.4.4.2 were indicators on the originally tabled 2025/26 Annual Performance Plan.									

Table 2.4.4.2:

To be used for a report against the originally tabled Annual Performance Plan (In the instance where a department *did not re-table* the Annual Performance Plan in the financial year under review) OR Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Housing Needs Research and planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Increased investment of the total human settlements allocation in PDAs	Percentage of investment of the total Human Settlements allocation in PDAs	8% investment of the total human settlements allocation in PDAs	15.2% investment of total human settlements allocation in PDAs	12%	Achieved: 50,46% or 568 943 645,66 out of 1 127 571 000,00 investment of total human settlements allocation in PDAs	Overachieved by 38,46% of percentage of investment of the total Human Settlements allocation in PDAs.	The overachievement is due to the fact that the total percentage of investment of the total Human Settlements allocation covers all projects implemented by various programmes within the PDAs
	Projects implemented in line with the Project Readiness Matrix	Number of approved annual Project Readiness Matrix	2024/25 project readiness matrix approved	1 annual Project Readiness Matrix submitted	2	Achieved: 2 approved annual Project Readiness Matrix	None	None

Programme / Sub-programme: Housing Needs Research and planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Research conducted on sectoral topics	Number of approved research projects on sectoral topics	1 research report on sectoral topics	None	1	Not achieved: 0 approved research projects on sectoral topics	Final draft not approved within the reporting period.	Extension of time was granted for the approval of the draft report following internal stakeholder consultation
	Human Settlements approved operational policies implemented	Number of policies and policy guidelines approved	1 Policy developed and approved	1 Policy developed and approved	1	Achieved: 1 policies and policy guidelines approved	None	None
	Approved beneficiaries captured on the HSS	Number of approved beneficiaries	1 948 beneficiaries approved	1 071 beneficiaries approved	800	Achieved: 857 approved beneficiaries	Overachieved by 57 approved beneficiaries	Constant monitoring and engagement of Municipalities and active and consistent support of Municipalities in the sourcing of subsidy forms
	Improved Departmental accountability to the public	Number of reports on public complaints from oversight institutions compiled	4 reports on public complaints from oversight Institutions	4 reports on public complaints from oversight Institutions	4	Achieved: 4 reports on public complaints from oversight institutions compiled	None	None

Programme / Sub-programme: Housing Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Serviced Sites	Number of Serviced Sites completed	6 197 Phase 1 Planning and services	4 583 sites delivered	4 310	Achieved: 4 611 Serviced Sites completed	Over-achieved by 301 serviced sites completed	Good Progress by service providers
	Informal Settlements completed in Phase 1	Number of Informal Settlements completed in Phase 1	New sector standardized indicator	New sector standardized indicator	5	Not Achieved: 0 Informal Settlements completed in Phase 1	Under achieved by 5 informal settlements	There were delays in the consultation process with affected informal settlement communities and stakeholder engagements on the draft layouts, resulting in the Township Establishment approvals being obtained during the third quarter of the 2025/26 financial year. Consequently, the development of the Relocation Plans could only commence in the fourth quarter of the 2025/26 financial year, which impacted the timely implementation and full completion of Informal Settlements Upgraded under Phase 1.
	Informal Settlements completed in Phase 2	Number of Informal Settlements completed in Phase 2	New sector standardized indicator	New sector standardized indicator	5	Achieved: 6 Informal Settlements completed in Phase 2 1. Hlalanikahle Ext 2 2. Kwa-Guqa Ext 16 3. Empumelelweni Ext 7 4. Harmony Hill Ext 2 5. Empumelelweni Ext 12 6. Kinross Ext 34	Overachieved by 1 Informal Settlements	The Department formalised more than what was anticipated in informal settlements upgrading hence the overachievement.
	Informal Settlements upgraded in Phase 3	Number of informal settlements upgraded in phase 3	7 Informal Settlements upgraded to phase 3 of the UISP	None	2	Not Achieved: 0 informal settlements upgraded in phase 3	underachieved by 2 informal Settlements	Lack of bulk leading to halting of services on some projects
	Houses enrolled with NHBRC	Number of housing units enrolled with NHBRC	1 164 Houses enrolled.	1 063 Enrolled	750	Not Achieved: 197 housing units enrolled with NHBRC	Underachieved by 553 enrolments	There is a need to complete previously enrolled houses that are under construction, hence the low enrolment of new units
	Houses certified in line with the NHBRC Regulations and standards	Percentage of houses certified in line with NHBRC regulations and standards	100%	69% or 1 728 out of 2 522 houses were certified in line with NHBRC	100%	Not Achieved: 64% or 1 238 out of 1 921 houses certified in line with NHBRC regulations and standards	36% or 683 out of 1 921 of houses certified in line with NHBRC regulations and standards	This indicator is dependent on the number of houses completed.

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Programme / Sub-programme: Financial interventions								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Subsidies disbursed	Number of subsidies disbursed through FHF	76 Finance Linked Individual Subsidies disbursed	44 households that received subsidies through First Home Finance	10	Achieved: 20 subsidies disbursed through FHF	Overachieved by 10 subsidies disbursed through FHF	Over achievement, received more applications than anticipated.
	Subsidies disbursed	Number of subsidies disbursed through Project Linked Individual subsidies	10 Project Linked Individual subsidies disbursed	4 Project Linked Individual Subsidies disbursed	10	Not Achieved: 02 subsidies disbursed through Project Linked Individual subsidies	Under achieved by 08 subsidies.	The Programme received less applications than anticipated.
	Military veterans houses completed	Number of Military veterans houses completed	9 Military veterans houses completed	8 Military Veterans houses completed	5	Achieved: 6 Military veterans houses completed	Overachieved by 1 Military veterans' house	1 Unit started in 2024/25 only completed in 2025/26
	Social and Economic Facilities completed	Number of Social Economic Facilities completed	4 Social Economic Facilities completed	5 Social Economic Facilities completed	3	Achieved: 4 Social Economic Facilities completed 1. Ntunda Community Hall 2. Mirriam Mogoakane Child Care Centre 3. Lekwa Community Hall 4. Lekwa Child Care Centre	Overachieved by 1 economic facilities practical completed	The overachievement resulted from accelerated implementation, supported by the approved reprioritisation of budget from underperforming projects within the Chief Directorate, which enhanced delivery capacity during the reporting period.
	Well-located land acquired	Number of well-located land under land assembly processes acquired	2 land parcels	1 land parcels	2	Not Achieved: 0 well-located land under land assembly processes acquired	Under achieved by 02 parcels.	1. Minister's approval was not obtained to allow the Sizanani Communal Property Association to sell the land as required by law.

Programme / Sub-programme: Incremental interventions								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Top Structures units completed	Number of Integrated Residential Development Programme Phase 2: Top Structures completed	1 277 housing units completed	1 253 housing units completed	1 429	Not Achieved: 804 Integrated Residential Development Programme Phase 2: Top Structures completed	Underachieved by 625 IRDP Ph2 Top Structures not completed	Slow project delivery yielding low productivity on site.
	Emergency housing units repaired	Number of houses repaired through emergency housing programme	676 houses roofed with asbestos eradicated under the emergency housing programme.	213 houses roofed with asbestos eradicated under the emergency housing programme.	405	Achieved: 475 houses repaired through emergency housing programme	Overachieved by 70 emergency houses repaired	Acceleration of works by service providers

Programme / Sub-programme: Social and Rental interventions								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Community Residential Units delivered	Number of Community Residential Units (CRU) delivered	112 CRU under-construction	78 units practical complete (48 units at Sonheuwel and 30 units at Reabota)	150	Achieved: 150 Community Residential units delivered	None	None

Programme / Sub-programme: Rural Housing subsidies								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Rural Housing units completed	Number of houses completed through Rural Housing: Communal land rights and mud houses	236 houses	389 houses	337	Not Achieved: 278 houses completed through Rural housing communal land rights and mud houses	Underachieved by 59 Rural housing communal land rights and mud houses not completed	Slow project delivery yielding low productivity on site emanating mainly from cash flow challenges.

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Programme / Sub-programme: Breaking New Grounds								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Breaking New Ground (BNG) units completed	Number of housing units completed	1 522 units	1 728 units	1 921	Not Achieved: 1 238 Housing units completed	Underachieved by 683 Housing units completed.	Underperformance due that the indicator is dependent on the performance of the following indicators: CRU, Military, IRDP and Rural

Programme / Sub-programme: Bulk Infrastructure Projects								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Bulk water and sanitation infrastructure projects completed	Number of bulk water and sanitation infrastructure projects completed	None	None	5	Not Achieved: 0 bulk water and sanitation infrastructure projects completed	Underachieved by 5 water and sanitation infrastructure projects with progress as follows: Ermelo ext 44: 27% Mashishing Ext 6: 95% Kumana: 97% Phola Iraq: 80% Rondebosch: 84%	Slow progress by service providers

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Programme / Sub-programme: Housing Assets Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Reduced poverty and improved livelihoods	Title Deeds registered	Number of Title Deeds registered	2 393 Deeds registered	3 002 Deeds registered	1 000	Achieved: 2 014 Title Deeds registered	Overachieved by 1 014 title deeds.	More title deeds were received than anticipated as the result of the state land release Programme
	Rental Dispute Resolved	Number of rental disputes resolved	712 rental disputes resolved	797 rental disputes resolved	650	Achieved: 906 rental disputes resolved	Overachieved by 256 rental disputes resolved	More cases received than envisaged and needed to be resolved within 90 days as per the legislative prescripts

Linking performance with budgets

The final allocated budget for the programme amounted to **R 1.29 billion**, against which expenditure of **R 1.28 billion** was incurred. This represents spending of approximately **99.3** percent of the final allocation. The minimal under-expenditure is mainly attributable to delays in the Parliamentary Village project, which experienced challenges related to vandalism as well as the contractor's inability to commit to completing the project within the planned timeframe.

Sub-programme expenditure

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Housing Needs, Research and Planning	91 472	85 383	6 089	-	-	-
Housing Development	1 178 757	1 175 769	2 988	-	-	-
Housing Asset Management	20 390	20 323	67	-	-	-
Total	1 290 619	1 281 476	9 143	-	-	-

Strategy to overcome areas of under performance

Number of Research approved

- Improve planning and coordination of consultation and approval processes to avoid delays

Number of houses enrolled with NHBRC

- New houses will be constructed and allocated for the next financial year.

Number of informal Settlements completed in phase 1

- The Department will engage NDoHS to request exemption from reporting on this indicator, as upgrading plans for informal settlements were developed in prior years and the current focus has shifted to implementation.

Number of informal settlements upgraded in phase 3

- Weekly progress update meetings to be held with Service providers and bulk to be prioritised

Number of subsidies disbursed through Project Linked Individual subsidies

- To improve awareness in order to educate communities on the programme.

Number of well-located land under land assembly processes acquired

- Postpone the acquisition of land until all the necessary processes are finalised

Number of IRDP, Rural and BNG

- Slow performing contractors' appointment were terminated or scope reduced with replacement contractors appointed to complete the works.

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

The Programme: Human Settlements had the following sub-programme as sector standardized indicators:

- **Number of Serviced sites completed:** This indicator had a planned target of 4310 sites and achieved 4 611 with an over-achievement of 301 sites
- **Number of informal settlements upgraded to phase 1:** This indicator had a planned target of 5 informal settlements and there is no achievement for the period under review'
- **Number of informal settlements upgraded to phase 2:** This indicator had a target of 5 informal settlements and 6 were upgraded to phase 2.
- **Number of informal settlements upgraded to phase 3:** This indicator had 2 informal settlements planned for upgrading to phase 3 and has recorded a zero achievement in the period under-review.
- **Number of FHF:** This indicator had 10 planned disbursements and managed to disburse 20, recording an over-achievement of 10 FHF disbursed
- **Number of units (BNGs) completed:** This indicator had a target of 1921 units and managed to achieve 1 238 units, recording an underachievement of 683 units.
- **Number of title deeds registered:** This indicator had an annual target of 1 000 and managed to achieve by 2014.

4.3 Programme 3: Cooperative Governance

This programme aims at strengthening the administrative and financial capacity of municipalities as well as deepening democracy at local level in order to ensure that Municipalities perform their developmental responsibilities. The programme also aims at strengthening Municipalities on development and planning requirements as well as coordinating and enhancing the delivering of quality infrastructure to improve the provision of basic services in local government level.

Sub-Programme: Local Governance

List of Sub-Sub-programmes

- Municipal Administration
- Inter- Governmental Relations
- Public Participation
- Municipal Finance
- Capacity Development
- Municipal Performance Monitoring Reporting and Evaluation
- Service Delivery Improvement Unit (Provincial Priority)

Sub-Programme: Development and Planning

List of Sub-Sub-programmes

- Strategy Development, Research, Policy and Planning (IDP Coordination)
- Spatial Planning
- Land Use Management
- Local Economic Development
- Municipal Infrastructure
- Water Services
- Disaster Management

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 3.4.4.1: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements for the re-table Annual Performance Plan

(To be used for a report against the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has re-tabled an Annual Performance Plan in the financial year under review))

Programme/ Sub-programme: Administration									
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026 <u>until date of re-tabling</u>	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
There were no revisions made to the outputs, output indicators and targets of Programme 3: Sub Programme: Local Governance: Municipal Administration, Inter- Governmental Relations, Public Participation, Municipal Finance, Capacity Development, Municipal Performance Monitoring Reporting and Evaluation, Service Delivery Improvement Unit. Sub Programme: Development and Planning: Strategy Development, Research, Policy and Planning (IDP Coordination), Spatial Planning, Land Use Management, Local Economic Development, Municipal Infrastructure, Water Services and Disaster Management. All the indicators as reflected on table 3.4.4.2 were indicators on the originally tabled 2025/26 Annual Performance Plan.									

Table 3.4.4.2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements for the originally table Annual Performance Plan

Programme: Cooperative Governance Sub-programme: Local Governance Sub-Sub-Programme: Municipal Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance and service delivery by municipalities	Municipal Senior Management with signed Performance Agreements	Number of municipalities assessed on signed Senior Management Performance Agreements	20 (All municipalities in the Province)	20 (All municipalities in the Province)	20	Achieved: 20 municipalities assessed on signed Senior Management Performance Agreements (All municipalities in the Province)	None	None
	Municipalities implementing systems and procedures for personnel administration in line with S67 of MSA	Number of municipalities monitored on the implementation of systems and procedures for personnel administration in line with S67 of the MSA	20 (All municipalities in the Province)	20 (All municipalities in the Province)	20	Achieved: 20 municipalities monitored on the implementation of systems and procedures for personnel administration in line with S67 of the MSA (All municipalities in the Province)	None	None
	Municipalities with effective Section 79 and 80 committees	Number of Municipalities assessed on effectiveness of Section 79 and 80 committees	20 municipalities monitored on effectiveness of S79&S80 committee (All municipalities in the Province)	0	20	Achieved: 20 Municipalities assessed on effectiveness of Section 79 and 80 committees (All municipalities in the Province)	None	None
	Municipalities with effective LLF	Number of Municipalities assessed on effectiveness of LLF	20 municipalities monitored on effectiveness of LLFs (All municipalities in the Province)	0	20	Achieved: 20 Municipalities assessed on effectiveness of LLF (All municipalities in the Province)	None	None
	Municipalities with gazetted By-Laws	Number of Municipalities supported to gazette Municipal By-laws	14 (Dipaleseng, Ehlanzeni, Emalahleni, Thembisile Hani, Victor Khanye, Dr Pixley Ka Isaka Seme, Dr JS Moroka, Nkomazi, Emakhazeni, Mkhondo, Msukaligwa, Govan Mbeki, Chief Albert Luthuli and Thaba Chweu)	14 (Dipaleseng, Lekwa, Emalahleni, Thembisile Hani, Victor Khanye, Dr Pixley Ka Isaka Seme, Dr JS Moroka, Nkomazi, Emakhazeni, Mkhondo, Msukaligwa, Govan Mbeki, Chief Albert Luthuli and Thaba Chweu)	14	Achieved: 14 Municipalities supported to gazette Municipal By-laws (Emalahleni, Dr JS Moroka, Gert Sibande, Lekwa, Thaba Chweu, Nkomazi, Chief Albert Luthuli, Msukaligwa, Govan Mbeki, Dipaleseng, Victor Khanye, Mkhondo, Thembisile Hani and Emakhazeni)	None	None

Programme: Cooperative Governance Sub-programme: Local Governance Sub-Sub-Programme: Municipal Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Municipalities assessed on compliance with cascading of PMDS in line with Municipal Staff Regulations	Number of Municipalities assessed on compliance with cascading of PMDS in line with Municipal Staff Regulations	5 (Ehlanzeni, Gert Sibande, Nkangala, Victor Khanye and Steve Tshwete)	20 (All municipalities in the province)	20	Achieved: 20 municipalities assessed on compliance with cascading of PMDS in line with Municipal Staff Regulations (All municipalities in the Province)	None	None
	Municipalities implementing anti-corruption measures	Number of municipalities monitored on the extent to which anti-corruption measures are implemented	20 (All municipalities in the province)	20 (All municipalities in the province)	17	Achieved: 17 municipalities monitored on the extent to which anti-corruption measures are implemented (All local municipalities in the Province)	None	None
	Municipalities complying with MSA Regulations on the appointment of senior managers	Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers	9 (Mkhondo, Dipaleseng, Bushbuckridge, Steve Tshwete, City of Mbombela, Ehlanzeni, Thaba Chweu, Dr JS Moroka, and Nkomazi)	8(Thaba Chweu, Chief Albert Luthuli, Msukaligwa, City of Mbombela, Dipaleseng, Thembisile Hani, Ehlanzeni and Lekwa)	12	Achieved: 12 municipalities supported to comply with MSA Regulations on the appointment of senior managers (Gert Sibande, City of Mbombela, Thembisile Hani, Emakhazeni, Chief Albert Luthuli, Mkhondo, Dr Pixley ka Isaka Seme, Govan Mbeki, Nkangala, Steve Tshwete, Emalahleni and Lekwa)	None	None

Programme: Cooperative Governance Sub-programme: Local Governance Sub-Sub-Programme: Inter- Governmental Relations								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance and service delivery by municipalities	Functional IGR structures at District level	Number of district municipalities monitored on the functionality of IGR structures	3 (Gert Sibande, Nkangala and Ehlanzeni)	3 (Gert Sibande, Nkangala and Ehlanzeni)	3	Achieved: 3 municipalities monitored on the functionality of IGR structures (Nkangala, Gert Sibande and Ehlanzeni)	None	None
	Prepared district municipalities for the 2026/27 Local Government Elections	Number of district municipalities monitored on preparation for the 2026/27 Local Government Elections	-	-	3	Achieved: 3 district municipalities monitored on preparation for the 2026/27 Local Government Elections (Nkangala, Gert Sibande and Ehlanzeni)	None	None
	Responses on petitions	Percentage of responses on petitions	100%	100% (23)	100%	Achieved: 100% responses on petitions (152)	None	None

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Programme: Cooperative Governance Sub-programme: Local Governance Sub-Sub-Programme: Municipal Finance								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance and service delivery by municipalities	Municipalities implementing Audit Action Plans	Number of municipalities supported to implement Audit Action Plans	20 (All municipalities in the province)	20 (All municipalities in the province)	20	Achieved: 20 municipalities supported to implement Audit Action Plans (All municipalities in the Province)	None	None
	Revenue enhancement strategies implemented in municipalities	Number of municipalities monitored on the implementation of revenue enhancement strategies	17 (All local municipalities in the province)	17 (All local municipalities in the province)	10	Achieved: 10 municipalities monitored on the implementation of revenue enhancement strategies (Dr JS Moroka, Thaba Chweu, Dr Pixley Ka Isaka Seme, Lekwa, Nkomazi, Victor Khanye, Dipaleseng, Govan Mbeki, Emakhazeni and Mkhondo)	None	None
	Section 131 of the MFMA report submitted to legislature	Number of reports on the state of municipal finance in terms of section 131 of the MFMA	-	1	1	Achieved: 1 reports on the state of municipal finance in terms of section 131 of the MFMA	None	None
	Municipalities complying with the MPRA	Number of municipalities guided to comply with the MPRA	17 (All local municipalities in the province)	17 (All local municipalities in the province)	17	Achieved: 17 municipalities guided to comply with the MPRA (All local municipalities in the Province)	None	None
	Reduced Unauthorised, Irregular, Fruitless and Wasteful expenditure	Number of municipalities supported to reduce Unauthorised, Irregular, Wasteful and Fruitless expenditure	20 (All municipalities in the province)	18 (Emalahleni, Emakhazeni, Dipaleseng, Nkomazi, Mkhondo, Bushbuckridge, Govan Mbeki, Chief Albert Luthuli, Thembisile Hani, Ehlanzeni, Victor Khanye, Nkangala, Msukaligwa, Lekwa, Thaba Chweu, City of Mbombela, Dr JS Moroka and Dr Pixley Ka Isaka seme)	13	Achieved 13 municipalities supported to reduce Unauthorised, Irregular, Wasteful and Fruitless expenditure (Dr JS Moroka, Thaba Chweu, Emalahleni, Nkomazi, Chief Albert Luthuli, Steve Tshwete, Dr Pixley Ka Isaka Seme LM, Msukaligwa, Victor Khanye, Govan Mbeki, Emakhazeni, Mkhondo and City of Mbombela)	None	None

Programme: Cooperative Governance Sub-programme: Local Governance Sub-Sub-Programme: Public Participation								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance and service delivery by municipalities	Municipalities participating in community based local governance processes	Number of municipalities supported to promote participation in community based local governance processes	3 (Gert Sibande, Nkangala and Ehlanzeni)	20 (All municipalities in the province)	20	Achieved: 20 municipalities supported to promote participation in community based local governance processes (All municipalities in the Province)	None	None
	Functional Ward Committees maintained	Number of municipalities supported to maintain functional ward committees	17 (All local municipalities in the province)	17 (All local municipalities in the province)	17	Achieved: 17 municipalities supported to maintain functional ward committees (All local municipalities in the Province)	None	None
	Municipalities supported to resolve community concerns	Number of municipalities supported to resolve community concerns	17 (All local municipalities in the province)	17 (All local municipalities in the province)	17	Achieved: 17 municipalities supported to resolve community concerns (All local municipalities in the Province)	None	None
	Municipalities monitored on the implementation of GBVF responsive programmes	Number of municipalities monitored on the implementation of GBVF responsive programmes	20 (All municipalities in the province)	20 (All municipalities in the province)	20	Achieved: 20 monitored on the implementation of GBVF responsive programmes (All municipalities in the Province)	None	None

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Programme: Cooperative Governance Sub-programme: Local Governance Sub-Sub-Programme: Capacity Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance and service delivery by municipalities	Workplace Skills plans implemented in municipalities	Number of municipalities monitored on the implementation of WSPs	20 (All municipalities in the province)	20 (All municipalities in the province)	20	Achieved: 20 Skills plans implemented in municipalities (All municipalities in the Province)	None	None
	Skills audit recommendations implemented in municipalities	Number of municipalities monitored on the implementation of skills audit recommendations in line with the Municipal Staff Regulation	20	3	6	Achieved: 6 municipalities monitored on the implementation of skills audit recommendations in line with the Municipal Staff Regulation (Lekwa, Emakhazeni, Victor Khanye, Thaba Chweu, Steve Tshwete and City of Mbombela)	None	None
	Capacity building interventions conducted in Municipalities	Number of capacity building interventions conducted in municipalities	4 (Financial Management, Project management, Supply Chain management for Councilors and Municipal Governance)	6 (Civic education, transparent elections; Project management; Artisan electrical; Municipal governance; Process controllers and Executive Management Development)	4	Achieved: 4 capacity building interventions conducted in municipalities (Road patching and maintenance, Process Controllers, Law enforcement for peace officers and roles and responsibility of ward committee coordinators)	None	None

Programme: Cooperative Governance Sub-programme: Local Governance Sub-Sub-Programme: Municipal Performance Monitoring Reporting and Evaluation								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance and service delivery by municipalities	Municipal support plans monitored	Number of municipal support plans monitored	1	1	1	Achieved 1 municipal Support Plans monitored	None	None
	Feedback on assessment of the alignment of municipal SDBIPs to IDPs	Number of municipalities supported to align SDBIPs with IDPs	20 (All municipalities in the province)	20 (All municipalities in the province)	20	Achieved: 20 municipalities supported to align SDBIPs with IDPs (All municipalities in the Province)	None	None
	Feedback on the assessment of Municipal Annual Reports in line with MFMA Circular No. 63	Number of municipal Annual Reports assessed in line with MFMA Circular No. 63	20 (All municipalities in the province)	20 (All municipalities in the province)	20	Achieved: 20 municipal Annual Reports assessed in line with MFMA Circular No. 63 (All municipalities in the Province)	None	None
	Section 47 report compiled as prescribed by the MSA	Number of Section 47 reports compiled as prescribed by the MSA	1	1	1	Achieved 1 Section 47 reports compiled as prescribed by the MSA	None	None
	Feedback to municipalities on the institutionalization of the performance management system (PMS)	Number of municipalities supported to institutionalize the performance management system (PMS)	20 (All municipalities in the province)	20 (All municipalities in the province)	20	Achieved: 20 municipalities supported to institutionalize the performance management system (All municipalities in the Province)	None	None

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Programme: Cooperative Governance Sub-programme: Local Governance Sub-Sub-Programme: Service Delivery Improvement								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance and service delivery by municipalities	Functional Thusong Service Centres	Number of Thusong Service Centres monitored on functionality	23 (Casteel, Louisville, Tholulwazi, Siyathemba, Ximhungwe, Mashishing, Breyten, Morgenzon, Thuthukani, Adelaide Tambo, Wonderfontein, Doornkop, Daggakraal, Ogies, Verena, Sakhile, Marapyane, Mbangwane, Saul Mkhize, Mpuluzi, Victor Khanye, Matsamo and Klarinet)	21 (Casteel, Louisville, Tholulwazi, Siyathemba, Ximhungwe, Mashishing, Breyten, Morgenzon, Thuthukani, Adelaide Tambo, Wonderfontein, Doornkop, Daggakraal, Sakhile, Marapyane, Mbangwane, Verena, Saul Mkhize, Mpuluzi, Matsamo and Klarinet)	20	Achieved: 20 Thusong Service Centres monitored on functionality (Siyathemba, Ximhungwe, Mashishing, Breyten, Louisville, Tholulwazi, Adelaide Tambo, Wonderfontein, Doornkop, Daggakraal, Morgenzon, Casteel, Verena, Sakhile Marapyane, Mbangwane Matsamo, Klarinet, Saul Mkhize and Mpuluzi).	None	None
	Batho Pele institutionalized in municipalities	Number of municipalities supported to institutionalize Batho Pele	20 (All municipalities in the province)	20 (All municipalities in the province)	20	Achieved: 20 municipalities supported to institutionalize Batho Pele (All municipalities in the Province)	None	None

Programme: Cooperative Governance Sub-Programme: Development and Planning Sub-Sub-Programme: Strategy Development, Research, Policy and Planning (IDP Coordination)								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved planning, development coordination and access to basic services	Municipalities monitored on the prescribed IDP process	Number of municipalities monitored on the prescribed IDP process	20 (All municipalities in the province)	20 (All municipalities in the province)	20	Achieved: 20 municipalities monitored on the prescribed IDP process (All municipalities in the Province)	None	None
	Legally compliant IDPs	Number of municipalities with legally compliant IDPs	20 (All municipalities in the province)	20 (All municipalities in the province)	20	Achieved: 20 municipalities with legally compliant IDPs (All municipalities in the Province)	None	None
	Districts monitored on the implementation of One Plans	Number of Districts/Metros monitored on the implementation of One Plans	3 (Gert Sibande, Nkangala and Ehlanzeni)	3 (Gert Sibande, Nkangala and Ehlanzeni)	3	Achieved: 3 Districts monitored on the implementation of One Plans (Nkangala, Gert Sibande and Ehlanzeni)	None	None

Programme: Cooperative Governance Sub-Programme: Development and Planning Sub-Sub-Programme: Spatial Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved planning, development coordination and access to basic services	Reviewed Municipal SDFs	Number of Municipalities supported to review SDFs	20 (All municipalities in the Province)	1 (Thaba Chweu)	1	Achieved: 1 mmunicipalities supported to review SDFs (Chief Albert Luthuli)	None	None
	Municipal geographical information services implemented	Number of municipalities supported with geographical information services	20 (All municipalities in the Province)	20 (All municipalities in the province)	20	Achieved: 20 municipalities supported with geographical information services (All municipalities in the Province)	None	None
	Municipal SDFs implemented	Number of Municipalities supported with SDF implementation	20 (All municipalities in the Province)	20 (All municipalities in the province)	20	Achieved: 20 mmunicipalities supported with SDF implementation (All municipalities in the Province)	None	None
	Provincial Spatial Development Framework (PSDF) projects monitored	Number of PSDF projects monitored	4 (Nkosi City development, Mpumalanga (Eastern Escarpment) RSDF, District Rural Development Sector Plans and the compilation of development plans for PHSHDAs)	2 (Nkosi City Development and RSDF)	2	Achieved: 2 PSDF projects monitored (Nkosi City and RSDF)	None	None
	Reviewed PSDF	Number of PSDF reviews monitored	-	-	1	Achieved: 1 PSDF reviews monitored (Mpumalanga PSDF)	None	None

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Programme: Cooperative Governance Sub-Programme: Development and Planning Sub-Sub-Programme: Land Use Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved planning, development coordination and access to basic services	Land developments evaluated	Number of land developments evaluated	43	39	30	Achieved: 30 land developments evaluated	None	None
	Surveyed land in the province in support of integrated human settlement	Number of survey services rendered in support of integrated human settlement	177	175	150	Achieved: 165 survey services rendered in support of integrated human settlement	15 more services rendered	More requests received
	Processed SPLUMA matters implemented on Land Use Management	Number of municipalities supported in the implementation of SPLUMA on LUM	20 (All municipalities in the Province)	20 (All Municipalities in theProvince)	20	Achieved: 20 municipalities supported in the implementation of SPLUMA on LUM (All municipalities in the Province)	None	None

Programme: Cooperative Governance Sub-Programme: Development and Planning Sub-Sub-programme: Local Economic Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved planning, development coordination and access to basic services	Improved municipal LED capacity	Number of municipalities supported to improve capacity to implement LED initiatives	-	-	20	Achieved: 20 municipalities supported to improve capacity to implement LED initiatives (All municipalities in the Province)	None	None
	Business sector interventions coordinated	Number of business sector interventions coordinated to support the reduction of poverty	3 (Badplaas Forever Resort, National Department of Cooperative Governance, NYDA and Transport Education Training Agency and TWK-AGRI)	3 (Kangra Coal Mine, NYDA and Gert Sibande TVET College)	3	Achieved: 3 business sector interventions coordinated to support the reduction of poverty (Kangra Coal Mine in Piet Retief, Amos Phakamadi Training Academy and with the Chemical Industries Education and Training Authority (CHIETA))	None	None
	Work opportunities created through the EPWP Youth Waste Management Project	Number of work opportunities created through EPWP Youth Waste Management Project	190	190	190	Achieved: 190 work opportunities created through EPWP Youth Waste Management Project	None	None
	Work opportunities reported through Community Work Programme	Number of work opportunities reported through Community Work Programme	26 964	26 017	20 000	Achieved: 20 870 work opportunities reported through Community Work Programme	870 Additional Participants	10% Additional participants allowed in terms of the CWP Policy

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Programme: Cooperative Governance Sub-Programme: Development and Planning Sub-Sub-Programme: Municipal Infrastructure								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved planning, development coordination and access to basic services	MIG programmes implemented in municipalities	Number of municipalities monitored on the implementation of MIG programme	16 (Nkomazi, Bushbuckridge, Dr Pixley ka Isaka Seme, Mkhondo, Thaba Chweu, Thembisile Hani, Emalahleni, Emakhazeni, Msukaligwa, Dipaleseng, Govan Mbeki, City of Mbombela, Chief Albert Luthuli, Lekwa, Victor Khanye and Dr JS Moroka)	16 (Nkomazi, Bushbuckridge, Dr Pixley ka Isaka Seme, Mkhondo, Thaba Chweu, Thembisile Hani, Emalahleni, Emakhazeni, Msukaligwa, Dipaleseng, Govan Mbeki, City of Mbombela, Chief Albert Luthuli, Lekwa, Victor Khanye and Dr JS Moroka)	16	Achieved: 17 municipalities monitored on the implementation of MIG programme (Chief Albert Luthuli, Msukaligwa, Mkhondo, DR Pixley Ka Isaka Seme, Lekwa, Dipaleseng, Govan Mbeki, Victor Khanye, Emalahleni, Emakhazeni, Thembisile Hani, Dr JS Moroka, Thaba Chweu, Nkomazi, Bushbuckridge and City of Mbombela)	1 Additional District (Gert Sibande District)	Gert Sibande District was not receiving MIG allocation and was later allocated a budget to implement the Sport Project for Dipaleseng Local Municipality.
	PMUs assessed on MIG performance	Number of PMUs in municipalities assessed on MIG performance	16 (Nkomazi, Bushbuckridge, Dr Pixley ka Isaka Seme, Mkhondo, Thaba Chweu, Thembisile Hani, Emalahleni, Emakhazeni, Msukaligwa, Dipaleseng, Govan Mbeki, City of Mbombela, Chief Albert Luthuli, Lekwa, Victor Khanye and Dr JS Moroka)	16 (Nkomazi, Bushbuckridge, Dr Pixley ka Isaka Seme, Mkhondo, Thaba Chweu, Thembisile Hani, Emalahleni, Emakhazeni, Msukaligwa, Dipaleseng, Govan Mbeki, City of Mbombela, Chief Albert Luthuli, Lekwa, Victor Khanye and Dr JS Moroka)	16	Achieved: 17 PMUs in municipalities assessed on MIG performance (Chief Albert Luthuli, Msukaligwa, Mkhondo, DR Pixley Ka Isaka Seme, Lekwa, Dipaleseng, Govan Mbeki, Victor Khanye, Emalahleni, Emakhazeni, Thembisile Hani, Dr JS Moroka, Thaba Chweu, Nkomazi, Bushbuckridge and City of Mbombela)	1 Additional District (Gert Sibande District)	Gert Sibande District was not receiving MIG allocation and was later allocated a budget to implement the Sport Project for Dipaleseng Local Municipality.
	Indigent policies implemented in municipalities	Number of municipalities monitored on the implementation of indigent policies	17 (All local municipalities in the Province)	17 (All local municipalities in the Province)	17	Achieved: 17 municipalities monitored on the implementation of indigent policies (All local municipalities in the Province)	None	None
	Districts expenditure on national grants	Number of districts monitored on the spending of National Grants	3 (Gert Sibande, Nkangala and Ehlanzeni)	3 (Gert Sibande, Nkangala and Ehlanzeni)	3	Achieved: 3 districts monitored on the spending of National Grants (Gert Sibande, Nkangala and Ehlanzeni District)	None	None
	Infrastructure delivery programme implemented in municipalities (Water, Sanitation, Electricity and Refuse Removal)	Number of municipalities monitored on the implementation of infrastructure delivery programmes	17 (All local municipalities in the province)	17 (All local municipalities in the province)	17	Achieved: 17 municipalities monitored on the implementation of infrastructure delivery programmes (All local municipalities in the Province)	None	None

Programme: Cooperative Governance Sub-Programme: Development and Planning Sub-Sub-Programme: Water Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved planning, development coordination and access to basic services	Remedial measures to improve blue drop performance (water quality)	Number of municipalities supported on remedial measures to improve blue drop performance (water quality)	17 Municipalities monitored on the operations of Water Treatment Plants (All local municipalities in the Province)	16 (Msukaligwa, Mkhondo, Thaba Chweu, Victor Khanye, Emalahleni, Dipaleseng, City of Mbombela, Steve Tshwete, Chief Albert Luthuli, Emakhazeni, Dr Pixley Ka Isaka Seme, Thembisile Hani, Bushbuckridge, Dr JS Moroka, Lekwa and Nkomazi)	16	Achieved: 16 municipalities supported on remedial measures to improve blue drop performance (Msukaligwa, Victor Khanye, Mkhondo, Thaba Chweu, Dipaleseng, City of Mbombela, Steve Tshwete, Chief Albert Luthuli, Emakhazeni, Dr Pixley Ka Isaka Seme, Thembisile Hani, Bushbuckridge, Dr JS Moroka, Lekwa, Nkomazi and Emalahleni)	None	None
	Remedial measures to improve green drop performance (effluent water quality)	Number of municipalities supported on remedial measures to improve green drop performance (effluent water quality)	17 Municipalities monitored on the operations of Waste Water Treatment Plants (All local municipalities in the Province)	17 (All local municipalities in the Province)	17	Achieved: 17 municipalities supported on remedial measures to improve green drop performance (All local municipalities in the Province)	None	None
	Remedial measures to improve no drop performance (water conservation management)	Number of municipalities supported on remedial measures to improve no drop performance (water conservation management)	-	17 (All local municipalities in the Province)	17	Achieved: 17 municipalities supported on remedial measures to improve no drop performance (All local municipalities in the Province)	None	None
	Water Infrastructure projects implemented	Number of municipalities monitored on the implementation of water infrastructure projects	-	-	17	Achieved: 17 municipalities monitored on the implementation of water infrastructure projects (All local municipalities in the Province)	None	None
	Technical support provided to district municipalities	Number of District municipalities supported on reported water and sanitation incidences	-	3 (Gert Sibande, Nkangala and Ehlanzeni)	3	Achieved: 3 District municipalities supported on reported water and sanitation incidences (Ehlanzeni, Gert Sibande and Nkangala)	None	None

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Programme: Cooperative Governance Sub-Programme: Development and Planning Sub-Sub-Programme: Disaster Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved planning, development coordination and access to basic services	Implemented disaster infrastructure rehabilitation programme	Number of districts supported on the implementation of disaster infrastructure rehabilitation programme	3 (Gert Sibande, Nkangala and Ehlanzeni)	3 (Gert Sibande, Nkangala and Ehlanzeni)	3	Achieved: 3 districts supported on the implementation of disaster infrastructure rehabilitation programme (Nkangala Gert Sibande and Ehlanzeni)	None	None
	Provincial flood management strategy implemented	Number of Provincial flood management strategies implemented	-	-	1	Achieved: 1 flood management strategy implemented	None	None
	Municipalities supported on fire brigade services	Number of municipalities supported on Fire Brigade Services	17 Municipalities supported on Fire Brigade Services (All local municipalities in the Province)	17 (All local municipalities in the Province)	17	Achieved: 17 municipalities supported on Fire Brigade Services (All local municipalities in the Province)	None	None
	Functional Disaster Management Centres	Number of municipalities supported to maintain Functional Disaster Management Centres	3 (Ehlanzeni, Gert Sibande and Nkangala)	3 (Ehlanzeni, Gert Sibande and Nkangala)	3	Achieved: 3 municipalities supported to maintain Functional Disaster Management Centres (Ehlanzeni, Gert Sibande and Nkangala)	None	None

Linking performance with budgets

The final allocated budget for the programme amounted to **R 424.9 million** and the expenditure is **R 398.6 million**, representing 93.8 percent of the final budget. Challenges experienced in harmonising contractor panels inherited from the two former departments, which affected the timely rollout of planned activities and consequently slowed expenditure.

Sub-programme expenditure

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Local Governance	304 258	286 303	17 955	-	-	-
Development and Planning	120 630	112 341	8 289	-	-	-
Total	424 888	398 644	26 244	-	-	-

Strategy to overcome areas of under performance

None

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

- The Programme: Cooperative Governance had the following sector indicators with Planned targets during the financial year 2025/26:

Local Governance

- (i) *Municipal Administration had two (2) namely:*
 - Number of municipalities monitored on the extent to which anti-corruption measures are implemented
 - Number of municipalities supported to comply with MSA regulations on the appointment of senior managers
- (i) *Municipal finance had two (2) namely:*
 - Number of municipalities guided to comply with the MPRA
 - Number of municipalities supported to reduce Unauthorised, Irregular, fruitless and wasteful expenditure
- (i) *Public participation had four (4) namely:*
 - Number of municipalities supported to promote participation in community based local governance processes
 - Number of municipalities supported to maintain functional ward committees
 - Number of municipalities supported to resolve community concerns
 - Number of municipalities monitored on the implementation of GBVF responsive programmes.
- (i) *Capacity Development had one (1) namely:*
 - Number of Capacity Building interventions conducted in municipalities
- (i) *Municipal Performance Monitoring Reporting and Evaluation had two (2) namely:*
 - Number of Section 47 reports compiled as prescribed by the MSA
 - Number of municipalities supported to institutionalize the Performance management system (PMS)

Development and Planning

- (i) *Strategy development, research policy and planning (IDP Coordination) had two (2) namely:*
 - *Number of municipalities with legally compliant IDPs*
 - *Number of Districts/Metros monitored on the implementation of one plans*
- (i) *Local Economic Development had one (1) namely:*
 - *Number of Work Opportunities reported through the Community Works Programme*
- (i) *Municipal Infrastructure had three (3) namely:*
 - *Number of municipalities monitored on the implementation of indigent policies*
 - *Number of Districts monitored on the spending of National Grants*
 - *Number of municipalities monitored on the implementation of infrastructure delivery programmes*
- (i) *Disaster Management had two (2) namely:*
 - *Number of municipalities monitored on fire brigade services*
 - *Number of municipalities supported to maintain functional Disaster Management Centres*

4.4 Programme 4: Traditional Institution Development

Purpose of the Programme

The programme aims at strengthening the institution of Traditional Leadership in order to fulfil its mandates through sound financial and administrative management of Traditional Councils.

List of Sub-programmes

- Traditional Institutional Administration
- Traditional Resource Administration
- Rural Development Facilitation
- Traditional Land Administration

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 4.4.4.1: Outcomes, outputs, output indicators, targets and actual achievements table for the originally tabled Annual Performance Plan

Programme / Sub-programme: House of Traditional Leaders									
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026 <u>until date of re-tabling</u>	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
There were no revisions made to the outputs, output indicators and targets of Programme 4: Traditional Institutional Development Sub-Programmes: Traditional Institutional Administration, Traditional Resource Administration, Rural Development Facilitation and Traditional Land Administration. All the indicators as reflected on table 4.4.4.2 were indicators on the originally tabled 2025/26 Annual Performance Plan.									

Table 4.4.4.2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements for the originally table Annual Performance Plan

Programme: Traditional Institutional Development Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance of Traditional Councils	Capacity building programmes implemented for Traditional Councils	Number of capacity building programmes implemented Traditional Councils	2 Capacity building programme implemented for Traditional Councils (Legislative prescripts and Financial Management)	2 (Legislative Prescripts and Financial Management)	2	Achieved 2 capacity building programmes implemented for Traditional Councils (Legislative Prescripts and Financial Management)	None	None
	Traditional Leadership claims processed	Percentage of Traditional Leadership claims processed	100% (6) Traditional Leadership claims processed (Matsamo recognition of Senior Traditional Leader, Mnisi Chieftancy claim, Matsamo removal of Senior Traditional Leader, recognition of Mhlanga, Sukazi Chieftancy and Shongwe of Mdladla Chieftainship)	125% (5)(Moukaungwe claimants, Nkuna claimants, Mabena claimants, Magwazidili (Dladla) claimants and Ndzundza Hlanga claimants)	100% (4)	Achieved 100% (4) Traditional Leadership claims processed (Ba Bepedi Ba Borolo (Mabusela Chieftainship), Mashego Ba Tau, Mhlongo Chieftainship and Nkambule Chieftainship)	None	None

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Programme: Traditional Institutional Development Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional Councils supported to perform their functions	Number of Traditional Councils supported to perform their functions	60 Traditional Councils supported to perform their functions (All Traditional Councils in the Province)	61 1. Amashangana 2. Bakgatla ba Mmakau 3. Bakgatla Ba Mocha Ba Maloka 4. Bakgatla Ba Mocha Ba Moepi 5. Bakgatla ba Seabe 6. Barolong ba Lefifi 7. Duma 8. Ebutsini 9. Embhuleni 10. Emfumbeni 11. Emjindini 12. Enikwakuyengwa 13. Enkhaba 14. Gutshwa 15. Hhoyi 16. Hoxane 17. Jongilanga 18. Kgarudi 19. Kwandwalaza 20. Lekgoetla 21. Lomshiyo 22. Luggedlane 23. Madabukela 24. Madlangampisi 25. Mahlaphahlapha 26. Malele 27. Manala Makerana 28. Manala Mbhongo 29. Manala Mgibe 30. Mandlamakhulu 31. Mantjolo 32. Mashilane 33. Masoyi 34. Mathibela 35. Matsamo 36. Mawewe 37. Mbuyane 38. Mdluli	61	Achieved 61 Traditional Councils supported to perform their functions 1. Amashangana 2. Bakgatla Ba Mmakau 3. Bakgatla Ba Mocha Ba Maloka 4. Bakgatla Ba Mocha Ba Moepi 5. Bakgatla Ba Seabe 6. Barolong ba Lefifi 7. Duma 8. Ebutsini 9. Embhuleni 10. Emfumbeni 11. Emjindini 12. Enikwakuyengwa 13. Enkhaba 14. Gutshwa 15. Hhoyi 16. Hoxane 17. Jongilanga 18. Kgarudi 19. KwaNdwelaza 20. Lekgoetla 21. Lomshiyo 22. Luggedlane 23. Madabukela 24. Madlangampisi 25. Mahlaphahlapha 26. Makerana 27. Malele 28. Manala Mbhongo 29. Ndebele Kingdom 30. Manala Mgibe 31. Mandlamakhulu 32. Mantjolo 33. Mashilane 34. Masoyi 35. Mathibela	None	None

Programme: Traditional Institutional Development Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional Councils supported to perform their functions	Number of Traditional Councils supported to perform their functions	60 Traditional Councils supported to perform their functions (All Traditional Councils in the Province)	39. Mhlaba 40. Mlambo 41. Mnisi 42. Mogane 43. Mhlala Morudi 44. Moletete 45. Moreipuso 46. Mpakeni 47. Mpsikazi 48. Msogwaba 49. Ndebele Kingdom 50. Ndlela 51. Ndzundza Fene 52. Ndzundza Mabhoko 53. Ndzundza Mabusa 54. Ndzundza Pungutsha 55. Ndzundza Somphalali 56. Nkambeni 57. Ogenyaneni 58. Sethlare 59. Siboshwa 60. Somcuba BhevulaThabakgolo	61	36. Matsamo 37. Mawewe 38. Mbuyane 39. Mdluli 40. Mhlaba 41. Mlambo 42. Mnisi 43. Mogane 44. Mhlala Morudi 45. Moletete 46. Moreipuso 47. Mpakeni 48. Mpsikazi 49. Msogwaba 50. Ndlela 51. Ndzundza Fene 52. Ndzundza Mabhoko Kingship 53. Ndzundza Mabusa 54. Ndzundza Pungutsha 55. Ndzundza Somphalali 56. Nkambeni 57. Ogenyaneni 58. Sethlare 59. Siboshwa 60. Somcuba Bhevula 61. Thabakgolo	None	None

Programme: Traditional Institutional Management								
Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance of Traditional Councils	Tools of trade provided to Traditional Councils verified	Number of Traditional Councils' tools of trade verified	60 Traditional Councils tools of trade verified (All Traditional Councils in the Province)	61 1. Amashangane 2. Bakgatla ba Mmakau 3. Bakgatla Ba Mocha Ba Maloka 4. Bakgatla Ba Mocha Ba Moepi 5. Bakgatla ba Seabe 6. Barolong ba Lefifi 7. Duma 8. Ebutsini 9. Embhuleni 10. Emfumbeni 11. Emjindini 12. Enikwakuyengwa 13. Enkhaba 14. Gutshwa 15. Hhoyi 16. Hoxane 17. Jongilanga 18. Kgarudi 19. Kwandwalaza 20. Lekgoetla 21. Lomshiyo 22. Luggedlane 23. Madabukela 24. Madlangampisi 25. Mahlaphahlapha 26. Malele 27. Manala Makerana 28. Manala Mbhongo 29. Manala Mgibe 30. Mandlamakhulu 31. Mantjolo 32. Mashilane 33. Masoyi	61	Achieved 61 Traditional Councils' tools of trade verified 1. Amashangane 2. Bakgatla ba Seabe 3. Bakgatla ba Mmakau 4. Bakgatla Ba Mocha Ba Maloka 5. Bakgatla ba Mocha Ba Moepi 6. Barolong ba Lefifi 7. Duma 8. Ebutsini 9. Embhuleni 10. Emfumbeni 11. Emjindini 12. Enikwakuyengwa 13. Enkhaba 14. Gutshwa 15. Hhoyi 16. Hoxane 17. Jongilanga 18. Kgarudi 19. KwaNdwalaza 20. Legoetla 21. Lomshiyo 22. Luggedlane 23. Madabukela 24. Mahlaphahlapha 25. Malele 26. Manala Makerana 27. Manala Mbhongo 28. Manala Mgibe 29. Mandlamakhulu 30. Mandlangampisi 31. Mantjolo 32. Mashilane 33. Masoyi 34. Mathibela 35. Matsamo 36. Mawewe 37. Mbuyane	None	None

Programme: Traditional Institutional Development Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance of Traditional Councils	Tools of trade provided to Traditional Councils verified	Number of Traditional Councils' tools of trade verified	60 Traditional Councils tools of trade verified (All Traditional Councils in the Province)	61 34. Mathibela 35. Matsamo 36. Mawewe 37. Mbuyane 38. Mdluli 39. Mhlaba 40. Mlambo 41. Mnisi 42. Mogane 43. Mohlala Morudi 44. Moletele 45. Moreipuso 46. Mpakeni 47. Mpisikazi 48. Msogwaba 49. Ndebele Kingdom 50. Ndlela 51. Ndzundza Fene 52. Ndzundza Mabhoko Kingship 53. Ndzundza Mabusa 54. Ndzundza Pungutsha 55. Ndzundza Somphalali 56. Nkambeni 57. Ogenyaneni 58. Setlhare 59. Siboshwa 60. Somcuba Bhevula 61. Thabakgolo	61	Achieved 38. Mdluli 39. Mhlaba 40. Mlambo 41. Mnisi 42. Mogane 43. Mohlala Morudi 44. Moletele 45. Moreipuso 46. Mpakeni 47. Mpisikazi 48. Msogwaba 49. Ndebele Kingdom 50. Ndlela 51. Ndzundza Fene 52. Ndzundza Mabhoko Kingship 53. Ndzundza Mabusa 54. Ndzundza Pungutsha 55. Ndzundza Somphalali 56. Nkambeni 57. Ogenyaneni 58. Setlhare 59. Siboshwa 60. Somcuba Bhevula 61. Thabakgolo	None	None

Programme: Traditional Institutional Management								
Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional/ Kings' Councils supported on the holding of cultural heritage ceremonies	Number of Traditional/ Kings Councils supported on the holding of cultural heritage ceremonies	45 Traditional/ Kings Councils supported on the holding of cultural ceremonies 1. Manala Mbhongo 2. Emjindini 3. Mnisi 4. Mahlaphahlapha 5. Madlangampisi 6. Madabukela 7. Mandlamakhulu 8. Ebutsini 9. Ndzundza Somphalali 10. Lekgoetla 11. Enkhaba 12. Ndlela 13. Mpakeni 14. Jongilanga 15. Somcuba Bhevula 16. Malele 17. Moletele 18. Mpisikazi 19. Manala Mgibe 20. Ndzundza Pungutsha 21. Mogane 22. Msogwaba 23. Lomshiyo 24. Siboshwa 25. Mbuyane 26. Hhoyi 27. Kgarudi	Achieved 52 1. Bakgatla ba Mmakau 2. Bakgatla Ba Mocha Ba Maloka 3. Bakgatla ba Mocha Ba Moepi 4. Bakgatla ba Seabe 5. Duma 6. Ebutsini 7. Embhuleni 8. Emfumbeni 9. Emjindini 10. Enikwakuyengwa 11. Enkhaba 12. Gutshwa 13. Hhoyi 14. Jongilanga 15. Kwandwalaza 16. Lekgoetla 17. Lomshiyo 18. Luggedlane 19. Madabukela 20. Madlangampisi 21. Mahlaphahlapha 22. Malele 23. Manala Makerana 24. Manala Mbhongo 25. Manala Mgibe 26. Mandlamakhulu 27. Mantjolo 28. Mashilane 29. Masoyi 30. Mathibela 31. Matsamo	54	Achieved 54 Traditional/ Kings Councils supported on the holding of cultural ceremonies 1. Amashangana 2. Bakgatla ba mocha ba Maloka 3. Bakgatla ba Mocha ba Moepi 4. Bakgatla ba Seabe 5. Barolong ba Lefifi 6. Duma 7. Ebutsini 8. Embhuleni 9. Emfumbeni 10. Emjindini 11. Empakeni 12. Enkhaba 13. eSandleni 14. Gutshwa 15. Hhoyi 16. Hoxane 17. Jongilanga 18. Kwandwalazi 19. Lekgoetla 20. Lomshiyo 21. Luggedlane 22. Madabukela 23. Madlangampisi 24. Mahlaphahlapha 25. Malele 26. Manala Mgibe 27. Mandlamakhulu 28. Mantjolo	None	None

Programme: Traditional Institutional Development Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional/ Kings' Councils supported on the holding of cultural heritage ceremonies	Number of Traditional/ Kings Councils supported on the holding of cultural heritage ceremonies	45 Traditional/ Kings Councils supported on the holding of cultural ceremonies 28. Duma 29. Enikwakuyengwa 30. Nkambeni 31. Bakgatla Ba Seabe 32. Bakgatla Ba Mmakau 33. Mhlaba 34. Manala Mbongo KC 35. Gutshwa 36. Embhuleni 37. Mlambo 38. Ndzundza Mabhoko KC 39. Lugedlane 40. Masoyi 41. Ndzundza Mabhoko 42. Emfumbeni 43. Mohlala 44. Manala Makerana 45. Mashilane	Achieved 52 32. Mawewe 33. Mbuyane 34. Mdluli 35. Mhlaba 36. Mlambo 37. Mogane 38. Moletete 39. Moreipuso 40. Mpakeni 41. Mpisikazi 42. Msogwaba 43. Ndebele Kingdom 44. Ndlela 45. Ndzundza Fene 46. Ndzundza Mabhoko 47. Ndzundza Somphalali 48. Nkambeni 49. Ogenyaneni 50. Sethlare 51. Siboshwa 52. Somcuba Bhevula	54	Achieved 54 Traditional/ Kings Councils supported on the holding of cultural ceremonies 29. Mashilane 30. Masoyi 31. Mathibela 32. Matsamo 33. Mawewe 34. Mbuyane 35. Mdluli 36. Mhlaba 37. Mlambo 38. Mogane 39. Moletete 40. Moreipuso 41. Mpisikazi 42. Msogwaba 43. Ndebele Kingdom 44. Ndebele Kingdom King's Banquet 45. Ndlela 46. Ndzundza Fene 47. Ndzundza Mabusa 48. Ndzundza Pungutjha 49. Ndzundza Somphalali 50. Nkambeni 51. Ogenyaneni 52. Sethlare 53. Siboshwa 54. Somcuba Bhevula	None	None

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Programme: Traditional Institutional Management								
Sub-programme: Traditional Land Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance of Traditional Councils	Traditional councils participating in IDP processes	Number of Traditional Councils supported to participate in IDP processes	58 1. Amashangana 2. Bakgatla Ba Mocha Ba Maloka 3. Bakgatla Ba Seabe 4. Bakgatla Ba Mmakau 5. Bakgatla Ba Mocha Ba Moepi 6. Barolong Ba Le Fifi 7. Duma 8. Ebutsini 9. Embhuleni 10. Emfumbeni 11. Emjindini 12. Enikwakuyengwa 13. Enkhaba 14. Gutshwa 15. Hhoyi 16. Hoxane 17. Jongilanga 18. Kgarudi 19. Kwalugedlane 20. Kwandwalaza 21. Lekgoetla 22. Lomshiyo 23. Madabukela 24. Mahlaphahlapha 25. Malele 26. Manala Makerana 27. Manala Mbhongo 28. Manala Mgibe 29. Mandlamakhulu 30. Mandlangampisi 31. Mantjolo 32. Mashilane 33. Masoyi	60 1. Amasahangane 2. Bakgatla Ba Makau 3. Bakgatla Ba Mocha Ba Moepi 4. Bakgatla Ba Mocha Ba Moloka 5. Bakgatla Ba Seabe 6. Barolong Ba Lefifi 7. Duma 8. Ebutsini 9. Embhuleni 10. Emfumbeni 11. Emjindini 12. Enikwakuyengwa 13. Enkhaba 14. Gutshwa 15. Hhoyi 16. Hoxane 17. Jongilanga 18. Kgarudi 19. Kwandwalaza 20. Lekgoetla 21. Lomshiyo 22. Luggedlane 23. Madabukela 24. Mahlaphahlapha 25. Malele 26. Manala Makerane 27. Manala Mbongo 28. Manala Mgibe 29. Mandlamakhulu 30. Mandlangampisi 31. Mantjolo 32. Mashilane 33. Masoyi	59	Achieved: 59 Traditional councils supported to participate in IDP processes 1. Bakgatla Ba Makau 2. Bakgatla Ba Maloka 3. Bakgatla Ba Moepi 4. Bakgatla Ba Seabe 5. Barolong Ba Le Fifi 6. Duma 7. Ebutsini 8. Embhuleni 9. Emfumbeni 10. Emjindini 11. Enikwakuyengwa 12. Enkhaba 13. Gutshwa 14. Hhoyi 15. Hoxane 16. Jongilanga 17. Kgarudi 18. Kwalugedlane 19. Kwandwalaza 20. Lekgoetla 21. Lomshiyo 22. Madabukela 23. Mahlaphahlapha 24. Malele 25. Manala Makerane 26. Manala Mbongo 27. Manala Mgibe 28. Mandlamakhulu 29. Mandlangampisi 30. Mantjolo 31. Mashangana 32. Mashilane	None	None

Programme: Traditional Institutional Development Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance of Traditional Councils	Traditional councils participating in IDP processes	Number of Traditional Councils supported to participate in IDP processes	58 34. Mathibela 35. Matsamo 36. Mawewe 37. Mbuyane 38. Mdluli 39. Mhlaba 40. Mlambo 41. Mnisi 42. Mogane 43. Moletete 44. Moreipuso 45. Mpakeni 46. Mpsikazi 47. Msogwaba 48. Ndlela 49. Ndzundza Somphalali 50. Ndzundza Fene 51. Ndzundza Mabusa 52. Ndzundza Punguntsha 53. Nkambeni 54. Ogenyaneni 55. Sethlare 56. Siboshwa 57. Somcuba Bhevula 58. Thabakgolo	60 34. Mathibela 35. Matsamo 36. Mawewe 37. Mbuyane 38. Mdluli 39. Mhlaba 40. Mlambo 41. Mnisi 42. Mogane 43. Mohlala Morudi 44. Moletete 45. Moreipuso 46. Mpakeni 47. Mpsikazi 48. Msogwaba 49. Ndlela 50. Ndzundza Mabhoko 51. Ndzundza Fene 52. Ndzundza Mabusa 53. Ndzundza Punguntjha 54. Ndzundza Somphalali 55. Nkambeni 56. Ogenyaneni 57. Sethlare 58. Siboshwa 59. Somcuba Bhevula 60. Thabakgolo	59	Achieved: 59 Traditional councils supported to participate in IDP processes 33. Masoyi 34. Mathibela 35. Matsamo 36. Mawewe 37. Mbuyane 38. Mdluli 39. Mhlaba 40. Mlambo 41. Mogane 42. Mohlala Morudi 43. Moletete 44. Moreipuso 45. Mpakeni 46. Mpsikazi 47. Msogwaba 48. Ndlela 49. Ndzundza Somphalali 50. Ndzundza Fene 51. Ndzundza Mabhoko 52. Ndzundza Mabusa 53. Ndzundza Punguntsha 54. Nkambeni 55. Ogenyaneni 56. Sethlare 57. Siboshwa 58. Somcuba Bhevula 59. Thabakgolo	None	None

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Programme: Traditional Institutional Management								
Sub-programme: Traditional Land Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional councils participating in Ward Committees	Number of Traditional Councils supported to participate in Ward Committees	58 1. Amashangana 2. Bakgatla Ba Mmakau 3. Bakgatla Ba Mocha Ba Maloka 4. Bakgatla Ba Mocha Ba Moepi 5. Bakgatla Ba Seabe 6. Duma 7. Ebutsini 8. Embhuleni 9. Emfumbeni 10. Emjindini 11. Empakeni 12. Enikwakuyengwa 13. Enkhaba 14. Gutshwa 15. Hhoyi 16. Hoxane 17. Jongilanga 18. Kgarudi 19. Kwalugedlane 20. Kwandwalaza 21. Lekgoetla 22. Lomshiyo 23. Madabukela 24. Mahlaphahlapha, 25. Malele 26. Manala Makerana 27. Manala Mbhongo 28. Manala Mgibe 29. Mandlamakhulu 30. Mandlangampisi 31. Mantjolo 32. Mashilane 33. Masoyi 34. Mathibela 35. Matsamo	60 1. Amashangane 2. Bakgatla Ba Mmakau 3. Bakgatla Ba Mocha Ba Maloka 4. Bakgatla Ba Mocha Ba Moepi 5. Bakgatla Ba Seabe 6. Barolong Ba Lefifi 7. Duma 8. Ebutsini 9. Embhuleni 10. Emfumbeni 11. Emjindini 12. Enikwakuyengwa 13. Enkambeni 14. Enkhaba 15. Gutshwa 16. Hhoyi 17. Hoxane 18. Jongilanga 19. Kgarudi 20. Kwandwalaza 21. Lekgoetla 22. Lomshiyo 23. Luggedlane 24. Madabukela 25. Madlangampisi 26. Madlangampisi 27. Mahlaphahlapha 28. Malele 29. Manala Makerana 30. Manala Mbhongo 31. Manala Mgibe 32. Mandlamakhulu	59	Achieved: 59 Traditional councils supported to participate in Ward Committees 1. Bakgatla Ba Makau 2. Bakgatla Ba Maloka 3. Bakgatla Ba Moepi 4. Bakgatla Ba Seabe 5. Barolong Ba Le Fifi 6. Duma 7. Ebutsini 8. Embhuleni 9. Emfumbeni 10. Emjindini 11. Enikwakuyengwa 12. Enkhaba 13. Gutshwa 14. Hhoyi 15. Hoxane 16. Jongilanga 17. Kgarudi 18. Kwalugedlane 19. Kwandwalaza 20. Lekgoetla 21. Lomshiyo 22. Madabukela 23. Mahlaphahlapha 24. Malele 25. Manala Makerana 26. Manala Mbongo 27. Manala Mgibe 28. Mandlamakhulu 29. Mandlangampisi	None	None

Programme: Traditional Institutional Development Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional councils participating in Ward Committees	Number of Traditional Councils supported to participate in Ward Committees	58 36. Mawewe 37. Mbuyane 38. Mdluli 39. Mhlaba 40. Mlambo 41. Mnisi 42. Mogane 43. Mohlala Morudi 44. Moletele 45. Moreipuso 46. Mpisikazi 47. Msogwaba 48. Ndlela 49. Ndzundza Fene 50. Ndzundza Mabhoko 51. Ndzundza Mabusa 52. Ndzundza Pungutsha 53. Ndzundza Somphalali 54. Nkambeni 55. Ogenyaneni 56. Siboshwa 57. Somcuba Bhevula 58. Thabakgolo	60 33. Mantjolo 34. Mashilane 35. Masoyi 36. Mathibela 37. Matsamo 38. Mawewe 39. Mbuyane 40. Mdluli 41. Mhlaba 42. Mlambo Mmakau 43. Mnisi 44. Mnisi 45. Mogane 46. Mohlala Morudi 47. Moletele 48. Mphakeni 49. Mpisikazi 50. Msogwaba 51. Ndzundza Fene 52. Ndzundza Mabhoko 53. Ndzundza Mabusa 54. Ndzundza Phungutjha 55. Ndzundza Somphalali 56. Ogenyaneni 57. Sethlare 58. Siboshwa 59. Somcuba Bhevula 60. Thabakgolo	59	Achieved: 59 Traditional councils supported to participate in Ward Committees 30. Mantjolo 31. Mashangana 32. Mashilane 33. Masoyi 34. Mathibela 35. Matsamo 36. Mawewe 37. Mbuyane 38. Mdluli 39. Mhlaba 40. Mlambo 41. Mogane 42. Mohlala Morudi 43. Moletele 44. Moreipuso 45. Mpakeni 46. Mpisikazi 47. Msogwaba 48. Ndlela 49. Ndzundza Somphalali 50. Ndzundza Fene 51. Ndzundza Mabhoko 52. Ndzundza Mabusa 53. Ndzundza Pungutsha 54. Nkambeni 55. Ogenyaneni 56. Sethlare 57. Siboshwa 58. Somcuba Bhevula 59. Thabakgolo	None	None

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Programme: Traditional Institutional Management								
Sub-programme: Traditional Land Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Partnership agreements that exist between Traditional Councils and PPPs	Number of partnership agreements that exist between Traditional Councils and PPPs	4 1. Lease agreement between Vodacom (Pty) Ltd and Ndzundza Mabusa Traditional Council. 2. Lease agreement between Vodacom (Pty) Ltd and Ndzundza Somphalali Traditional Council 3. Lease agreement between Vodacom (Pty) Ltd and Matsamo Traditional Council. 4. Lease agreement between ATC South Africa Wireless Infrastructure (Pty) Ltd and Matsamo Traditional Council	4 1. Lease agreement entered into between ATC (PTY) Ltd and Embhuleni Traditional Council on servitude rights to operate a mobile telecommunications system and technological development. 2. Lease agreement between ATC Sebeletota Mining and Exploration (Pty) and Manala Mgibe Traditional Council at Nkangala District under Thembisile Hani Municipality 3. Lease agreement entered into between Vodacom (PTY) Ltd and Embhuleni Traditional Council on servitude rights to operate a mobile telecommunications system and technological development. 4. Lease agreement entered into between Huwani Projects (PTY) Ltd and Mpisikazi Traditional Community Trust on land for construction of a mall	4	Achieved: 4 partnership agreements that exist between Traditional Councils and PPPs	None	None

Programme: Traditional Institutional Management								
Sub-programme: Traditional Land Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional Councils' offices renovated	Number of Traditional Councils' offices renovated	18 1. Embhuleni 2. Emfumbeni 3. Enkhaba 4. Gutshwa 5. Hhoyi 6. Lomshiyo 7. Mandlamakhulu 8. Mandlangampisi 9. Masoyi 10. Mawewe 11. Mbuyane 12. Mhlaba 13. Mnisi 14. Moletele 15. Mpisikazi 16. Ndebele Kingdom (Kings Cluster 1 st phase) 17. Ndlela 18. Siboshwa	7 1. Mpakeni 2. Msogwaba 3. Emjindini 4. Luggedlane 5. Nkambeni 6. Mdluli 7. Makhosoke II (King's Cluster)	2	Not achieved: 0 Traditional/Kings offices renovated	Delays in the procurement processes.	This target is planned to be completed in the 2026/27 Financial Year

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Programme: Traditional Institutional Management								
Sub-programme: Rural Development Facilitation								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance of Traditional Councils	Traditional land cases resolved	Number of Traditional land cases resolved within two months of receipt	18 1. Land dispute between Mdluli Family and Mbuyane Traditional Council 2. Land dispute between Mr. Ngoma and Mbuyane Traditional Council 3. Land dispute between Maphanga Family and Mbuyane Traditional Council. 4. Business site dispute: Raphalalala vs M Khumalo 5. Land Dispute Mnisi family vs Induna Sion Chiloane 6. Land dispute between Ngubane Family and Matsamo TC 7. Land dispute between Mgwenya Family and Gutshwa Traditional Council 8. Land dispute between Mr SS Gama and Msogwaba Traditional Council 9. Land dispute between Mbuyane TC and Mr S Mabaso 10. Land Dispute between Malope family and Nkambeni TC 11. Stand dispute between Mr. Moema and Bakgatla BaMoepi.	19 1. Dispute on removal of Ndzundza Fene office from Eyadini portions of farm Hartebeestspuit and Sybrandskraal 2. Land complaint: Invasion on farm wolvenkraal 192 JR: Ndzundza Mabusa Traditional Council 3. Land complaint: White Hazy Farmers association on grazing land: Nkambeni Traditional Council 4. Business site complaint lodged by Mr Malope on behalf Vhamiya Trading Enterprise against Mnisi. Traditional Council 5. Stand Dispute: Nicholas Mhlanga and Mbuti Nkosi: Embhuleni Traditional Council 6. Land Jurisdiction and Dispute between Mnisi TC and Moletele TC 7. Dispute on Illegal Land Occupation at Mimmosa Farm: Mjindi and Lomshiyo. 8. Stand / Property Dispute between Ms Ngomane and Mr Maseko: Msogwaba TC 9. Land Dispute between Siwela Family and Nkambeni TC 10. Land Dispute by Ebutsini Traditional community with petition on Mining activities	20	Achieved: 20 Traditional land cases resolved within two months of receipt 1. Land case between Mr Elmon Metane and Mr Vusi Sambo at Enkambeni Traditional Council. 2. Stand dispute between Mr Mlimi and Ms Skosana at Traditional Council. 3. Complaint by Mkhuhlu residents about graveside closure by Hoxani Traditional Council. 4. Complaint from Mr Charles Mnisi on Ancestral graves Amashangana Traditional Council 5. Stand dispute between Mr Nkambule and Mr Shiba at Embhuleni Traditional Council 6. Land case between Mr Elmon Metane and Mr Vusi Sambo at Enkambeni Traditional Council. 7. Stand dispute between Mr Mlimi and Ms Skosana at Traditional Council. 8. Complaint by Mkhuhlu residents about graveside closure by Hoxani Traditional Council. 9. Complaint from Mr Charles Mnisi on Ancestral graves Amashangana Traditional Council 10. Stand dispute between Mr Nkambule and Mr Shiba at Embhuleni Traditional Council 11. Stand dispute between Mr Fakude and Mr Dlamini at Msogwaba TC	None	None

Programme: Traditional Institutional Development Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Improved performance of Traditional Councils	Traditional land cases resolved	Number of Traditional land cases resolved within two months of receipt	18 12 Stand dispute between Mr. Nungu and Mpakeni TC 13. Land dispute between Emjindini TC and Banele Ndlovu 14. Land Dispute between Moreiposo TC and Mr. S Mohlala 15. Land dispute between Mr B Zwane and Ingogo Farmers association at Ebutsini Traditional Council 16. Land invasion at Barolong Ba Lefifi 17. Land dispute between Nkosi Family and Mr Jele (Embhuleni TC) 18. Land jurisdiction for Ebutsini Traditional Council	19 11 Land Dispute on a proposed development at Enkhaba TC 12. Land Dispute on an Ancestral land between Makhabane and Gutshwa TC 13. Land Dispute on unlawful dispossession of land by Matsamo TC against Mzinti community 14. Land Dispute between Ms D Nkosi and Mpsikazi TC 15. Land Dispute between Msogwaba TC and Mr C Nkosi 16. Land Dispute between Mr Malibe and Masoyi TC 17. Land Dispute between Shongwe and Gutshwa TC 18. Land Dispute between Mining development and Enikwakuyengwa TC 19. SAFCOL Land complaint against Mpsikazi	20	Achieved: 20 Traditional land cases resolved within two months of receipt 12. Stand dispute between Ms Nyundu and Mr Hlebeya at Masoyi TC 13. Unlawful land dispossessed complaint by Mr Shabangu against Matsamo TC 14. Land dispute between Manala Mgibe TC and the Community over the farm Tweefontein 15. Land dispute between Mr Nyalunga and Ndzungza Fene TC 16. Stand dispute between Mr Mduduzi Mabuza and Ms Carol Mabuza against Nkambeni Traditional Council 17. Stand Dispute between Mathabela, Mashaba, Matsebula against Gutshwa Traditional Council 18. Stand Dispute between Mr Jabulani Mnisi against Gutshwa Traditional Council 19. Land dispute between Abel Nkosi against Embhuleni 20. Traditional Council 21. Stand dispute between DH Nkosi against Embhuleni Traditional Council	None	None

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Programme: Traditional Institutional Management								
Sub-programme: Rural Development Facilitation								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional Councils participating in Land Use Planning	Number of Traditional Councils supported to participate in Land Use Planning	40 1. Amashangana 2. Bakgatla Ba Makau 3. Bakgatla Ba Mocha Ba Maloka 4. Bakgatla Ba Mocha Ba Moepi 5. Bakgatla Ba Seabe 6. Barolong Ba Lefifi 7. Duma 8. Embuleni 9. Enikwakuyengwa 10. Enkhabela 11. Gutshwa 12. Hhoyi 13. Hoxane 14. Jongilanga 15. Luggedlane 16. Malele 17. Manala Makerana 18. Manala Mbhongo 19. Manala Mgiba 20. Mandlangampisi 21. Mantjolo 22. Mashilane 23. Masoyi 24. Mawewe 25. Mbuyane 26. Mdluli 27. Mhlaba 28. Mlambo 29. Mogane 30. Mohlala Morudi 31. Moreipuso 32. Mpsikazi 33. Msogwaba 34. Ndlela 35. Ndzundza Somphalali 36. Ndzundza Fene 37. Ndzundza Mabhoko	48 1. Ndzundza Mabhoko 2. Manala Mbongo 3. Ndzundza Somphalali 4. Ndzundza Fene 5. Manala Mgibe 6. Manala Makerane 7. Ndzundza Pungutjha 8. Bakgatla Ba Mocha Ba Moloka 9. Bakgatla Ba Mmakau 10. Bakgatla Ba Mocha Ba Moepi 11. Bakgatla Ba Seabe 12. Barolong Bale Fifi 13. Mantjolo 14. Embhuleni 15. Mpsikazi 16. Duma 17. Enkhabela 18. Enikwakuyengwa 19. Madlangampisi 20. Ndlela 21. Ogenyaneni 22. Mandlamakhulu 23. Somcuba Bhevula 24. Emfumbeni 25. Madabukela 26. Gutshwa 27. Mbuyane 28. Mdluli 29. Masoyi 30. Msogwaba 31. Mpakeni 32. Matsamo 33. Emjindini 34. Mashilane 35. Mohlala Morudi 36. Mogane 37. Sethlare 38. Luggedlane 39. Hhoyi 40. Mlambo	59	Achieved: 59 Traditional Councils supported to participate in Land Use Planning 1. Matsamo 2. Enkambeni 3. Mogane 4. Kwalugedlane 5. Kgarudi 6. Masoyi 7. Gutshwa 8. Mhlaba 9. Thabakgolo 10. Msogwaba 11. Emjindini 12. Mpakeni 13. Lomshiyo 14. Mlambo 15. Hoxane 16. Malele 17. Mnisi 18. Moletete 19. Mathibela 20. Amashangana 21. Mdluli 22. Mawewe 23. Mbuyane 24. Jongilangala 25. Mashilane 26. Mohlala Morudi 27. Siboshwa 28. Hhoyi 29. Sethlare 30. Moreipuso 31. Enikwakuyengwa 32. Lekgoetla 33. Mandlamakhulu 34. Mandlangampisi 35. Emfumbeni 36. Madabukela 37. Mahlaphahlapha 38. Duma 39. Mantjolo	None	None

Programme: Traditional Institutional Development Sub-programme: Traditional Institutional Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional Councils participating in Land Use Planning	Number of Traditional Councils supported to participate in Land Use Planning	40 38. Ndzundza Mabusa 39. Ndzundza Pungutsha 40. Thabakgolo	48 41. Mawewe 42. Mhlaba 43. Amashangana 44. Jongilanga 45. Hoxane 46. Thabakgolo 47. Moreipus 48. Malele	59	Achieved: 59 Traditional Councils supported to participate in Land Use Planning 40. Ebutsini 41. Mpisikazi 42. Nkhaba 43. Ndlela 44. Kwandwalaza 45. Ogenyaneni 46. Embhuleni 47. Somcuba Bhevula 48. Manala Mbongo 49. Manala Mgibe 50. Manala Makerane 51. Ndzundza Fene 52. Ndzundza Somphalali 53. Ndzundza Mabusa 54. Bakgatla Ba Maloka 55. Bakgatla Ba Moepi 56. Bakgatla Ba Seabe 57. Bakgatla Ba Makau 58. Barolong Ba Lefif 59. Ndzundza Pungutha	None	None

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Programme: Traditional Institutional Management								
Sub-programme: Rural Development Facilitation								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Traditional Councils' Land jurisdiction cases processed	Number of traditional councils' land jurisdiction cases processed	-	5 1. Land dispute between Mdluli and Nkambeni Traditional Councils over Nyongane village 2. Boundary dispute between Jongilanga, Amashangana and Thabakgolo Traditional Councils 3. Boundary dispute between Enkhaba, Embhuleni and Somcuba Bhevula over Aramburg village 4. Land dispute between Mandlamakhulu and Embuleni Traditional Councils 5. Boundary dispute between Hoxane and Mathibela Traditional Councils	3	Achieved: 5 of traditional councils' land jurisdiction cases processed 1. Mandlamakhulu 2. Mdluli 3. Bakgatla Ba Seabe 4. Mlambo 5. Mpsikazi	2 More traditional councils' land jurisdiction cases processed than planned target	The 2 traditional councils' land jurisdiction cases processed were additional to the planned target

Linking performance with budgets

The final allocated budget for the programme amounted to **R 246.9 million**, against expenditure of **R 226.2 million** representing 91.6 percent of the final allocation. Although the programme achieved a high level of expenditure, not all planned targets were achieved during the financial year.

Sub-programme expenditure

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office Support	2 216	2 124	92	-	-	-
Traditional Institution Administration	18 754	17 678	1 077	-	-	-
Traditional Resource Administration	156 103	148 677	7 426	-	-	-
Rural Development Facilitation	65 619	53 577	12 042	-	-	-
Traditional Land Administration	4 238	4 112	126	-	-	-
Total	246 930	226 167	20 763	-	-	-

Strategy to overcome areas of under performance**Renovation Traditional/ kings Council offices**

- The project for the renovation of Traditional Council office will be completed in the 2026/27 financial year.

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

- The Programme had two (2) standardized output indicators that were achieved during the period under review. The standardized output indicators were planned under the sub-programme of Traditional Institutional Administration and they were:
 - Percentage of Traditional leadership succession disputes processed
 - Number of Traditional Councils supported to perform their functions

4.5 Programme 5: House of Traditional Leaders

Purpose of the Programme

The Mpumalanga House of Traditional Leaders (MPHTL) Programme performs an oversight function over Government Departments and Agencies pertaining service delivery projects and Programmes in Traditional communities.

List of the sub-programmes

- Administration of the House of Traditional Leaders
- Committees and Local Houses of Traditional Leaders
- Provincial Committees
- Local Houses of Traditional Leaders

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 5.4.4.1: Outcomes, outputs, output indicators, targets and actual achievements table for the originally tabled Annual Performance Plan

Programme / Sub-programme: House of Traditional Leaders									
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026 <u>until date of re-tabling</u>	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
There were no revisions made to the outputs, output indicators and targets of Programme 5: House of Traditional Leaders Sub-Programmes: Administration of the House of Traditional Leaders and Committees and Local Houses of Traditional Leaders. All the indicators as reflected on table 5.4.4.2 were indicators on the originally tabled 2025/26 Annual Performance Plan.									

Table 5.4.4.2: Outcomes, outputs, output indicators, targets and actual achievements table for the originally tabled Annual Performance Plan

Programme: House of Traditional Leaders								
Sub-programme: Administration of the House of Traditional Leaders (Business Support)								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Developed communities in areas of traditional leadership	Matters affecting the business of the HTL processed	Number of matters affecting the business of the HTL processed	4 (Succession disputes, land invasion, Agricultural project and Agrarian: Greenhouses)	4 (Greenhouses, Agrarian project, Agricultural programmes and Agricultural projects)	4	Achieved: 4 Number of matters affecting the business of the HTL processed	None	None
	Approved research reports on Genealogy	Number of approved research reports on genealogy	4 (Duma, Madlangampisi, Moletete and Sethlare)	8 (Lomshiyo, Bakgatla ba Seabe, Ndzundza Somphalali, Enkhoba, Siboshwa, Madabukela, Matsamo and Mogane)	8	Achieved: 8 approved research reports on genealogy 1. Makerane 2. Moreipuso 3. Hoxani 4. Esandleni 5. Lugedlane 6. Lomshiyo 7. Esandleni 8. Nkambeni	None	None

Programme: House of Traditional Leaders								
Sub-programme: Administration of the House of Traditional Leaders (Business Support)								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Legal services impacting on the institution of Traditional and Khoi-San Leadership rendered	Number of legal services impacting on the institution of Traditional and Khoi-San Leadership rendered	8 (Legal opinion on withdrawal of resignation by a member of the Mpumalanga Provincial House of Traditional and Khoi-San Leadership, MOU between Commission for Gender Equality and MPHTKL, Traditional Khoi-San Leadership Act (Act No.3 of 2019), Expropriation bill, Rules and Orders (Rule 84), Municipal Structures Act, Preservation and development of Agriculture Land bill and Marriage Bill)	8 1. Legal opinion on the employment contract for the Traditional Council 2. Comments on the Intergovernmental Relations Framework amendment bill (IGRFA), 3. Traditional Courts Acts, 2022 (Act No.9 of 2020) 4. Regulation on reconstitution of Traditional councils in terms of section of the TKLA 16 (2) (C)(i) 5. Municipal Structures Act 6. Legislation impacting on the institution (Rules and Orders) 7. Traditional Courts Regulations Code of Conduct	2	Achieved: 3 legal services impacting on the institution of Traditional and Khoi-San Leadership rendered 1. Legal White paper 2. Inputs on Customary Initiation Act conducted 8. Traditional Courts Regulations and Code of Conduct	None	None
	Initiation schools complying with Customary Initiation Act	Number of initiation schools complying with Customary Initiation Act	230	60	120	Achieved: 120 Initiation schools complying with customary Initiation Act	None	None

Programme: House of Traditional Leaders								
Sub-programme: Provincial Committees								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Developed Communities in areas of traditional leadership	Functional Provincial House Committees	Number of functional Provincial House Committees	5 Provincial House Committees functional (Justice and Land Committees, Social Development Committee, Traditional, Culture and Customs committee, Traditional Leadership claims and disputes committee and Target group committee)	5 Provincial House Committees functional (Justice and Land Committees, Social Development Committee, Traditional, Culture and Customs committee, Traditional Leadership claims and disputes committee and Target group committee)	5	Achieved 5 functional Provincial House Committees 1. Land and Justice committee 2. Social Development Committee 3. Traditional Leadership Claims and Disputes committee 4. Traditions, Customs and Culture committee 5. Target group committee	None	None
	Traditional Councils implementing Rural Invest program	Number of Traditional Councils monitored on the implementation of Rural Invest program	4 (Lugedlane, Mdluli, Ndundza Somphalali and Madlangampisi)	3 (Ndzundza Fene – Phola Mall, Mogane – Thetha Mining, Potoles and York Timber and Mpsikazi – Dundonald Mall)	3	Achieved: 3 Traditional Councils monitored on the implementation of Rural Invest program ▪ Matsamo Mall (Matsamo Traditional Council) ▪ Siyabuswa Mall (Ndundza Maboko Traditional Council) 1. Embhuleni (Elukwatini Crossing)	None	None
	Traditional Leadership succession disputes processed	Percentage of Traditional leadership succession disputes processed	100% (1) (Thabakgolo) succession	Achieved 100% (1) (Thabakgolo succession)	100% (1)	Achieved: 100% (1) Traditional Leadership succession disputed processed (Kgarudi Traditional Council)	None	None

Programme: House of Traditional Leaders								
Sub-programme: Provincial Committees								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	Anti GBVF interventions/ campaigns for traditional leadership	Number of Anti GBVF interventions / campaigns for traditional leadership	6 (Mdluli, Lekgoetla, Bakgatla Ba Mocha Ba Moepi, Traditional leadership within Gert Sibande – 30 August 2023, Workshop on GBVF (Gert Sibande District-28 November 2023) and Mawewe)	4 (Msogwaba - Ehlanzeni District, Gutshwa and Embuleni)	4	Achieved: 4 Anti GBVF interventions / campaigns for traditional leadership: Gert Sibande District (Mkhondo Municipality), Duma, Woman's Celebration (Provincial Council - Emnotweni Sun) and Nkangala District	None	None

Programme: House of Traditional Leaders								
Sub-programme: Local House of Traditional Leaders								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Developed Communities in areas of traditional leadership	Functional Local Houses	Number of functional Local Houses	3 Functional Local Houses (Ehlanzeni, Nkangala and Gert Sibande)	3 Functional Local Houses (Ehlanzeni, Nkangala and Gert Sibande)	3 (Ehlanzeni, Gert Sibande and Nkangala)	Achieved 3 functional Local Houses (Ehlanzeni, Gert Sibande and Nkangala)	None	None
	Agrarian projects implemented in Traditional communities	Number of agrarian projects monitored in Traditional councils within the 3 districts	6 Ehlanzeni: Mogane, Mashilane Nkangala: Bakgatla Ba Maloka, Manala Mgibe Gert Sibande: Enkhaba, Somcuba Bhevula	6 Ehlanzeni: Mawewe and Matsamo Gert Sibande: Ebutsini and Mantjolo Nkangala: Bakgatla Ba Seabe and Ndzundza Somphalali	12	Achieved: 12 agrarian projects monitored in Traditional councils within the 3 districts: Nkangala -Ndzundza Somphalali, Baglatla Ba Mocha Ba Moepi, Ndzundza Somphala and Bakgatla Ba Maluka Gert Sibande – Mantjolo, Mandlamakhulu, Madabukela and Emfumbeni Ehlanzeni – Sethlare, Mathibela, Hhoyi and Amashangane	None	None
	Greenhouse projects implemented in Traditional communities	Number of greenhouse projects monitored in Traditional communities within the 3 district municipalities	-	6 Ehlanzeni: Matsamo and Mashilane Gert Sibande: Mahlaphahlapha and Mantjolo Nkangala: Bakgatla Ba Seabe and Ndzundza Pungutjha	12	Achieved: 12 greenhouse projects monitored in Traditional communities within the 3 district municipalities: Ehlanzeni – (Malele, Mlambo, Matsamo and Amashangane) Gert Sibande – Madlangampisi mahlaphahlapha, Madabukela and Emfumbeni) Nkangala – Ndzundza Somphalali, Ndzundza Fene, Bakgatla Ba Mocha Ba Moepi and Bakgatla Bamaloka)	None	None

Programme: House of Traditional Leaders								
Sub-programme: Local House of Traditional Leaders								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
	DDM projects in Traditional communities	Number of District Development Model projects monitored in Traditional communities	3 Ehlanzeni: Mkhuhlu Agri-Hub (Hoxane) Traditional Council Gert Sibande: Lusushwana Water Treatment Plant – Betty'sgoed (Duma) Nkangala: Loskop Bulk Water Scheme – Verena (Manala Mgibe)	3 Ehlanzeni: Barberton Makhonjwa Mountains World Heritage Site Gert Sibande: Fennie Treatment Water (Duma) Nkangala: Belfast Bookshop Street Construction	3	Achieved: 3 District Development Model projects monitored in Traditional communities (Ehlanzeni, Gert Sibande and Nkangala)	None	None
	Local houses participating in DDM structures	Number of Local houses participating in DDM structures	3 (Ehlanzeni, Gert Sibande and Nkangala)	3 (Ehlanzeni, Gert Sibande and Nkangala)	3	Achieved 3 Local houses participating in DDM structures (Ehlanzeni, Gert Sibande and Nkangala)	None	None

Linking performance with budgets

The final allocated budget for the programme amounted to **R 35.1 million**, against which expenditure of **R 32.7 million** was incurred. This represents spending of 93 percent of the final allocation. The level of implemented activities was lower than initially planned and budgeted for during the reporting period.

Sub-programme expenditure

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration of HTL	18 853	16 837	2 016	-	-	-
Committees and Local Houses of Traditional Leaders	16 325	15 892	433	-	-	-
Total	35 178	32 729	2 449	-	-	-

Strategy to overcome areas of under performance

None.

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

- The Programme had one (1) standardised output indicator that was achieved during the period under review. The standardised output indicator was planned under the sub-programme of Committees and Local Houses of Traditional leaders (Provincial Committees):
- Number of Anti-GBVF interventions/campaigns for Traditional leadership

5. TRANSFER PAYMENTS**5.1. Transfer payments to public entities**

There were no transfers payments made to public entities during the 2025/26 financial year.

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2025 to 31 March 2026

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
Amashangane	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Bakgatla Ba Mmakau	Traditional Council	Operational Grant	Yes	296	296	N/A
		Cultural Function	Yes	250	250	N/A
Bakgatla Ba Mocha Ba Moepi	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Bakgatla Ba Moloka	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Bakgatla Ba Seabe	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Barolong Ba Lefifi	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Duma	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Ebutsini	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Embhuleni	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Emfumbeni	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Emjindini	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Enikwakuyengwa	Traditional Council	Operational Grant	Yes	350	350	N/A
Enkhoba	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Esandleni	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Gutshwa	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A

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
Hhoyi	Traditional Council	Operational Grant	Yes	207	207	N/A
		Cultural Function	Yes	250	250	N/A
Hoxane	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Jongilanga	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Kgarudi	Traditional Council	Operational Grant	Yes	350	350	N/A
Kwadwalaza	Traditional Council	Operational Grant	Yes	339	339	N/A
		Cultural Function	Yes	250	250	N/A
Legoetla	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Lomshiyo	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Lugedlane	Traditional Council	Operational Grant	Yes	258	258	N/A
		Cultural Function	Yes	250	250	N/A
Madabukela	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mandlamakhulu	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Madlangampisi	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mahlaphahlapha	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Malele	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Manala Makerane	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Manala Mbhongo	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Manala Mgibe	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mantjolo	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mashilane	Traditional Council	Operational Grant	Yes	348	348	N/A
		Cultural Function	Yes	250	250	N/A
Masoyi	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mathibela	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Matsamo	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mawewe	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mbuyane	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mdluli	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mhlaba	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A

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
Mlambo	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mnisi	Traditional Council	Operational Grant	Yes	350	350	N/A
Mogane	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Moletete	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Moreiposo	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Mpakeni	Traditional Council	Operational Grant	Yes	246	246	N/A
		Cultural Function	Yes	250	250	N/A
Mpisikazi	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Msogwaba	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Ndebele Kingdom	Traditional Council	Operational Grant	Yes	1 954	1 954	N/A
		Cultural Function	Yes	400	400	N/A
Ndlela	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Ndzundza Fene	Traditional Council	Operational Grant	Yes	297	297	N/A
		Cultural Function	Yes	250	250	N/A
Ndzundza Mabhoko Kingship	Traditional Council	Operational Grant	Yes	1 000	1 000	N/A
		Cultural Function	Yes	400	400	N/A
Ndzundza Mabhoko	Traditional Council	Operational Grant	Yes	350	350	N/A
Ndzundza Mabuse	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Ndzundza Pungutjha	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Ndzundza Somphalala	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Nkambeni	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Ogenyaneni	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Sethlare	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Siboshwa	Traditional Council	Operational Grant	Yes	305	305	N/A
		Cultural Function	Yes	250	250	N/A
Somcuba T/C	Traditional Council	Operational Grant	Yes	350	350	N/A
		Cultural Function	Yes	250	250	N/A
Thabakgolo	Traditional Council	Operational Grant	Yes	295	295	N/A
Total				37 938	37 938	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2025 to 31 March 2026, 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
Enikwakuyengwa	Cultural Function	250	00.00	Cultural ceremony not held
Kgarudi	Cultural Function	250	00.00	Cultural ceremony not held
Mnisi	Cultural Function	250	00.00	Cultural ceremony not held
Mohlala	Operational Grant	350	00.00	Non-Compliance to Financial Administration
	Cultural Function	250	00.00	Cultural ceremony not held
Ndzundza Mabhoko	Cultural Function	250	00.00	Cultural ceremony not held
TOTAL		1 600	00.00	

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The Department has spent earmarked funds as follows;

- a) **R 43.4 million** for the construction of Traditional Council Offices within the province.
- b) **R 41.4 million** for the Development of the IT Municipal Monitoring and Reporting System Support within the Municipalities.
- c) **R 51.9 million** for Disaster Relief Expenditure
- d) **R 37.9 million** for Transfers to Traditional Councils
- e) **R 8.0 million** for Traditional Leaders, councils
- f) **R 1.6 million** for Furniture of Traditional Offices

6.2. Conditional grants and earmarked funds received

Conditional Grant 1: Expanded Public Works Programme

Department/ Municipality to whom the grant has been transferred	National Department of Public Works
Purpose of the grant	Youth Waste Management Project
Expected outputs of the grant	190 work opportunities created
Actual outputs achieved	190 work opportunities created
Amount per amended DORA (R'000)	R 3 504
Amount transferred (R'000)	R 3 504
Reasons if amount as per DORA not transferred	Not Applicable
Amount spent by the department/ municipality (R'000)	R 3 504
Reasons for the funds unspent by the entity	Not Applicable
Monitoring mechanism by the transferring department	Monthly In-Year Monitoring (IYM) Reports in line with the PFMA S (40) for expenditure and attendance registers.

Conditional Grant 2: Human Settlements Development Grant

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements.
Expected outputs of the grant	Refer to Part B of the overall performance of the Department
Actual outputs achieved	Refer to Part B of the overall performance of the Department
Amount per amended DORA (R'000)	R 942 978
Amount received (R'000)	R 942 978
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 942 935
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	See report on performance information, financial and non-financial.

Conditional Grant 3: Informal Settlements Upgrading Partnership Grant

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements.
Expected outputs of the grant	Refer to Part B of the overall performance of the Department
Actual outputs achieved	Refer to Part B of the overall performance of the Department
Amount per amended DORA (R'000)	R 184 593
Amount received (R'000)	R 184 593
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 182 144
Reasons for the funds unspent by the entity	See report on performance information, financial and non-financial.
Reasons for deviations on performance	See report on performance information, financial and non-financial.
Measures taken to improve performance	See report on performance information, financial and non-financial.
Monitoring mechanism by the receiving department	See report on performance information, financial and non-financial.

7. DONOR FUNDS

There were no donor funds received

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

The following capital infrastructure projects (renovation of Traditional Council Offices) were Planned however, not completed during the financial year:

1. Ebutsini and Enikwakuyengwa Traditional Council offices due to delays in the procurement processes.

The following capital infrastructure projects (Construction of Traditional Council Offices) were implemented during the 2024/25 Financial Year, however were completed during 2025/2026 Financial Year. The project will be handed over during the 2026/27 financial year

1. Mahlaphahlapha Traditional Council
2. Ogenyaneni Traditional Council
3. Matsamo Traditional Council
4. Kwandwalaza Traditional Council
5. Amashangana Traditional Council

There were major changes in the asset register for the period under review as the assets register for the former Departments of Co-operative Governance and Traditional Affairs and Human Settlements were merged. The register is monitored and maintained through a dedicated asset management unit. The Department performs monthly reconciliations and quarterly physical asset verifications to ensure existence of assets and completeness of the asset components.

Infrastructure projects	2025/2026			2024/2025		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropri- ation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Existing infrastructure assets	56 104	43 851	12 253	-	-	-
- Upgrades and additions	-	-	-	-	-	-
- Rehabilitation, renovations and refurbishments	55 687	43 435	12 252	-	-	-
- Maintenance and repairs	417	416	1	-	-	-
Infrastructure transfer	1 170 357	1 160 506	9 851	-	-	-
- Current	42 886	35 435	7 431	-	-	-
- Capital	1 127 471	1 125 071	2 400	-	-	-
Total	1 226 561	1 204 357	22 204	-	-	-

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PART C: GOVERNANCE

1. INTRODUCTION

The Department has committed to the maintenance of the highest possible standards of good governance as this is fundamental to the management of public resources. In order to achieve good governance, the Department has established governance structures for effective, efficient and economical utilization of state resources.

2. RISK MANAGEMENT

The Department has established risk and compliance management unit that is headed by Director and the unit has achieved the following:

- Put up risk management structures and process (risk management committee in compliance with risk management framework),
- Risk identification within the Department has been undertaken for both Strategic and Operational risks
- Risk mitigation action plans have been developed and adopted by management to address key risks and monitoring the implementation of the risk mitigation action plans is conducted quarterly.
- The Audit Committee does independently monitor the effectiveness of the system of risk management during their quarterly meetings.
- The Department has developed and approved the following policies and strategies to ensure the effective of risk management:
 - Risk Management Policy
 - Risk Management Strategy
 - Fraud Prevention Plan
 - Whistle Blowing policy.
 - Risk Management Charter
 - Risk Management Plan
 - Key Performance Indicator for Risk Management Committee
 - Risk Implementation Plan
 - Various Types of Risk Registers

3. FRAUD AND CORRUPTION

- The department's fraud prevention plan is in place.
- Fraud awareness conducted through Labour Relation Section.
- Fraud and corruption is monitored and reported to Integrity Management Unit in the Office of the Premier for further processing and progress reports are being compiled.
- To date there are no cases reported to the Department.

4. MINIMISING CONFLICT OF INTEREST

- The Department implemented several strategies in order to minimise conflict of interest by employees and this include amongst other:
 - All members of SMS and other Officials on salary scale level 12 and below are required to complete financial disclosure forms as prescribed by DPSA at the beginning of each financial year.
 - The Department has ensured that internal controls are strengthened to minimise conflict of interest in our Supply Chain. During competitive bidding or quotation processes, service providers are required to complete the necessary forms to disclose their interests in terms of employment or relationships with officials employed by the state. They are further also required to disclose as relationships with other businesses. Only suppliers registered on the Central Supplier Database are used as the system automatically verifies against the PERSAL system and also detects involvement in other businesses.

- The SCM processes further provide for the segregation of duties which also assists as a control measure to prevent and detect any conflicts of interest.
- All SCM role players are required to declare their interests annually and all SCM role players appointed on any of the three bid committees are required to declare their interests at each sitting of the committee meetings.
- Bid Committee members are all required to declare their interest and to sign oath of secrecy.

5. CODE OF CONDUCT

All staff members in the Department are required to sign a code of conduct upon appointment. Workshops are conducted as part of induction programme to all our employees. Any breach of code of conduct is dealt with through disciplinary processes. For the year under review, we did not have breach of code of conduct that was reported.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has an Occupational Health and Safety Programme which ensured coordination and implementation of safety, health, environment risk and quality management services as aligned to the Occupational Health and Safety Act No. 85 of 1993 and the Department of Public Service Administration Strategic Framework for Employee Health and Wellness in the Public Service, 2012. Occupational Health and Safety Committees were established. There are occupational health and safety officials at district level who are monitoring occupational health and safety compliance on all projects that are implemented. Quarterly Safety, Health, Environment, Risk and Quality (SHERQ) meetings and hazard identifications and risk assessments (HIRA) as well as Monthly SHE inspections were conducted and monthly environmental reports were compiled.

7. PORTFOLIO COMMITTEES

The Department report to the Portfolio Committee on Co-operative Governance and Human Settlements. This is a political structure formed by the legislature to perform an oversight function to the Department. The committee review the Department's Strategic Plan, Annual Performance Plans and budgets annually before they get approved for implementation. Once approved, the implementation of the plans and budget are monitored on monthly and quarterly basis and this is achieved through analysis of our implementation progress reports.

The Department appeared before the portfolio committee on the following dates:

- 27 May 2025 tabled the 2024/25 4th quarter performance report
- 30 September 2025 tabled the 2025/26 1st quarter performance report
- 02 December 2025 tabled the 2025/26 2nd quarter performance report and the 2024/25 Annual reports
- 10 March 2026 tabled 2025/26 3rd quarter performance report.

The Department is regularly required to submit responses to questions raised on the plans and performance reports. The latest provided progress on house resolutions made by the portfolio committee on Human Settlements, Co-operative Governance and Traditional Affairs was in relation to the house resolutions passed on the quarterly performance reports as follows:

HOUSE RESOLUTIONS FOR THE 3rd QUARTER

NO	FINDING RAISED	PROGRESS REPORTED
1.	The aging infrastructure and deteriorating condition of the road networks remain a concern, especially by the recent heavy rains.	The department has established a provincial task team on municipal roads infrastructure that monitors the implementation of roads and maintenance programmes in municipalities. The task team monitors plans put in municipalities regarding road maintenance and rehabilitation, as well as new developments in historically neglected areas as identified through the Rural Roads Asset Management System (RRAMS). A total of R744 million was set aside from the MIG in the 2025/26 financial year for the construction of paved and tar roads in the different municipalities. As of the end of March 2026, a total of 25 projects (48,37km) has been completed to improve the condition of the roads and stormwater systems, with 58,63km still to be completed by 30 June 2026.
2.	As of the end December 2025, an amount of R1,4 million (63%) has been reported as Municipal Infrastructure Grant (MIG) expenditure.	As of the end of March 2026, an amount of R1,57 billion (73%) has been reported as MIG expenditure. Most municipalities in the province have spent above 60% of their allocations, with only Govan Mbeki, Emalahleni, and Victor Khanye municipalities spending below 60%. The municipalities are supported through one-on-one engagements with Accounting Officers to develop acceleration plans to complete implementation of the planned projects (in terms of budgeted scope of work) and ensure 100% expenditure by the end of June 2026.
3.	An amount of R1.08 billion (50%) of the total allocation is prioritised projects for water and sanitation.	By the end of March 2026, a total of R579 million has been spent towards the implementation of 70 water and sanitation projects. As a result, an additional 14 741 (1,1%) households were served with water, and an additional 2 603 (0,2%) households were served with sanitation in the province.
4.	R744 million (35%) is prioritised for Roads and stormwater projects, and the rest is prioritised for other projects, such as solid waste, high-mast lighting, and sports facilities, including the 5% PMU operational budget.	By the end of March 2026, a total of R652 million has been spent towards the implementation of 107km of road projects. A total of 48,37km of roads have been confirmed complete by the end of March 2026, with an additional 58,63km to be completed by the end of June 2026. A total of four solid waste projects (landfill sites) is being implemented and at different stages in Bushbuckridge, City of Mbombela, Chief Albert Luthuli, and Victor Khanye municipalities, with three landfill sites under planning in Bushbuckridge, Lekwa and Dipaleseng.
5.	An amount of R1.80 billion (84%) is transferred for the project implementations.	As of end March 2026, R2.1 billion which is 100% allocation to the province was transferred to all municipalities. The overall provincial expenditure as of end March 2026 is 73,3% distributed as follows per district: Gert Sibande district: 69,7% Nkangala district: 69,6% Ehlanzeni district: 76,3% The Department is supporting municipalities so that by end of June 2026, the expenditure is 100% with projects benefiting communities on service delivery

NO	FINDING RAISED	PROGRESS REPORTED
6.	The Department has engaged with the Department of Public Works, Roads and Transport (DPWRT) regarding the delays in the submission of invoices. Feedback received from DPWRT indicated that the delays were due to challenges experienced with their billing of service providers, which affected the timely processing and issuing of invoices.	The DPWRT, which is responsible for administering and consolidating invoices for services such as water, electricity, and communications, often receives billing late from its underlying service providers. The late billing to the Department by the DPWRT falls outside the Department's direct control.
7.	The Department has experienced procurement challenges mainly due to differences in procurement processes and the existence of multiple panels of contractors following the merger of the two former departments.	The Department has developed and implemented a Standard Operating Procedure (SOP) to regulate the management and utilisation of the various contractor panels. The SOP provides clear guidance on the transparent rotation of contractors within panels and standardised processes for the allocation of work to ensure fairness and equity.
8.	The slow performance of contractors. Consequently, the department accelerated the delivery of sites to make up for the shortfall.	GIC was allocated only 100 sites, with a budget of R10.7 million . However, due to activities in prior years, GIC had already serviced a large number of sites and required payment to convert these into achieved sites. Accordingly, payments were processed, resulting in a total of 3,097 sites being achieved, yielding positive results.
9.	The department reported that the existing stock of houses under construction is not completed, it becomes impossible to commence new units.	At the end of the 2025/26 financial year, the department had a contractual commitment of 3 479 low-cost houses which was carried over to the 2026/27 and outer financial years. Due to budget limitation, a total of 1 828 is planned for the 2026/27 financial year and the balance of 1 666 planned for outer financial years. The detailed project report is hereto attached as Annexure A
10.	105 asbestos roofed houses were planned for eradication in the third quarter the outstanding units are in Dr JS Moroka, Victor Khanye, Thaba Chweu and Thembisile Hani local municipalities.	As at end of the 2025/26 financial year, a total of 480 out of 405 asbestos roofed houses were eradicated (119%). These included 106 in Bushbuckridge, 137 in Chief Albert Luthuli, 137 in Dr JS Moroka and 100 in Victor Khanye local municipalities. The detailed project report is attached as Annexure B.
11.	Municipalities to engage contractors to expedite deliverables and enforce penalties when necessary. The department has issued a circular advising municipalities to blacklist any underperforming service providers. Coordination of municipal procurement plans and monitoring the implementation of the plans through submission of progress reports and holding monthly and quarterly meetings.	To date no municipality has submitted any service provider for blacklisting to National Treasury. However, municipalities have indicated that where challenges of under-performance are identified, such service providers, mainly contractors are supported with the buying of materials through signing of cessions. The department continuously conducts quarterly progress meetings with all municipalities to monitor progress on the implementation of the MIG programme. Furthermore, one-on-one meetings were held with Govan Mbeki and Emalahleni municipalities to support them in developing plans to accelerate project implementation to achieve 100% expenditure by the end of June 2026.

NO	FINDING RAISED	PROGRESS REPORTED
12.	The Department is committed to completing the recruitment and selection process within the first quarter of the 2026/27 financial year.	The Department will apply its Recruitment and Selection Policy and Employment Equity Plan during the recruitment and selection process. Provision is made in the aforementioned plans for the equitable selection of women and other designated groups during the recruitment process.
13.	The department reported that the accruals recorded were due to cash flow constraints and delays in the submission of invoices by service providers, which resulted in payments being carried forward to the current financial year and placing additional pressure on the available budget.	The Department is currently finalising the year-end financial processes. A comprehensive report on the accruals, including detailed analysis and corrective measures, will be provided upon finalising the list.
14.	There were delays in the appointment of service providers for the construction of Traditional Councils offices which started during the 2025/26 projects due to non-availability of funds, hence they will be completed in the 2026/27 financial year.	The Department has appointed service providers, who are currently on site implementing the respective projects. Progress to date is as follows: Kgarudi – 42.8%, eSandleni – 15%, and Lekgoetla – 25%. All three projects are scheduled for completion by 31 March 2027.
15.	The department (province) was obliged to develop an innovative mechanism to determine allowances and engage in negotiations with the Senior Traditional Leaders as the National Minister has not yet prescribed allowances for all Traditional Councils nationwide.	The agreement between the MEC, the Acting Superintendent-General, and the Executive of the House has not yet been finalised. Furthermore, the National Minister has not issued a directive regarding the applicable allowances. In the absence of a national directive, provinces are currently applying their own provincial approaches.
16.	A service provider has been appointed to supply and deliver the furniture to all the newly built offices to an amount of R2 million which was allocated for the procurement of furniture for Local Councils, and the furniture was not acquired.	Office furniture was procured and delivered to all newly constructed offices prior to the end of the 2025/26 financial year.
17.	The additional budget allocation was earmarked for specific programmes to support the House and Traditional Council, and the management has put measures in place to ensure that the allocated funds are spent effectively before the end of the financial year.	The additional budget allocated during the Adjusted Budget process was effectively utilised by the House of Traditional Councils in line with the Department's Annual Performance Plan.

HOUSE RESOLUTIONS FOR THE 2ND QUARTER

NO	FINDING RAISED	PROGRESS REPORTED																															
1.	Provide a detailed progress report on the correct figures of the planned targets as there is a discrepancy in the Departments reporting. The department must also ensure that this does not occur in the subsequent quarters.	The Department had 89 targets and managed to achieve 88% (78 out of 89). The Department commits that a miscalculation error will not occur in subsequent quarter, especially on the MEC’s overview. However, on the report submitted for tabling, the calculation is correct. Below is a table illustrating targets and achievements per programme: <table><tr><th rowspan="2">Programme</th><th colspan="3">2nd Quarter 2025/26</th></tr><tr><th>Number of Targets</th><th>Number of Targets Achieved</th><th>% of Targets Achieved</th></tr><tr><td>Administration</td><td>05</td><td>05</td><td>100%</td></tr><tr><td>Human Settlements</td><td>13</td><td>05</td><td>38%</td></tr><tr><td>Cooperative Governance</td><td>52</td><td>50</td><td>96%</td></tr><tr><td>Traditional Institutional Management</td><td>08</td><td>08</td><td>100%</td></tr><tr><td>House Of Traditional Leaders</td><td>11</td><td>10</td><td>91%</td></tr><tr><td>Total</td><td>89</td><td>78</td><td>88%</td></tr></table>	Programme	2 nd Quarter 2025/26			Number of Targets	Number of Targets Achieved	% of Targets Achieved	Administration	05	05	100%	Human Settlements	13	05	38%	Cooperative Governance	52	50	96%	Traditional Institutional Management	08	08	100%	House Of Traditional Leaders	11	10	91%	Total	89	78	88%
Programme	2 nd Quarter 2025/26																																
	Number of Targets	Number of Targets Achieved	% of Targets Achieved																														
Administration	05	05	100%																														
Human Settlements	13	05	38%																														
Cooperative Governance	52	50	96%																														
Traditional Institutional Management	08	08	100%																														
House Of Traditional Leaders	11	10	91%																														
Total	89	78	88%																														
2.	Strengthen the monitoring system and ensure that the budget is utilised in line with the National Treasury benchmark.	The Department has improved expenditure performance, with spending trends showing better alignment with the approved budget. The Department implemented the following measures: ▪ Monthly expenditure monitoring and reporting against budget allocations. ▪ Regular review of spending patterns to mitigate risks of unauthorised, irregular, fruitless, and wasteful expenditure.																															
3.	Ensure that the municipalities utilise the Municipal Infrastructure Grant and provide a list of the municipalities that are not spending the MIG.	Municipalities are closely monitored regarding their spending of Municipal Infrastructure Grant (MIG) funds. As of the end of January 2026, an expenditure of R1.36 billion, representing 63% of the allocated funds of R2,10 billion, has been reported. Expenditure report is hereto attached as ‘Annexure A’ All municipalities in the province are spending within the national benchmark, and none are currently impacted by the stopping of MIG funds. However, Dr. Pixley Ka Isaka Seme, Dipaleseng, Lekwa, Gert Sibande District, Victor Khanye, Emalahleni, Thaba Chweu, and Bushbuckridge municipalities need to improve their spending patterns. These municipalities have submitted their acceleration plans and are being closely monitored for progress.																															

NO	FINDING RAISED	PROGRESS REPORTED
4.	Provide a detailed report on measures the department has put in place in ensuring that there are no delays in programme implementation particularly related to the late approval of business plans, system interface challenges, and outstanding invoices from the previous financial year contributed to the underspending.	Following a slow start to expenditure in the financial year due to system-related challenges and late approval of the business plans, which have since been resolved, management implemented measures to accelerate spending: The following measures were put in place: ▪ Strengthened monthly expenditure monitoring and reporting to track progress against projections. ▪ Prioritisation of critical procurement processes. Regular engagement with budget holders to enforce accountability and improve spending.
5.	Ensure that the non - filling of new positions does not hamper the service delivery of the communities and that the department must ensure that the organisational structure is finalised and provide progress report on a quarterly basis.	The department is in the process of advertising all the critical positions as part of implementation of the new organizational structure. The recruitment and selection process is anticipated to be concluded within the first quarter of 2026/2027 financial year.
6.	Provide a detailed progress report on a quarterly basis on the spending which exceeded the Treasury benchmark and not to be in line with departmental plans and what specific activities or projects contributed to this higher level of expenditure.	It must be noted that the spending was below the Treasury benchmark as it was sitting at 44%. This was due to slow progress in the implementation of grant-funded projects, particularly relating to top structure construction. To address the under- performance, the Department undertook a budget reprioritisation process, reallocating funds to sites to accelerate delivery and improve spending levels.
7.	Provide a detailed report on the revised enrolment-target formula to include both units already enrolled and projected new units which will help ensure that quarterly targets are realistic and can be adjusted when required.	Refer to detailed approach to a variable annual target for enrolment presentation attached as “Annexure B”

NO	FINDING RAISED	PROGRESS REPORTED																								
8.	Provide a detailed progress report on a quarterly basis on the Naas WTW as the upgrade (Phase 2) is at 76% complete and is expected completion date is end June 2026. The inlet works at the Komatipoort WWTW which is currently under refurbishment and general maintenance to be completed by Feb 2026.	a) Upgrade of Naas phase 3A 5ml/d - 85% construction progress. 100% complete site establishment 100% complete site clearance 100% complete removal of topsoil 100% complete bulk earthworks 100% complete reinforcement, concrete and structural steel for all concrete works 75% complete inter-connection pipe works 50% complete filters and electrical works. b) Komatipoort WWTW DWS has formally authorised the project along with the accompanying technical report. Currently, PSP is diligently developing the designs, aiming to provide comprehensive guidance for the project by July 30, 2026. This timeline is particularly crucial given the constraints imposed by limited funding allocated for the upcoming financial year.																								
9.	Provide a detailed progress report on the eighteen (18) boreholes that have been drilled and equipped are scheduled to be energised in the current financial year 2025/26. The report to be specific on the affected municipalities.	The process of energising the 18 boreholes—comprising of 8 located in the Nkomazi municipality and 10 in the Dr JS Moroka region—is currently in the procurement phase. We are eagerly awaiting the appointment of qualified contractors to move this project forward.																								
10.	Provide a detailed progress report on the nine cases referred to in the Commission on Traditional Boundaries Disputes Management and the processing of the outstanding cases is underway.	The Commission has concluded investigations for 5 cases and the outstanding 4 are still underway. The Commission has been gazetted up until 30 November 2026 whereby all outstanding cases must be finalised.																								
11.	Provide a detailed progress report if the planned induction and capacity building programme of the newly elected Traditional councils in the three districts was able to be conducted on 01 December 2025 to empower the leaders on their roles and responsibilities.	The Department could not proceed with the induction and capacity building programme of the newly elected Traditional councils because the stipend allowances for sittings needed to be finalised first. The Department has already appointed Service Providers for the three districts to conduct the induction programme. The plan is to conclude such before the end of the Financial Year.																								
12.	Provide a detailed progress report on a quarterly basis on the outcome of the budget as there are engagements planned between the leadership of the House of Traditional Leaders, the MEC and Treasury to allocate additional funds to the House of Traditional Leaders.	<u>Annual Budget Allocated</u> Compensation of Employees: R20. 6 Million Goods and Service: R10.0 Million Detailed Quarterly Expenditure Report on Compensation of Employees (COE) and, Goods and Services for Programme 5: <table><tr><th colspan="2">1st Quarter</th><th colspan="2">2nd Quarter</th><th colspan="2">3rd Quarter</th></tr><tr><th>COE</th><th>Goods & Services</th><th>COE</th><th>Goods & Services</th><th>COE</th><th>Goods & Services</th></tr><tr><td>23%</td><td>19%</td><td>49%</td><td>63%</td><td>73%</td><td>62%</td></tr><tr><td>4 817</td><td>1 867</td><td>10 054</td><td>6 320</td><td>15 101</td><td>8 977</td></tr></table>	1st Quarter		2nd Quarter		3rd Quarter		COE	Goods & Services	COE	Goods & Services	COE	Goods & Services	23%	19%	49%	63%	73%	62%	4 817	1 867	10 054	6 320	15 101	8 977
1st Quarter		2nd Quarter		3rd Quarter																						
COE	Goods & Services	COE	Goods & Services	COE	Goods & Services																					
23%	19%	49%	63%	73%	62%																					
4 817	1 867	10 054	6 320	15 101	8 977																					

HOUSE RESOLUTIONS FOR THE 1ST QUARTER

NO	FINDING RAISED	PROGRESS REPORTED
1.	The Department planned to achieve eighty (80) targets during the first Quarter of the 2025/26 financial year and managed to register an overall achievement of 91%, which is 73 out of 80 planned targets.	On supporting municipalities to gazette Municipal By Laws, three municipalities were affected <i>i.e.</i> Gert Sibande DM, Lekwa, and Thaba Chweu LM. The Department managed to provide support to these municipalities during the second quarter. With regards to the targets for the construction of low-cost houses (i.e., IRDP, Rural and BNG), a detailed progress report as of 31st September 2025 is attached as 'Annexure A' On certifying houses in line with NHBRC, the number of houses certified in line with NHBRC Regulations and Standards is dependent on the number of completed houses under low-cost housing programmes such as (IRDP, Rural, CRU)
2.	As of the end of June, an amount of R2,08 billion (99%) has been reported as Municipal Infrastructure Grant (MIG) expenditure, with an Integrated Urban Development Grant (IUDG) expenditure of 100% against the R78.7 million allocation.	Two municipalities with unspent balances submitted applications for rollover. The National Treasury approved the Gert Sibande District Municipality to roll over R2.6 million into the 2025/26 financial year. However, the application from Nkomazi Municipality was not approved, as the funds were not cash-backed by the end of June 2025. In the 2025/26 financial year, the province's Municipal Infrastructure Grant (MIG) allocation is R2.1 billion. As of the end of September 2025, total reported expenditure is at R595.9 million, representing 28% of the allocated funds. These five municipalities, namely: Dr. Pixley Ka Isaka Seme, Gert Sibande District, Victor Khanye, Emalahleni, and Thaba Chweu, exhibit concerning spending patterns that fall below the threshold. The primary factor contributing to this under-performance appears to be the delayed finalization of procurement processes. Engagement has been held with these municipalities, and revised procurement/ acceleration plans have been submitted and closely monitored. (See attached expenditure per municipality as of the end of September 2025)
3.	During the stopping and reallocation of conditional grants, the province received an additional MIG allocation of R36.732 million and an Integrated Urban Development Grant (IUDG) allocation of R6 million due to its excellent performance. The additional funds were allocated to Msukaligwa (R10m), Emakhazeni (R10m), Bushbuckridge (R16,732m) and Steve Tshwete (R6m)	The additional MIG funds allocated to the three municipalities were designated for a total of thirteen projects. Eight (8) of these projects have been reported as completed, four in Bushbuckridge municipality and four in Emakhazeni municipality. The remaining five (5) projects are multi-year projects and are included in the plans for the 2025/26 financial year, with the intention to complete them in June 2026. Additionally, the IUDG was assigned two projects, both of which have been completed. (See attached list of projects as Annexure B)

NO	FINDING RAISED	PROGRESS REPORTED
4.	The department is working towards accelerating efforts to address water supply challenges and overcome obstacles. Engagements are underway with the Department of Water and Sanitation, led by Minister Majodina, Deputy Minister Mahlobo and the Water Board. These crucial discussions are ongoing, and future developments will be shared in due course.	DWS has committed to continue its support to the province and municipalities on water related interventions. Recently in the second quarter, the Deputy Minister for Water and Sanitation supported by the MEC held a number of oversight visits on bulk water projects in Nkangala and Ehlanzeni district municipalities resulting in clear recommendations to improve project delivery and water supply.
5.	The department underspent on Programme 1: Administration, Programme: 2 Human Settlements, Programme: 3 Co-operative Governance and Programme: 5 House of Traditional Leaders which is not in line with the National Treasury Benchmark of 25%.	The Department will strengthen the monitoring of financial and non-financial expenditure against budget through the following: ▪ Monthly budget and expenditure review sessions will be conducted by Management Accounting to assist responsibility managers on timely warnings on under or over expenditure and possible remedial actions. ▪ Quarterly Departmental Performance Review Session to monitor both financial and non-financial performance with the view to identify over or under performance and possible remedial actions
6.	The underspending on compensation was mainly on salary increment which was planned for the first quarter. Though the Department has budgeted for filling of new positions, this will only happen once the organisational structure is approved.	The organisational structure was finalised and submitted for concurrence in September 2025 to the Department of Public Service and Administration (DPSA). In November 2025, DPSA concurred the structure.
7.	The Department is currently working on finalizing the budget for the proposed organisational structure with Provincial Treasury. Subsequent to the confirmation of the budget, the Department will submit a consultation request to the Minister of Public Service and Administration for concurrence.	The budget for the proposed organisational structure was confirmed by Provincial Treasury, and the structure was supported by the Office of the Premier and DPSA
8.	The assessment report for Marapyane and Siyathemba Thusong Centres on the guard houses has been compiled, and procurement of both guard houses has been recommended as a corrective measure yet to be decided upon.	The guard houses for Marapyane and Siyathemba Thusong Service Centre is at the procurement stage. Savings accumulated on COE will be utilized for the procurement of the guard houses. The estimated budget to be utilized for both guard houses is at R 49 500,00 .
9.	The department reported that the technical problem has been fully resolved, and the department is able to print orders and pay all valid invoices within thirty (30) days as stipulated in the Treasury Regulations.	The technical problem has never occurred since it was resolved in May 2025 after the former DHS store has been migrated to former COGTA store which enabled the Department to process print purchase orders and process all outstanding invoices.

NO	FINDING RAISED	PROGRESS REPORTED
10.	The Parliamentary Village project is at 98% physical progress with some elements such as minor fittings being installed on the main bulk water pumping line and reservoirs to allow final testing to be conducted. The service provider cited cash-flow challenges and indicated all work will be completed once they receive payment. The Department has committed to make payment in October 2025 and expects snagging and works to be completed on or before end of November 2025.	The project is at 98% Complete. The site has experienced community disruptions, such as vandalism and theft, which have hindered the testing of the pump station and reservoir. Furthermore, special requests from Silulumanzi concerning pumps and connections have contributed to the delay. Completion is anticipated by February 2026. The service provider has resolved the cash flow challenges and is currently on site.
11.	The Department is aware of the illegal invasion in Kinross, and the three affected houses were built by a sub-contractor employed by XJR Construction who was appointed by the Department to build houses in Kinross, Leandra and Bethal. These houses were built in the wrong location, which is outside the approved General Plan, hence the Department was unable to make any payments on the work (milestones) that was carried out by the sub-contractor. The Department will continue to engage Govan Mbeki Local Municipality in an effort to resolve the matter.	In regard to the three (3) houses that were built in the wrong location. The houses were built by the sub-contractor employed by the main contractor (XJR Construction). The department was unable to certify payment for these houses due to the following reasons: ▪ The houses were built outside the approved General Plan. ▪ They were built from slab level to completion without any inspections done by the departmental inspectors and the Department only got to know about these when a claim for payment for the same was submitted and this was after the houses had been completed. ▪ They were built in an area that is not zoned for Residential purposes. Discussions were held with the Govan Mbeki Local Municipality on how these anomaly can be corrected and the Municipality gave an undertaking that the area will be rezoned in order to accommodate the houses that were already built but to date no rezoning has taken place hence the houses remain unpaid in line with the Departmental processes. It can further be concluded that there were some deficiencies in terms of monitoring and these are all the issues that the department is currently inundated with in order to avoid situations of this nature from happening in future.
12.	The department and Provincial Treasury (PT) will continue to engage these municipalities to honour their Eskom debt.	Engagements with municipalities is ongoing on the need to honour the Eskom debt through the CFO's forums as led by the Provincial Treasury. Municipalities are failing to comply with the conditions of the debt relief programme concerning the payment of current accounts (See attached status). The financial challenges faced by municipalities remain the sole problems for not honouring Eskom accounts. COGHSTA and PT continue to monitor municipalities payment of Eskom debt.

NO	FINDING RAISED	PROGRESS REPORTED
13.	Rand Water has been requested to improve its communication with municipalities particularly when implementing routine maintenance which affects water supply and when intending to implement water restrictions due to non-payment by affected municipalities.	IGR governance structures exist in the Department to co-ordinate Rand Water and municipalities to communicate information related to water supply, routine maintenance and any other related matter. The Department has the Livi Lemphakatsi App that will also be utilized to put up Rand Water notification of routine maintenance when communicated.
14.	The Nkomazi municipality is implementing measures to collect revenue from outstanding debtors and reducing expenditure on overtime and travelling expenses. The municipality is working hard to ensure that there is no recurrence of the failure to pay salaries.	The department will continue to monitor the progress made by the municipality in improving the financial situation. The municipality is continuing to implement measures to collect revenue and reduce expenditures to meet financial obligations. The revenue collection of the municipality depicted improvements in July R28 million , August R27.9 million and R55.5 million in September whilst expenditure on salaries has slightly decrease between July R67.6 million , August R59 million and R57.9 million in September 2025. The Provincial Task Team with the resident advisor deployed by PT to Nkomazi assisted with the reviewing of the budget funding plan which the municipality is currently implementing. The progress of the municipality is monitored through the reports submitted on the LG database on a monthly basis.
15.	The department overspent on its budget by 18.6%, which is a concern. The department reported that the budget allocation was inclusive of R40.5million for disaster relief material stock-piles replenishment, which will be spent during the second and third quarters of the financial year.	The Department has so far not overspent on the procurement of disaster relief materials.

SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	SCOPA resolutions on 2024/25 annual report of the Department (COGTA)	The Accounting Officer must continue to submit financial statements by the end of August 2024 and to ensure that the audit action plans, and the joint Improvement Support Plan is implemented and monitored regularly for the municipalities to improve the audit outcomes in the 2024/25 financial year. .	- All AFS have been submitted on time (31st august 2024) by Municipalities to AG. The progress to date involves ongoing monitoring of audit action plans and the implementation of the Joint Improvement Support Plan. Regular meetings between Department, MPT, SALGA, and district officials are taking place quarterly to ensure municipalities are supported in improving audit outcomes for the 2024/25 financial year. - All audit actions plans are in the process of development and uploaded in the web-based system the Department and MPT will continuously monitor these plans on a quarterly basis. - MPT has planned a review session on audit action plans, and the Department will be part of these sessions. In these sessions, technical support will be provided to municipalities.	Resolved
		Other Sector departments should learn from the Department of Co-operative Governance and Traditional Affairs on the best practices to obtain a clean audit.	The Provincial Treasury has established a CFO's forum where audit action plans of all Departments are presented and best practices to obtain a clean audit are shared during the meetings held.	Resolved
		The department must strengthen the financial monitoring system to avoid any recurrence of Fruitless and Wasteful expenditure and where such is determined, effective steps are taken in ensuring such fruitless and wasteful expenditure is recovered from those that are implicated which is in line with the functions and responsibilities of the Accounting Officers in terms of section 38 of the PFMA.	The Department has put in place monitoring systems to detect, report and recover Fruitless and wasteful expenditure. A UIFW policy which outlines the preventative measures to avoid any recurrence of Fruitless and Wasteful expenditure is in place and is circulated to all officials for awareness. On detection and confirmation of a fruitless and wasteful expenditure, the Official responsible is notified that he/she is liable to settle the debt. If the official disputes being responsible for the expenditure, the matter is referred to the Labour Relations unit for investigation. A debt is raised and recovered from the accountable official subsequent to the receipt of the investigation report, provided that the investigation reveals that the official is responsible for the Fruitless and Wasteful expenditure.	Resolved

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Provide detailed progress report on the settlement of the fruitless and wasteful expenditure of R64 542.57 by January 2025 from the responsible Official as deductions will be made by the Department for a period of three (3) months.	The official responsible failed to settle the amount owed within the stipulated period. Follow up correspondence and a final demand letter was made to remind the official of his responsibility to settle the debt. The Department will recover the amount from a PERSAL deduction, starting from 15 March 2025 to collect the outstanding debt over a period of 12 months.	Resolved
		Provide a detailed list of councillors, per municipality for the non-attendance of Trainings. Also strengthen the monitoring system as introduced by the department to curb the non-attendance of trainings by councillors and provide a progress report on a quarterly basis.	On invitation for the training, the department requested municipalities to nominate two councilors responsible for finance and support staff. The municipalities indicated that the MMC for finance and support staff will be attending the training. During the training dates the following councilors from these municipalities were not present: Victor Khanye, Mkhondo, Govan Mbeki, Nkomazi, Emakhazeni, Dipaleseng and Thembisile Hani and City of Mbombela. The department wrote letters to those municipalities to curb the money for none attendance. To strengthen monitoring, the department develops a commitment form to be signed by the supervisor and the nominated councilor's before the training commences. All nominated councilors attended the trainings for 2024/25.	Resolved

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Executive Authority must take disciplinary action against the Head Official failing to discipline Management and officials that violate the PFMA and other prescripts and who fail to implement the internal control measures put in place, as well as failing to implement the SCOPA House resolutions.	The Executive Authority has not taken disciplinary actions against the Accounting Officer due to the fact that the Accounting Officer has implemented control measures to prevent the recurrence of such incidents. 1. Non-Attendance of Training Expenditure: - Conducted a thorough investigation as per PFMA section 38 - Identified systemic coordination issues between departments - Implemented proactive measures to prevent future occurrences: - Developing upfront written commitments - Establishing a mechanism to recover costs through salary deductions if councillors fail to attend training. 2. Accident Repairs on Rented Vehicle: - Issued a Final Written Warning to the responsible official - Entered into a formal agreement for repayment - Established a structured recovery plan with salary deductions from November 2024 to January 2025 Key Compliance Actions: - Followed Material Irregular Expenditure framework guidelines - Provided detailed breakdowns of expenditures - Took corrective and preventive measures - Demonstrated transparency in reporting The Accounting Officer's response aligns with PFMA requirements by: - Investigating the incidents - Identifying root causes - Implementing corrective and preventive measures - Establishing mechanisms for cost recovery Rather than immediately resorting to severe disciplinary action, the approach focused on systemic improvement and preventing future occurrences, which can be seen as a constructive approach to financial management. Therefore, the Head Official's comprehensive reporting and proactive measures suggest a responsible approach to addressing the identified financial irregularities.	Resolved
		The department must ensure that MPACs are fully capacitated to hold municipalities accountable; to investigate matters and where applicable disciplinary boards should act and recommend appropriate measures and steps to the Municipal Councils.	The Department is working in collaboration with other strategic partners, i.e. Provincial Treasury, AGSA and SALGA to capacitate Municipal Public Accounts Committees (MPAC) to hold the executive and administration accountable as well as to ensure that issues of UIFW are dealt with accordingly in all Municipalities. The MPAC reports directly to the municipal council through the Office of the Speaker. Provincial Treasury is instrumental in ensuring that Municipalities establish Disciplinary Boards to assist with financial misconduct issues. The Department is also sitting in the SALGA Working Group which part of its function is to ensure that MPACs as well as other council committees are fully functional.	Resolved

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		8. The department must come up with a mechanism to address the delay by Municipal Councils in filling the twenty-two (22) key vacant funded positions and ensure that all the positions are filled before end of June 2025. Strengthen the Monitoring system of the municipalities recruitment acceleration plan and provide progress report to the committee on a quarterly basis.	The Department will continue to monitor Recruitment Acceleration Plans for Municipalities with vacant senior management posts. One on one meetings with Municipalities that have high vacancy rates are held to emphasize the importance of compliance with the Municipal Systems Act and its Regulations and the implications of non-compliance thereof. Currently, there are 26 vacant funded positions and the Department is supporting and monitoring all affected municipalities through the above-mentioned mechanisms to ensure that these positions are filled before the end of June 2025.	17 posts are currently vacant. The department has developed a recruitment acceleration plan for municipalities with vacant senior managers' posts. Letter requesting progress on the filling of vacant senior managers' posts are sent to municipalities on quarterly basis (Ongoing)
		The department should enhance the MuniMEC meetings in addressing some challenges of the municipalities; and come up with a tracking tool for the MuniMEC resolutions. Strengthen the monitoring of the resolutions taken by the department during accountability meetings on all issues pertaining to municipalities.	The Department schedules 4 Technical MUNIMEC meetings, chaired by the Head of the Department and 2 MUNIMEC meetings chaired by the MEC annually. The MUNIMEC meetings mostly deal with the service delivery matters and a resolution register is compiled for circulation afterwards. The Department will put in more effort to strengthen the monitoring of resolutions taken during accountability meetings on all issues pertaining to municipalities.	Resolved

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The department should strengthen its working relationship with the Districts Municipalities, Office of the Premier in developing programs to assist municipalities in ensuring that the District Development Model is implemented and monitored to assist the communities in the province.	The Department has implemented measures to ensure strengthened collaboration with district municipalities in supporting and monitoring the DDM implementation. The Provincial DDM Technical Advisory Committee which constitutes of the Department, Office of the Premier, national Department of Cooperative Governance and Traditional Affairs, Municipal Infrastructure Support Agency (MISA), South African Local Government Association (SALGA) and the three district municipalities has been established to support and monitor the development and implementation of the DDM One Plans. The Department has recently extended an invite to CSIR and Mpumalanga University to be represented in the Committee. This committee is convened on a quarterly and Ad-hoc basis. Moreover, on the 04 December 2024, the MEC launched the Provincial DDM Coordination Committee with all political DDM champions (MECs, Ministers and Executive Mayors) to support and monitor the implementation of the DDM. The Department further monitors the functionality of the DDM structures and coordinate sector departments to participate during the meetings to influence decision making on implementation. Currently, the Department with OTP is assisting the three district municipalities to review their DDM One Plans.	Resolved
		The department must provide a detailed report on intervention done regarding material irregularities.	The Department does not have material irregularities on litigation that required intervention, save to note that there was a positive audit outcome on litigation.	Resolved
		Provide a detailed report on the litigation cases the department has won, which should include the outcome of judgement with cost.	TC Mashego vs the Premier, the Department, Thabakgolo Traditional Council (application to interdict the construction of Traditional Council Offices) On 21/11/2023: Matter struck from the roll. Matter regarded as finalized. Matter re-enrolled. Court date: 16/01/2024. Matter stood down. On 19/01/2024: judgment granted in favour of Department. Matter regarded as finalized.	Resolved

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Accounting Officer must ensure that the department continue to maintain the clean audit in the 2024/25 financial year. The department should also be impactful in terms of the performance of the department in turning around and providing more effective support to the municipalities.	The Department will continue to strengthen its control environment and ensure the following; - Establish an effective sound political and administrative leadership culture. - Respect the role of oversight structures (such as Portfolio Committee, SCOPA, EXCO, AGSA, Audit Committee, Risk Committee) by implementing and monitoring their resolutions taken to improve the business operations and accountability within the Department. - Enforce the implementation of the established human resource management systems, policies, procedures as well as IT Governance practices. - Monitor the implementation of the developed sound Financial, Performance Management systems and controls, which include amongst others; Proper record keeping, monthly reconciliations, timeous reporting and compliance with applicable laws and regulations. - Implement sound risk management strategies. Lastly, all risks areas identified by Internal Audit Unit, Audit Committee, External Auditors, and Oversight Bodies are incorporated into the Departmental Risk Register and mitigating factors are being monitored on regular basis through the Risk Management Committee. Furthermore, support our local municipalities through the implementation of the following legislation ✓ <i>The Municipal Systems Act 32 of 2000 Section 105</i> ✓ <i>The constitution of RSA Chapter 7 Section 154(1), 155(6)</i> Lastly among other initiatives implement with other stake holders the Provincial Treasury, SALGA and Districts have established multi-disciplinary intervention plan called Municipal Audit Improvement Support Plan (MAISP).	Resolved
		Strengthen the monitoring of the municipalities audit action plans to increase the number of unqualified audit opinions with no findings (clean audits).	▪ The Department and MPT enhanced monitoring of municipalities' audit action plans through regular engagements. Training and support mechanisms have been strengthened to improve financial management practices, aiming for more unqualified audit opinions with no findings (clean audits) in the 2024/25 financial year. ▪ All audit actions plans are in the process of development and uploaded in the web-based system. Monitoring continues to ensure municipalities address audit findings promptly. MPT has planned a review session on audit action plans, and the Department will be part of these sessions. In these sessions, technical support will be provided to municipalities	Ongoing

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Executive Authority must ensure that the Accounting Officer takes disciplinary actions against management and all officials who violated the implementation of the PFMA and other prescripts; as well as those who failed to implement the SCOPA resolutions. In the event where the Accounting Officer fails to implement the resolutions, the Executive Authority should refer the matter to the Premier for disciplinary actions against the Accounting Officer.	The Accounting Officer implemented control measures for 2 (two) main incidents relating to UIFW that warranted for further actions to be taken, namely: The first incident involved non-attendance of training by councillors, where the response included investigating the issue, identifying coordination problems, and implementing preventive measures including written commitments and a cost recovery system through salary deductions. The second incident concerned accident repairs on a rented vehicle. This was addressed through a final written warning to the responsible official and establishing a repayment agreement running from November 2024 to January 2025. The Accounting Officer's approach demonstrated compliance with PFMA requirements through thorough investigation, root cause analysis, and implementation of preventive measures. The focus was placed on systemic improvements rather than punitive actions, reflecting a constructive approach to financial management irregularities.	Resolved

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	SCOPA resolutions on 2024/25 annual report of the Department (DHS)	The department must provide progress reports towards the recovery of the funds by the State Attorneys on the service providers whereby service was terminated, and retention fees were withheld. As the department is still in discussion with the affected service provider.	The service provider took the matter to arbitration and the hearing is scheduled for the 31 January 2025 to address exceptions raised by the Department against the service provider however the sitting was scheduled for 14 November 2025. It must further be noted that the SIU is still investigating the matter under proclamation R23 of 2020.	Ongoing
		Provide progress on the recovered and the outstanding amount to be paid by the Mbombela Municipality.	The matter is still pending; the Department will write a follow-up letter to Provincial Treasury to check if any progress has been made in recovering the outstanding balance. The Department is in a process to get a trial court date to deal with the matter once and for all.	Ongoing
		Provide progress as the department is in the process of recruiting the Audit Assistant and two Interns	The recruitment process was concluded and the unit has now a Manager, Assistant Manager and three (03) Internal Audit interns.	Closed
		The Executive Authority must take disciplinary measures against the accounting officer and the officials who failed to ensure that the department comply with Public Service Regulation 25(1) (e)(i) and (iii) in ensuring that the department has specific information systems that is implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery	It should be noted that, the department has not deviated from the Human Settlements sector standardized indicators. However, the department had consultation with National Department of Human Settlements and some of the misstatement raised by AG in the management report were addressed in the 2024/25 APP to avoid reoccurrence by ensuring clear definitions of indicators which will result in proper monitoring and reporting thereof.	Closed

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The department must submit the list of beneficiaries from the Department of Military Veterans (DMV) and the evidence of engagements conducted by the department in rectifying and ensuring that the beneficiaries are indeed from the DMV.	Correspondence has been sent to Department of Military Veterans (DMV) including the beneficiaries in question. The department is still awaiting the signed off list with the beneficiaries' names from DMV. The correspondence was attached as <i>Annexure A</i> .	The Department has resolved that henceforth, all MV beneficiaries will be sourced from approved and signed off list from DMV (Closed)
		The Department must develop mechanism to determine verify the methods and processes used to measure the achievements in relation to the title deeds registered and submit to the Committee	The National department has resolved that performance on the programme will be based on new registered title deeds. A register of all received title deeds from the conveyancers has been opened indicating the project number, the beneficiary, the title deed number as well as the conveyancer's details. 'The register was attached as <i>Annexure B</i> '	Closed
		The department must provide progress on the departmental plans on the rectification and/or rehabilitation of houses-built post – 1994 as required by section 1 of the Housing Act as the department has written to all municipalities requesting the submission of such houses database.	The Department had written to municipalities on 23rd September 2024 requesting the list of all pre-1998 low-cost houses that require repairs and rectification. Only three (3) municipalities i.e., Chief Albert Luthuli, Bushbuckridge and City of Mbombela responded with the details of affected houses. The Department is in the process of writing to the National Department of Human Settlements before the end of January 2025 for possible funding to carry out the assessment and repairs of these houses.	Letter was written to NDHS but yet to receive response. (ongoing)
		Review the control measures that are put in place in addressing the reoccurrence of the finding on Irregular expenditure due to inadequate internal control measures at various stages of the supply chain processes.	The Department has developed standard procedure manual for Supply Chain, which will assist the Department in improving internal controls.	Closed

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Provide the committee with the status report from the Provincial Treasury on the application for condonation on the <i>R34.1 million</i> Irregular expenditure discovered during previous years (2021-2022).	The Department is still awaiting feedback from Provincial Treasury, a follow-up letter will be written before the end of January 2025.	Provincial Treasury did not condone the irregular expenditure and referred the matter back to the Department. The Department is considering paragraph 5.7 and .8 of the reporting framework in line with Treasury Instruction no 4 of 2022/23 FY. (ongoing)
		Provide progress report of the investigations by the internal audit on the irregular expenditure amount to <i>R 109 million</i> and avoid use of service providers while having internal capacity.	Due to the timing of the request to Internal Audit, which was close to the December holidays, the matter will be dealt with during the fourth quarter of the financial year.	Provincial Treasury did not condone the irregular expenditure and referred the matter back to the Department. The Department is considering paragraph 5.7 and .8 of the Reporting Framework in line with Treasury Instruction no 4 of 2022/23 FY. (ongoing)

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Provide feedback from the Department of Public Works, Roads and Transport on the irregular expenditure of R 25.6 million discovered on buildings rented on behalf of the department.	The Department has received an investigation report from Department of Public Works, Roads and Transport recommending condonation by Provincial Treasury subsequently, applied for condonation by Provincial Treasury.	Provincial Treasury did not condone the irregular expenditure and referred the matter back to the Department. The Department is considering paragraph 5.7 and .8 of the Reporting Framework in line with Treasury Instruction no 4 of 2022/23 FY. (ongoing)
		The Accounting Officer must take actions against the officials who failed to comply with Treasury Regulation 8.2.3 in paying invoices within the stipulated 30 days period.	The Department has been experiencing cash flow challenges due to various reasons such as payment of subsidy adjustments, which came without additional budget. This puts pressure on the current year budget, resulting to inadequate budget that resulted to some invoices received for payment and not paid within 30 days.	Ongoing
		Develop an invoice tracking system and closely monitor its implementation of paying invoices within 30 days to ensure compliance with Treasury Regulations 8.2.3.	The Department has implemented an invoice tracking system, and it is closely monitored. However, the Department has been experiencing cash flow challenges due to various reasons such as payment of subsidy adjustments, which came without additional budget. This puts pressure on the current year budget, resulting to inadequate budget that resulted to some invoices received for payment not paid within 30 days.	Closed
		The Accounting Officer must take actions against the implicated officials who failed to comply procurement regulation 8(2) of 2017	The Department is awaiting the investigation of the Internal Audit on the irregular expenditure and will act on the recommendations of the report.	Closed
		The department must closely monitor its procurement checklist to include quality assurance on all SBDs form to ensure compliance as part of strengthening its internal controls.	The Department has developed standard procedure manual for Supply Chain, which will assist the Department in improving internal controls.	Closed

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Develop strong measures in improving the title deeds indicators to be compliant with the provisions of the public service regulation 25 (1)(e)(i) and (ii).	The Department initiated a consultation process with the National Department to ensure that standardized indicators are measurable and compliant with the provisions of the Public Service Regulations 25 (i) (e) (i) and (ii)	Closed
		The Department must provide progress since it has improved on the title deeds indicators to be compliant with the provisions of the Public Service Regulation 25 (1)(e) (i) and (ii).	The department has, in collaboration with the National Department and the entire sector agreed on a single indicator for the title deeds programme, this indicator has since been standardized by the sector for 2025/26 Financial Year.	Closed
		Provide progress on the recovered of the outstanding amount to be paid by the City of Mbombela with the intervention of Provincial Treasury and the State Attorneys.	The matter is still pending; the Department will write a follow-up letter to Provincial Treasury to check if any progress has been made in recovering the outstanding balance.	Ongoing
		Ensure that the Human Settlements Development Grant is spent for the purpose stipulated in the schedule concerned, as required by section 16 (1) of Dora.	The Department ensures that spending is in line with requirements of the DORA. In order to recover the money owed by City of Mbombela, the Department has requested the intervention of Provincial Treasury.	Closed

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Provide progress on the two (2) matters filed against the department which are still pending at a contingent value of R54 532 749.12	Bakhusele Business Enterprise // Mpumalanga Department of Human Settlements: The file was re-opened after the executor of the late estate and newly appointed director of the company (Mr Thembela) sent a letter of demand enclosed with new evidence against the Department indicating their intentions to proceed with the matter. The Attorney of the Department advised that in light of the new evidence submitted, they are engaging the company in attempt to have the matter settled out of Court. The Department is currently seeking for external legal advice for a possibility to have the matter settled out of Court. Khuthala Consulting (Pty) Ltd // The Department of Human Settlements. The Plaintiff has been liquidated. The attorney of the Department is currently waiting for further instructions from the liquidators as to how to proceed with the matter in light of the recent events. The liquidators advised the Plaintiffs' Attorneys on the prospects of success in the matter and the that they are still waiting for instructions from the Plaintiff regarding the advice. The Department and Office of the Premiers' Attorneys of record have decided to amend their Plea to the Plaintiffs Particulars of Claim and also agreed to set the matter down for pre-trial hearing. It should be noted that the Applicant in this matter has changed Attorneys of Record four (4) times since the inception of this matter, and that has contributed greatly to the delay in having the matter finalized.	Ongoing
		Provide the committee with any litigation cases won by the department including judgment outcome with cost.	Kolesky and Another // Minister: Human Settlements: The Department and the Kolesky family concluded robust negotiations in respect of Portion 9 of the Farm Draaikraal 48-JT under Thaba-Chweu Local Municipality. Accordingly, the land was purchased by the Department and registered transferred to Thaba-Chweu Local Municipality. The matter has been withdrawn. The Department // MT Slinda Attorneys: The Department purchased land (Portion 31, 35 and 59 of the farm Van Oudshoornstroom 261 IT on behalf of Msukaligwa local municipality for a purchase price of R16 000 000. The Department then proceeded to appoint MT Slinda attorney as its preferred conveyancer and transferred the purchase price balance into their bank account as per the Deed of Sale. On 05 August 2021, the Department received a letter demanding payment of the purchase price from Slabber Attorneys (the sellers' attorneys). The Court granted judgement in favour of the Department. The Department has further opened a criminal case under case no: 521/07/2023, the assigned investigation officer has advised that the case will be referred to the Hawks division for further investigation. Recovery processes have commenced.	Closed Ongoing

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Accounting Officer must develop systems and controls that are reliable in providing evidence to support the reporting on predetermined objectives for programmes selected for auditing.	The Department has established a task team to revise the Technical Indicator Description in the annual performance plan. This exercise was to improve on internal controls, redefine sources of data, means of verification and definition of indicators to ensure that relevant Portfolio of evidence is easily collected.	Closed
		Executive Authority must take actions against the Accounting Officer/ Officials in Senior Management who failed to ensure that indicators definitions, sources of data and the means of verification allow for data to be collected consistently, verifiable, and measurable to support reported achievements in the annual performance report.	Technical Indicator Description (TID) which includes indicator definition, sources of data and means of verification form part of the standardization process by the National Department and the sector as a whole, the Department's APP was crafted in line with the agreed upon sector standardized indicators. Identified gaps within the TIDs have been addressed during the standardization process for 2025/26 FY.	Closed
		Executive Authority must disciplinary against the Accounting Officer /officials for failure to comply with applicable legislations	TIDs have been corrected to ensure measurability and alignment with the sector and compliance with applicable legislations.	Closed

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Closely monitor the Task-Team established to address all internal control deficiencies identified by Auditor General through ensuring that the Department complies with the Framework for Strategic Planning and Annual Performance Plans (APP) and, the Annual Performance Report Guide (APR) which are guiding the development of both (APP and APR) documents respectively	The Task-Team is fully functional and closely monitored to ensure that due diligence is done and that all Planning documents are developed and quality assured timeously before submission to oversight institutions.	Closed
		Review, assess and monitor the Audit Action Plan, ensuring that all issues raised by Auditor General are addressed and strengthening internal controls to avoid recurrence of findings.	Senior management of the Department monitors the audit Action Plan in order to ensure that all findings raised by Auditor General are addressed and they are not repeating.	Closed
		Closely monitoring the intervention of Provincial Treasury and the State Attorneys in assisting to recover the money owed by the City of Mbombela to avoid the contravening of section (16)1 of Dora.	The Department has written a follow-up letter to Provincial Treasury in order to ensure that the matter is resolved and the money is recovered.	Ongoing

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Executive Authority must ensure that the Accounting Officer takes disciplinary actions against management and all officials who violated the implementation of the PFMA and other prescripts; as well as those who failed to implement the SCOPA resolutions. In the event where the Accounting Officer fails to implement the resolutions, the Executive Authority should refer the matter to the Premier for disciplinary actions against the Accounting Officer.	The Department will await the investigation of the internal audit unit and will act on the recommendations of the investigation. If any of the officials including management is found guilty, disciplinary actions will be taken against those affected.	Ongoing

8. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department had no prior modification to audit reports.

9. INTERNAL CONTROL UNIT

The Department has established a Risk and Compliance Management Directorate that is headed by Director. The directorate is responsible for reviewing the Department's level of compliance to laws and regulations as well as internal controls and policies. We have since developed and implemented a compliance monitoring tool through Municipal Monitoring and Support System (MMSS) to ensure that the Department identify and manage compliance to laws and regulations that affects its operations.

10. INTERNAL AUDIT AND AUDIT COMMITTEES

In accordance with the provisions of Section 38(1)(a)(ii) and 76(4)(e) of the PFMA read together with Treasury Regulation 3.2.2 issued in terms of the PFMA, the Office of the Premier established an Internal Audit function under the control and direction of the Audit Committee.

10.1 Internal Audit Modality

The Department received the internal audit services from the Internal Audit function located in the Office of the Premier pursuant to a previously made determination that the Internal Audit function located within the Office was to be a shared service responsible for the provision of the internal audit function to the following four cluster Departments:

- a) Office of the Premier;
- b) Department of Community Safety, Security and Liaison;
- c) Department of Co-operative Governance, Human Settlements and Traditional Affairs; and
- d) Department of Culture, Sport and Recreation.

The Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) is a newly established department following the merger of the former Departments of Human Settlements and Cooperative Governance and Traditional Affairs, pursuant to the pronouncement and subsequent reconfiguration of provincial government departments by the Honourable Premier. The merger forms part of broader efforts aimed at strengthening institutional alignment, improving service delivery coordination, enhancing administrative efficiencies, and fostering integrated governance across the respective functional areas. The transition process includes the alignment of governance structures, systems, policies, operational processes, and oversight mechanisms to support the effective functioning of the newly constituted department.

Prior to the merger, the shared Internal Audit Function located within the Office of the Premier was responsible for providing internal audit services to both the former Department of Human Settlements and the former Department of Cooperative Governance and Traditional Affairs. Following the establishment of the new Department of Cooperative Governance, Human Settlements and Traditional Affairs, the shared Internal Audit Function continued to provide independent assurance and advisory services to the merged department, while supporting the alignment and integration of governance, risk management, and internal control processes arising from the organisational restructuring.

The Office of the Premier provided stable funding and continuous audit needs. As such it utilised its own internal audit staff (i.e. fully inhouse / insourced) which included staff to deliver specialised audit engagements.

During the reporting period, the Office of the Premier as part of restructuring, implemented the approved revised organizational structure. This strategic decision resulted in the shared Internal Audit function being abolished within the OTP Organisational structure, effectively changing the internal audit modality.

The Executive Council endorsed the transfer of the shared internal audit function from the Office of the Premier (OTP) to the respective departments previously serviced as indicated above. Accordingly, the above mentioned Departments had to embark on the process of reconfiguring their own respective organizational structures, and establish an Internal Audit Function in terms of Sections 38(1)(a)(i) and 76(4)(e) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended (PFMA) read together with the prevailing Treasury Regulation 3.2.2 issued in terms of the PFMA, with effect from 1 April 2026 (i.e. the new 2026/27 financial year).

This transition was undertaken to strengthen accountability, enhance responsiveness to departmental risks, and improve alignment between internal audit activities and the Department's strategic objectives. The decentralised model enables the establishment of a dedicated internal audit capacity, supplemented where necessary through co-sourcing arrangements to address specialised audit areas. The new modality is expected to improve audit coverage, deepen institutional knowledge, and support the delivery of timely, risk-based assurance to management and the Audit Committee, in line with the requirements of the Public Finance Management Act (PFMA) and applicable Treasury Regulations

10.2 Purpose, Mandate and Strategy of the Internal Audit function

In line with the definition of internal auditing as per the Institute of Internal Auditors, the primary purpose and mandate of the shared Internal Audit function is to provide an independent, objective assurance and advisory service designed to add value and improve the Office of the Premier's operations. It helps each of the cluster Departments accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board (i.e. the Audit Committee) and Management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing enhances the organization's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal auditing is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.

While the primary mandate and function of the shared Internal Audit function is to strengthen governance, risk management, and control processes, its effects extend beyond the Office as it contributes to the Office's overall stability and sustainability by providing assurance on its operational efficiency, reliability of reporting, compliance with laws and/or regulations, safeguarding of assets, and ethical culture. This, in turn, fosters public trust and confidence in the Office and the broader systems of which it is a part.

10.3 Independence and Objectivity

In keeping with its primary mandate, the shared Internal Audit facilitated the functioning of the shared Audit Committee and supported the Accounting Officer, being the respective Heads of the Cluster Departments, and their Executive Management team through evaluating and contributing to improving the effectiveness of risk management, control and governance processes.

During the year under review, the organisational independence and reporting relationship was maintained, as the Chief Audit Executive (CAE) was not responsible for managing any functions beyond the Internal Audit. The CAE reported functionally to the shared Audit Committee for audit-related matters and administratively to the respective Accounting Officer. The Internal Audit function had unrestricted access to information, personnel, and all the records of the cluster Departments. Further, there have been no impairments of independence or objectivity of the shared internal audit function.

10.4 Charter, Methodology and Internal Audit Plans

The shared Internal Audit function operated within an approved Internal Audit Charter in accordance with the requirements of the PFMA, Treasury Regulations and the new Global Internal Audit set by the Institute of Internal Auditors. The internal audit charter set out the mandate, purpose, organizational positioning, reporting relationship, authority and responsibility, scope of work, types of services provided, and other specifications.

In addition, the shared Internal Audit function operated in terms of its Methodology which was duly presented, endorsed, and formally approved by the Shared Audit Committee.

Further, the shared Internal Audit function developed a rolling three-year Strategic Internal Audit Plan and an Annual Internal Audit Coverage/Operational Plan for the 2025/26 financial year based on the results of the annual risk assessment of the Department.

In consultation with Management, the Accounting Officer supported the internal audit plans and these were presented and formally approved by the shared Audit Committee at the beginning of the financial year under review.

10.5 Quality Assurance Improvement Plan

Treasury Regulation 3.2.6 requires that internal audit must be in accordance with the Standards set by the Institute of Internal Auditors. The shared Internal Audit function has accordingly adopted the new Global Internal Audit Standards, which came into effect on 9 January 2025.

Accordingly, the shared Internal Audit developed a Quality Assurance Improvement Action Plan with a view to strengthen the weaknesses identified during the External Quality Assessment Review (EQAR) process, which was undertaken during the 2023/24 financial year. The results of the assessment revealed then that the Internal Audit has obtained a **“Generally Conformance”** status, which means that one or more discrepancies or gaps have been noted within the Internal Audit function, but the intent and purpose of the standards or principles was met. The shared Internal Audit function is implementing the Quality Assurance Improvement Plan and it is regularly reviewed; updated and progress made in addressing the weaknesses identified is reported on a regular quarterly basis to the shared Audit Committee.

10.6 Combined Assurance

During the reporting period, the Office made significant progress towards strengthening its assurance environment through the development of a Combined Assurance Framework and Plan. The Framework and Plan intended to formalise and coordinate assurance activities across Management, internal audit, and external assurance providers. However, it remained in draft form as at the end of the reporting period.

Once finalised and implemented, the Combined Assurance Framework will enhance collaboration, minimise duplication of effort, and ensure that key risks are adequately covered through a structured and integrated assurance approach. This initiative is aligned with leading governance practices, including the principles of the Institute of Internal Auditors (IIA) and the King Report on Corporate Governance for South Africa.

It is anticipated that the draft framework will be submitted to the shared Audit Committee for review, guidance, and will be approved and implemented in the next reporting period, thereby strengthening oversight, accountability, and the overall effectiveness of the Office's system of internal control.

10.7 Audit Work done

The Internal Audit Annual Operational Plan provided the framework for audit work for each financial year and was aligned to the Department's corporate governance arrangements, whilst also being responsive to any changes to the risks faced by the Department during the financial year.

The Annual Internal Audit Coverage/Operational Plan identified different audit engagements and the shared Internal Audit function fully executed the approved plans. The respective reports were issued to Management communicating identified control weaknesses, recommendations for improvement(s), and also incorporated agreed management action plans to implement corrective action.

In addition, as required in terms of the PFMA and the approved Internal Audit Charter, the shared Internal Audit function communicated to Management all the identified control weaknesses and also reported and tabled such in the meetings of the Audit Committee to allow for effective monitoring and oversight.

The following is the summary of the audit work done by the shared Internal Audit function during the year under review as per the approved plans:

Summary of Audit Work Done

a) *Planned & Completed Audit Engagements*

- Regular (Quarterly) monitoring and tracking of previously reported audit findings (AGSA & Internal Audit) to evaluate progress made by Management in implementing agreed Audit Action Plans for COGHSTA
- Follow-up audit reviews (AGSA and Internal Audit findings) to evaluate the effectiveness and improvements to the internal control environment for both the Departments (i.e. DHS & COGTA) prior to the merger
- Review of the Draft Annual Reports inclusive of Annual Financial Statements for 2024/25 financial year for both the Departments (i.e. DHS & COGTA) prior to the merger
- Housing Programmes
- Local Governance
- Transfer Payments & DORA
- Review of the Departmental Mid-term Performance Information (COGHSTA)
- Review of Interim Financial Statements for the period ended 30 September 2025 (COGHSTA)

a) Ad-hoc, including Advisory Audit Engagements

- Risk Management
- Ad-hoc Audit Review on 2024/25 Auditor-General Action Plan
- Status of Records Review following the merger (Take-on / Opening Balances for the new COGHSTA department)
- Providing advisory and consulting services through routine activities including participating in Standing Management Committee meetings, and the provision of advice; as and when invited and/or required.

b) Audit Engagements Rolled Over

- Supply Chain Management (Procurement through Quotations);
- Asset Management
- Fleet Management
- Inventory Management
- Contract Management
- ICT General and Application Controls Review.

There were no direct restrictions, which were imposed upon the activities of the audit practitioners with regard to access to all functions, records, property, systems, and personnel as per the approved Internal Audit Charter

10.8 Status of Audit Findings

Following the finalisation of an audit engagement, action plans are agreed upon with the Responsible Managers to address any issues found. All actions agreed upon are followed up to ensure that any underlying control weaknesses are addressed.

The dashboard below shows the status as at the reporting period with regard to the implementation of audit recommendations in respect of agreed audit actions plans for both the Internal Audit and Auditor-General (SA) Findings.

	Number of Findings	Total Addressed	Not Yet Due	Total Not Addressed	No of recurring findings Last 3 Financial Years
IAF Findings	41	29	7	5	3
AGSA Findings	75	38	-	37	-

11. AUDIT COMMITTEE**11.1 Purpose and Mandate**

The shared Audit Committee serves as an independent governance structure whose primary function is to provide an oversight over the Department's financial reporting, risk management, control and governance processes. The shared Audit Committee assists the Accounting Officer in the effective execution of his responsibilities.

The Department received the audit committee services from the shared Audit Committee located in the Office of the Premier pursuant to a previously made determination that the Internal Audit function located within the Office was to be a shared service responsible for the provision of the internal audit function to the following four cluster Departments:

- a) Office of the Premier;
- b) Department of Community Safety, Security and Liaison;
- c) Department of Co-operative Governance, Human Settlements and Traditional Affairs; and
- d) Department of Culture, Sport and Recreation.

The Department of Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA) is a newly established department following the merger of the former Departments of Human Settlements and Cooperative Governance and Traditional Affairs, pursuant to the pronouncement and subsequent reconfiguration of provincial government departments by the Honourable Premier. The merger forms part of broader efforts aimed at strengthening institutional alignment, improving service delivery coordination, enhancing administrative efficiencies, and fostering integrated governance across the respective functional areas. The transition process includes the alignment of governance structures, systems, policies, operational processes, and oversight mechanisms to support the effective functioning of the newly constituted department.

Prior to the merger, the shared Audit Committee located within the Office of the Premier was responsible for providing services to both the former Department of Human Settlements and the former Department of Cooperative Governance and Traditional Affairs. Following the establishment of the new Department of Cooperative Governance, Human Settlements and Traditional Affairs, the shared Audit Committee continued to provide independent governance oversight over the new COGHSTA department and assists the Accounting Officer in the effective execution of his responsibilities.

11.2 Audit Committee Independence

The Shared Audit Committee is constituted to ensure its independence and comprises of external non-official members (appointed from outside the Public Service). It operates in terms of a formally documented and approved terms of reference referred to as the Audit Committee Charter, which deals with matters such as its membership, authority and responsibilities. The said “terms of reference” is reviewed annually, and in accordance with the requirements set by the PFMA and its Treasury Regulations. Further, it has direct and unobstructed lines of communication to the Accounting Officer, Senior Management, the Provincial Treasury, Shared Internal Audit Function and AGSA.

11.3 Protecting the independence of the Internal Audit function

The Audit Committee plays a central governance role in safeguarding the **independence and objectivity** of the internal audit function.

Accordingly, it continued to maintain oversight of the internal audit function and safeguards its independence through a combination of the following arrangements:

- by ensuring a functional reporting line to the Committee,
- approving the Internal Audit Charter, Internal Audit Strategy and Internal Audit Plans (Three-year Rolling Plan and Annual Operational Plan), and
- engaging privately with internal audit without Management present.

The Committee also receive reports from Internal Audit on a regular quarterly basis and monitors any constraints or interference and ensures that internal audit operates in accordance with recognised professional standards.

11.4 Audit Committee Performance against statutory duties

The shared Audit Committee has discharged its responsibilities in accordance with its approved charter and applicable legislative requirements, including the Public Finance Management Act (PFMA) and National Treasury Regulations.

During the reporting period, the Committee provided independent oversight over the systems of internal control, risk management, governance, financial reporting, compliance management and the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of Management to specific recommendations.

Where deficiencies were identified during the reporting period, these matters (where deemed necessary) were communicated to Management and subjected to ongoing monitoring by the Committee. Notwithstanding these challenges, the Committee remains satisfied that it has fulfilled its statutory responsibilities

11.5 Audit Committee Composition and Meeting Attendance

The shared Audit Committee consisted of five (5) independent members, who have been appointed from outside the public service pursuant to section 77(a)(i) of the PFMA and its Treasury Regulations.

The Committee was properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience.

As per the approved Audit Committee Terms of Reference (Audit Committee Charter), the Shared Audit Committee shall meet at least four times a year, with authority to convene additional meetings as deemed necessary. In this regard, the Committee convened nine (9) times during the year with five (5) being ordinary meetings and the remainder being special meetings.

The Accounting Officer and Executive Management were always represented in the meetings. The AGSA was always invited to attend the meetings of the shared Audit Committee, thus ensuring that meetings are as effective and transparent as possible.

11.6 Combined Assurance

The Department has developed a Combined Assurance Framework and Plan, which is currently in draft form. The Framework aims to coordinate assurance activities across management, internal audit, risk management, and external assurance providers to enhance risk coverage and reduce duplication.

The Committee supports its finalisation and implementation in the next reporting period to strengthen integrated assurance and oversight effectiveness in line with good governance principles, including those of the King Report on Corporate Governance for South Africa.

5.2. Attendance of audit committee meetings by audit committee members

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

Name	Qualifications	Professional Affiliation	Appointment: Term of Office		No of meetings attended 2025/26FY		Has the AC Member declared private and business interest in every meeting? (Yes / No)	Is the AC Member an employee of an organ of State? (Yes / No)	No of other ACs that the Member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc., whether in this or any other institution(s)
			Start Date	End Date	Ordinary Meetings	Special Meetings				
Mr. Andrew W Mashifane CA(SA) Chairperson	LLB (UNISA) BCompt. Honours (UNISA) BComm (Wits) CA(SA) CIA(SA)	SAICA IIASA ACFE IoDSA	01/11/2021	31/10/2025	5	4	Yes	No	3	2
Mr. Andries Oosthuizen CA(SA)	Post Grad Diploma in Financial Planning (UFS) BCompt Honours (UNISA) BCom Accounting (RAU) CA(SA)	SAICA IRBA	01/11/2021	31/10/2025	5	4	Yes	No	1	1

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Name	Qualifications	Professional Affiliation	Appointment: Term of Office		No of meetings attended 2025/26FY		Has the AC Member declared private and business interest in every meeting? (Yes / No)	Is the AC Member an employee of an organ of State? (Yes / No)	No of other ACs that the Member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc., whether in this or any other institution(s)
			Start Date	End Date	Ordinary Meetings	Special Meetings				
Ms Patience Ntuli CA(SA)	Executive Leadership Programme Advance Project Management (Unigrad College) Post Grad Diploma in Forensic Audit (UNISA) BCompt Honours (UNISA) BComm (UJ) CA(SA)	SAICA IRBA	01/11/2021	31/10/2025	5	4	Yes	No	6	1

Name	Qualifications	Professional Affiliation	Appointment: Term of Office		No of meetings attended 2025/26FY		Has the AC Member declared private and business interest in every meeting? (Yes / No)	Is the AC Member an employee of an organ of State? (Yes / No)	No of other ACs that the Member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc., whether in this or any other institution(s)
			Start Date	End Date	Ordinary Meetings	Special Meetings				
Mr. Lucky C Mohalaba	LLB Degree (Univ of Zululand) Executive Development Programme (UNISA) Post Grad Diploma Corporate Law (UJ) Post Grad Diploma Public Management (Regenesys) Certificate in Legislative Drafting (UJ)		01/11/2021	31/10/2025	5	3	Yes	No	2	1

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Name	Qualifications	Professional Affiliation	Appointment: Term of Office		No of meetings attended 2025/26FY		Has the AC Member declared private and business interest in every meeting? (Yes / No)	Is the AC Member an employee of an organ of State? (Yes / No)	No of other ACs that the Member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc., whether in this or any other institution(s)
			Start Date	End Date	Ordinary Meetings	Special Meetings				
Dr. Machiniba S Sathekge	Doctor of Business Administration (Business School Netherlands) Masters Business Leadership (UNISA) Masters of Science in Technology Management (UP) BTech Degree Information Technology (TUT) Nat. Diploma Information Technology (Technikon Northern Gauteng)		01/11/2021	31/10/2025	3	3	Yes	Yes	1	1

11.7 Remuneration of Audit Committee Members

Audit Committee members were remunerated in accordance with their appointment contracts and as per the rates approved by the National Treasury and applicable Treasury Regulations. The remuneration comprised the fee for attendance of meetings, preparation time, fee for attendance of approved ad-hoc governance activities and approved travel expenditure incurred in the execution of the Committee's oversight responsibilities. Total expenditure incurred by the Office of the Premier in respect of shared Audit Committee remuneration for the Department for the reporting period amounted to R390,140.

12. AUDIT COMMITTEE REPORT

We are pleased to present our draft Annual Report for the financial year ended 31 March 2026.

Part 1: Audit Committee Responsibility

The Audit Committee, reports that it has complied with its responsibilities arising from section 38(1) (a)(ii) of the PFMA and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its oversight responsibilities as contained therein and other applicable legislative requirements, except that we have not reviewed the changes in accounting policies as these changes are as per the National Treasury instruction.

The Committee's primary strategic focus and objective remained the provision of independent assurance and advisory support to the Accounting Officer on matters relating to governance, risk management, internal control, financial reporting, compliance, and the effectiveness of internal and external assurance processes.

The Committee further oversaw the transition in the internal audit operating model following the strategic decision of restructuring of the Office of the Premier and implementing the approved revised organizational structure, which culminated with the shared Internal Audit function being abolished within the OTP Organisational structure and decentralisation of the shared internal audit function. As the Committee, we noted the desired objective of improving responsiveness to departmental risks and enhancing audit coverage.

The Committee supports the development of the Combined Assurance Framework and Plan, which is intended to strengthen coordination among assurance providers and improve the overall assurance environment. While the Framework and Plan are currently in draft form as at end of the reporting period, the Committee notes that the Framework aims to coordinate assurance activities across Management, internal audit, risk management, and external assurance providers to enhance risk coverage and reduce duplication.

The Committee support the finalisation and implementation of the Combined Assurance Framework and Plan in the next reporting period to strengthen integrated assurance and oversight effectiveness in line with good governance principles, including those of the King Report on Corporate Governance for South Africa.

The Audit Committee has internalized the relevant requirements of the Global Internal Audit Standards set by the Institute of Internal Auditors in its work and ensured alignment of both the shared Internal Audit function and Audit Committee Charters to such standards and good governance principles, including those of the King Report on Corporate Governance for South Africa.

Through its activities, the Audit Committee sought to contribute to improved governance outcomes, enhanced financial stewardship, and the strengthening of ethical and accountable administration within the Office. In this regard, the Committee confirms that it has applied professional scepticism in the execution of its duties, critically evaluating information placed before it, requesting additional information when necessary and continuously assessed whether internal audit, Management and other providers of assurance maintained high ethical and professional standards.

The Committee recognises its duty to serve the public interest and confirms that it has diligently upheld this critical responsibility. It has continued to function without hindrance, limitations or threats to its independence throughout the reporting period.

Part 2: Audit Committee Composition and Meeting Attendance

The shared Audit Committee consists of five (5) external and independent members. The Committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened nine (9) times during the year with five (5) being ordinary meetings and the remainder special meetings.

The Audit Committee meetings held were attended as follows:

Name	Qualifications	Is the AC Member an employee of an organ of State? (Yes / No)	Number of ordinary meetings attended	Number of special meetings attended
Mr. AW Mashifane CA(SA) Chairperson	LLB (UNISA) BCompt. Honours (UNISA) BComm (Wits) CA(SA) CIA(SA)	No	5	4
Mr. A Oosthuizen CA(SA)	Post Grad Diploma in Financial Planning (UFS) BCompt Honours (UNISA) BCom Accounting (RAU) CA(SA)	No	5	4
Ms P Ntuli CA(SA)	Executive Leadership Programme Advance Project Management (Unigrad College) Post Grad Diploma in Forensic Audit (UNISA) BCompt Honours (UNISA) BComm (UJ) CA(SA)	No	5	4
Mr. LC Mohalaba	LLB Degree (Univ of Zululand) Executive Development Programme (UNISA) Post Grad Diploma Corporate Law (UJ) Post Grad Diploma Public Management (Regenesys) Certificate in Legislative Drafting (UJ)	Yes	4	3
Dr. MS Sathekge	Doctor of Business Administration (Business School Netherlands) Masters Business Leadership (UNISA) Masters of Science in Technology Management (UP) BTech Degree Information Technology (TUT) Nat. Diploma Information Technology (Technikon Northern Gauteng)	No	4	3

Part 3: Audit Committee Focus Areas

The effectiveness of internal control systems

In line with the PFMA, Internal Audit assures the Audit Committee and Management that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency and developing recommendations for enhancement or improvement. The Accounting Officer is responsible for implementing such recommendations per Treasury Regulation 3.1.12.

From the various reports of Internal Auditors and the AGSA it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to annual financial statements, reporting on pre-determined objectives and compliance with laws and regulations.

The work performed by Internal Audit throughout the year was monitored and reviewed by the Audit Committee.

Our analysis of audit reports and engagement with the Department shows that the system on internal controls for the period under review was not entirely adequate and effective.

Based on our interaction with the Office we conclude that the Department does have an adequate but not fully effective action plan management system to address Internal Audit and AGSA findings.

Effectiveness of the Internal Audit Function

The Audit Committee is reasonably satisfied that the shared Internal Audit function operated effectively and had addressed the risks pertinent to the Department in its audits during the year under review.

The Audit Committee has regularly enquired and reviewed the work performed by the Internal Audit function and has seen an improvement in the quality of the internal audit reports; the actions initiated by the Internal Audit function to bring the reported weaknesses to the attention of Senior Management and the process of ensuring action to address such deficiencies. However, there is still room for improvement in areas such:

- as flexibility of the planning process to adapt to emerging risks and changing risk profile of the Office;
- the timing and execution of internal audit engagements;
- influence and persuasion by Internal Audit of Management to effect the necessary changes; and
- improvement of the maturity of governance, risk management and internal control systems.

The Audit Committee notes the decision of the Office to decentralise the shared internal audit function and transfer the function to the respective cluster department in line with its efforts to align the Office's organizational structure with the DPSA approved generic functional organizational structure for Offices of the Premier. In addition, the Audit Committee further noted with concern that some positions within the Internal Audit function remained vacant even after the resolution by the EXCO to lift the moratorium on filling of vacant positions.

The Audit Committee further appreciates the support provided by the Chief Audit Executive and his team by assisting the Committee in discharging its responsibilities.

Effectiveness of Risk Management:

The Audit Committee is also responsible for the oversight of risk management. The Risk Management Committee reports to the Audit Committee quarterly on the governance and management of risk. Based on the Audit Committee quarterly reviews of the reports from the Risk Management Committee, it can be concluded that the Department's processes and systems relating to fraud prevention and risk management is adequate and effective.

Adequacy, Reliability, and Accuracy of Financial and Performance Information

The Audit Committee has reviewed the draft Annual Financial Statements prepared by the Department and has advised the Accounting Officer to ensure that all the review notes and comments of the Internal Audit and the Audit Committee are fully addressed prior to submission of the Annual Financial Statements to the AGSA.

Subsequently the material misstatements identified during the external audit process were also reviewed when the management report of the AGSA was discussed with the Audit Committee.

The Audit Committee has reviewed the draft Annual Report prepared by the Department and has advised the Accounting Officer to ensure that all the Internal Audit and Audit Committee's review notes and comments are fully addressed before submission of the Annual Report to the AGSA.

The Audit Committee has discussed the external audit outcomes on the reporting on predetermined objectives to be included in the Annual Report with the AGSA and the Accounting Officer.

Accounting and Auditing concerns identified as a result of Internal and External Audits

We have reviewed the Department's Implementation Plan for audit issues raised in the previous year and we are entirely satisfied that all the matters have been adequately resolved.

The Audit Committee is unaware of any unresolved issues with respect to the current audit.

The Audit Committee concurs and accepts the conclusions of the AGSA on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

Compliance with Legal and Regulatory Provisions

Throughout the year under review the Audit Committee has remained concerned with the status of compliance with all applicable laws and regulations. The Committee, however, appreciates that the Department has established the Compliance Management and Strategic Reporting unit to deal with all compliance issues and further noted that the Compliance Matrix has been developed to monitor the compliance issues.

Quality of In-Year Management and Monthly Quarterly Report

The Department has confirmed that they have reported to the Treasury as the PFMA requires.

Combined Assurance

The Audit Committee has noted the development of the Combined Assurance Framework and Plan, which is currently in draft form. The Framework aims to coordinate assurance activities across management, internal audit, risk management, and external assurance providers to enhance risk coverage and reduce duplication.

The Committee supports its finalisation and implementation in the next reporting period to strengthen integrated assurance and oversight effectiveness in line with good governance principles, including those of the King Report on Corporate Governance for South Africa.

Evaluation of Annual Financial Statements

The Audit Committee has reviewed the draft Annual Financial Statements prepared by the Department and has advised the Accounting Officer to ensure that all the review notes and comments of the Internal Audit and the Audit Committee are fully addressed prior to submission of the Annual Financial Statements to the AGSA.

Subsequently the material misstatements identified during the external audit process were also reviewed when the management report of the AGSA was discussed with the Audit Committee.

External Audit

We have reviewed the Department's Implementation Plan for audit issues raised in the previous year and we are entirely satisfied that all the matters have been adequately resolved.

The Audit Committee is unaware of any unresolved issues with respect to the current audit.

Auditor-General's Report

The Audit Committee concurs and accepts the conclusions of the AGSA on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

Conclusion

The Audit Committee recommends that the Department must ensure adequate and effective implementation and frequent monitoring of the Audit Action Plans for internal and external audits to achieve a clean administration.

The Audit Committee wishes to thank the Executive Authority, Accounting Officer and Management, Internal Audit and AGSA for their tireless efforts, commitment and support throughout the year.

Signed on behalf of the Audit Committee by:



Mr. AW Mashifane

Chairperson of the Audit Committee

Date 14 Agust 2026

11. 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.

Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Department is not responsible for the issuing of licences, concessions or other authorisations.
Developing and implementing a preferential procurement policy?	Yes	Department has Supply Chain Management Policy in place which is in line with Preferential Procurement Policy Framework Act (PPPFA) and the SCM Policy is being implemented for compliance purposes.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable since the Department is not categorised as a SOEs
Developing criteria for entering into partnerships with the private sector?	No	No public private partnerships (PPPs) were entered with private sector for the period under review.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	There were no incentives, grants and investment schemes awarded.

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PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the 2nd quarter HR Oversight report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

2.1 Overview of Human Resources status

The Department currently employs 1005 employees; this reflects a 70.5% of 1424 posts of the approved Organisational Structure, the vacancy rate of the Department is at 29.5%.

Women representation at SMS level is currently at 39.5% and while Male representation is 60.5%, The representation of People with Disabilities remains at 1.3%, below the 3% target set by Cabinet, the representation of youth is 8.3 %.

In addressing the non-achievement of employment equity targets ,the department has developed Employment Equity Plan for the period 2025-2030, the plan reflects non-numerical goals to ensure a conducive work environment for designated groups , strategies to ensure the appointment of women at SMS level, the achievement the 3% target of persons with disabilities, the appointment of 30% of the youth across all occupational categories in the department, It is aligned to the economically active population, National Government's transformation goals and sector targets as provided in the Employment Equity Regulations 2025.

The process the consult the organisational structure with all stakeholders has been concluded, following concurrence by the Minister of Public Service and Administration and approval by the Executive Authority. All change management processes relating to the changes on the organisational structure were conducted, the department is well positioned to implement the new organisational structure.

No new appointments were recorded in the year under review; however, the department is in in the process of conducting Job evaluation for vacant and funded posts, in compliance to Circular 28 of 2025, which directs departments to conduct job evaluation before posts advertised. We are pleased to report that seventeen (17) posts which were submitted for Job evaluation have been concluded and ready for processes of recruitment and selection.

All Human Resources Policies were reviewed to respond changes in legislative frameworks and new developments in the Department. The Work Skills Plan was successfully consulted and submitted to PSETA training intervention were rolled out in line with the Plan.

The Department has noted improved compliance on submission of Performance Agreement and Annual Assessments, this is attributed to regular workshops, quality assurance and consequence management on none compliance. The Performance Management and Development System is critical tool towards ensuring at link between individual and organisational performance.

We remain committed to ensuring the Human Resources Management plays a strategic role towards the achievement of strategic objectives of the Department.

2.2 Human Resource priorities the year under review and the impact of these

- Implementation of the Organisational structure of the Department.

The organisational structure has been approved and captured on the PERSAL system; the department shall be in the position to implement and manage the change the comes as the result of the new organisational structure.

- Filling of funded posts

The department could not fill vacant funded posts due to the merger; however the organisational structure has been approved, and the process of job evaluation is underway. The Department shall, after the process of job evaluation advertise and fill vacant and funded posts

- Achievement of Employment Equity targets

The current representation of People with Disabilities is 1.3% and Women representation at SMS level is 39.5%. This is below the set targets; however, the Employment Plan has been developed to address the non- achievement of the targets

- Strengthen the implementation of the PMDS processes

The Department has finalised the performance assessments and processed payments of pay progression for all qualifying officials at level 1-12 and SMS as well as grade progression. We plan to reduce the turn around time in terms of concluding the transaction to the end the of the first quarter

- Build Strategic Leadership Capabilities.

To build capacity in the Department the following courses were offered.

- Art of Facilitation
- Train the Trainer (Skills Development Facilitation)
- Executive Development Programme (SMS)
- Internal Audit Conference
- Writing for Government (basic)
- Writing for Government (advanced)
- Managing Performance in the Public Services
- Ethics in the Public Service
- Contract Drafting
- Compulsory Induction Programme
- Public service trainers conference
- Coaching for Leadership Development (SMS women)
- Coaching for Leadership Development (MMS women)
- Promotion of Sound Labour Relations.

There is improvement in terms of finalisation of cases within the prescribed period overall , with on few grievance cases pending. The sub-directorate continues to engage relevant stakeholders and conducts workshops on the quarterly basis.

- Monitor The Implementation of Employee Health and Wellness.

The following programmes were coordinated in line with the operational plan of the Department

- Submitted the Sexual Harassment Report to DPSA
- Conducted Candle Light Memorial Ceremony on
- Conducted Workshop on Work- life balance
- Conducted the prayer in all districts
- Conducted 02 workshops on Financial Wellness
- Submitted the Employee Health and Wellness System Monitoring Tool
- Convened the HOD'S 8 Principles on Gender Equality (Public Service Women Management week)
- Comprehensive health screening including HIV counselling and testing
- Psychotherapy and support provided
- Educational events on healthy workplace lifestyle and mental health.

- Mental health assessment/audit
- Physical fitness sport codes
- Healthy nutrition awareness
- Personal wellness workshops
- Workplace SHE inspections
- Workplace incidents/injuries managed.
- Improve On Records Management.

The filing system was restructured to ensure efficient and retrieval of files and record keeping, awareness sessions on the file plan were conducted to promote and ensure the correct use of the file plan and encourage proper record keeping.

The records Management Sub-Directorate has been reconfigured on the Organisational Structure to respond to the Knowledge Management guidelines to improve records management and to ensure a proper link between knowledge Management, Information Technology.

2.3 Workforce Planning Framework and key Strategies to attract and recruit a Skilled and Capable Workforce.

The Human Resources Plan for the period 2025-2028 was developed and submitted to DPSA, the plan provides a clear plan and strategy to support the Department in achieving its Vision and Mission. The Human Resource Implementation report was approved and submitted to DPSA as per the requirements

The organisational structure has been approved; this provides the department an opportunity to respond to the mandate of the department.

The Employment Equity Plan for the period 2025-30 was consulted and approved and the Employment Equity and HR Planning Committee was established and convened on the quarterly basis.

The rate of compliance on submission Performance agreements and assessment has improved, this has improved the performance of the Department overall

The Workplace Skills Development Plan was approved, the plan provides strategies to address scarce and critical skills, as well as skills programmes necessary to assist the Department to achieve its strategic goals

All policies of the Department were reviewed to align to the new department COGHTSA, respond to changes in legislation and to address gaps identified through Implementation monitoring and evaluation of internal systems and processes.

2.4 Highlight Achievements

- Approval of the organisational structure;
- Developed and submitted the Human Resource Plan for 2025-2028 to DPSA;
- Reviewed all Human Resources Management Policies;
- Submitted the Human Resource Implementation Report and submitted to the Department of Public Service and Administration.
- Finalised the PMDS Moderation, paid pay progression for qualifying employees at level 1-15 , SMS and upgraded officials who met requirements in terms of resolution 3 of 2009;
- Reviewed the Employee Health and Wellness Policies Reports to DPSA;
- Submitted the Work Skills Plan to PSETA and
- Concluded the matching and placing of duplicating officials.

2.5 Challenges Faced by the Department

- Non achievement of employment equity targets
- Non-filing of vacant funded posts due to the merger
- Non-Finalisation of disciplinary cases within the prescribed period.
- Non-implementation of training programmes due to supply chain processes.

2.6 Future HR Plans

The Department has set the following HR Goals for the next five years as per its Human Resource Plan:

- Implementation of the Organisational Structure
- Filling of critical vacant funded posts
- Implementation of Youth Development Programmes;
- Development of the retention strategy and succession Plan;
- Achievement of employment equity targets in terms women representation at SMS Level, People with Disabilities and increase Youth representation in the Department,
- Introduce systems to Improve records management in the Department and
- Reduce the turnaround time to finalise labour cases.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

Personnel related expenditure

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

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

3.1. Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2025 and 31 March 2026

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	365 176	209 300	1 004	184	9	769
HUMAN SETTLEMENTS	1 281 476	136 217	0	0	6	797
COOPERATIVE GOVERNANCE	398 644	270 926	848	8 365	12	391
TRADITIONAL INSTITUTIONAL DEVELOPMENT	226 165	131 700	0	4 991	6	183
THE HOUSE OF TRADITIONAL LEADERS	32 730	19 945	0	0	1	767
TOTAL	2 304 191	768 088	1 852	13 540	33	2 907

Table 3.1.2 Personnel costs by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
01 Lower skilled (Levels 1-2)	2 270	0%	9	252
02 Skilled (Levels 3-5)	26 480	3%	75	353
03 Highly skilled production (Levels 6-8)	282 828	27%	559	506
04 Highly skilled supervision (Levels 9-12)	282 171	27%	292	966
05 Senior management (Levels 13)	64 754	6%	44	1 472
11 Contract (Levels 3-5)	2 541	0%	8	318
12 Contract (Levels 6-8)	3 664	0%	10	366
13 Contract (Levels 9-12)	5 935	1%	6	989
14 Contract (Levels 13)	3 569	0%	2	1 785
20 Abnormal Appointment	105 706	10%	887	119
TOTAL	779 918	75%	1 892	412

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2025 and 31 March 2026

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	188 014	90%	5 190	2%	5 430	3%	10 666	5%
HUMAN SETTLEMENTS	126 477	93%	404	0%	3 560	3%	5 776	4%
COOPERATIVE GOVERNANCE	241 897	89%	75	0%	10 969	4%	17 985	7%
TRADITIONAL INSTITUTIONAL DEVELOPMENT	128 941	98%	208	0%	732	1%	1 819	1%
THE HOUSE OF TRADITIONAL LEADERS	18 496	93%	98	0%	518	3%	833	4%
TOTAL	703 825	92%	5 975	1%	21 209	3%	37 079	5%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band for the period 1 April 2025 and 31 March 2026

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
01 Lower skilled (Levels 1-2)	1 522	67%	0	0%	211	9%	352	15%
02 Skilled (Levels 3-5)	18 336	68%	225	1%	1 728	6%	3 681	14%
03 Highly skilled production (Levels 6-8)	217 075	93%	2 505	1%	12 970	6%	22 910	10%
04 Highly skilled supervision (Levels 9-12)	297 595	96%	3 089	1%	4 824	2%	9 495	3%
05 Senior management (Levels 13)	56 943	80%	0	0%	1 165	2%	469	1%
11 Contract (Levels 3-5)	2 092	81%	57	2%	135	5%	20	1%
12 Contract (Levels 6-8)	2 900	77%	75	2%	176	5%	143	4%
13 Contract (Levels 9-12)	5 460	81%	6	0%	0	0%	0	0%
14 Contract (Levels 13)	3 293	79%	0	0%	0	0%	9	0%
20 Abnormal Appointment	98 609	92%	0	0%	0	0%	0	0%
TOTAL	703 825	92%	5 957	1%	21 209	3%	37 079	5%

3.2. Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2026

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION Permanent	304	262	13.80	5.00
DEVELOPMENT & PLANNING, Permanent	63	53	15.90	0.00
LOCAL GOVERNANCE, Permanent	477	434	9.00	0.00
THE HOUSE OF TRAD LEADERS, Permanent	14	13	7.10	0.00
TRADITIONAL INSTITUTION MANAGE, Permanent	74	66	10.80	4.00
HUMAN SETTLEMENTS, Permanent	199	168	15.60	0.00
TOTAL	1 131	996	11.90	9.00

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2026

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	9	9	0	0
02 Skilled (Levels 3-5), Permanent	80	68	15	0
03 Highly Skilled Production (Levels 6-8), Permanent	630	575	8.70	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	339	288	15	0
05 Senior Management (Levels 13), Permanent	58	41	29.30	0
11 Contract (Levels 3-5), Permanent	4	4	0	4
12 Contract (Levels 6-8), Permanent	3	3	0	5
13 Contract (Levels 9-12), Permanent	6	6	0	0
14 Contract (Levels 13), Permanent	2	2	0	0
TOTAL	1 131	996	11.9	9

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2026

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration Clerks, Permanent	13	12	7.70	0
Administration Officer, Permanent	218	185	15.10	0
Administrative And Governance Policy Manager, Permanent	4	3	25	0
Chief Financial Officer, Permanent	1	0	100	0
Civil Engineer, Permanent	3	2	33.30	0
Civil Engineering Technician, Permanent	14	14	0	0
Communication Coordinator, Permanent	13	9	30.80	0
Community Development Manager, Permanent	1	0	100	0
Construction Project Manager, Permanent	7	7	0	0
Disaster Management Manager, Permanent	2	1	50	0
Economic Growth & Promotion & Global Relations Manager, Permanent	1	0	100	0
Electrical Engineer, Permanent	1	0	100	0
Employee Wellness Practitioner, Permanent	6	5	16.70	0
Engineering Manager, Permanent	6	5	16.70	0
Finance Manager, Permanent	3	2	33.30	0
Financial Accountant, Permanent	60	54	10	0
Food Trade Assistant, Permanent	1	1	0	0
Garden Worker, Permanent	2	2	0	0
Geophysical Technician, Permanent	2	1	50	0
Graphic Designer, Permanent	1	1	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Handyperson, Permanent	1	1	0	0
Head Of Provincial Department, Permanent	3	2	33.30	0
Head Of Provincial Government Component, Permanent	2	0	100	0
Health And Safety Managers, Permanent	1	1	0	0
Human Resource Clerk, Permanent	3	3	0	0
Human Resource Manager, Permanent	2	1	50	0
Human Resource Practitioner, Permanent	23	22	4.30	5
ICT Systems Analyst, Permanent	14	14	0.00	0
Industrial/ Labour Relations Officer, Permanent	5	5	0.00	0
Information Technology & Systems Manager, Permanent	1	1	0.00	0
Kitchen Hand, Permanent	6	5	16.70	0
Legal Administration Officer, Permanent	8	8	0.00	0
Legal Related Manager, Permanent	1	1	0.00	0
Light Vehicle Driver, Permanent	3	3	0.00	3
Managers Not Elsewhere Classified, Permanent	3	2	33.30	0
Messengers, Permanent	2	2	0	0
Middle Manager: Human Resource & Organisational Devel Rela, Permanent	6	4	33.30	0
Middle Manager: Administrative Related, Permanent	67	55	17.90	0
Middle Manager: Engineering Sciences Related, Permanent	2	1	50	0
Middle Manager: Finance And Economics Related, Permanent	6	6	0	0
Middle Manager: Information Technology Related, Permanent	2	1	50	0
Middle Manager: Communication & Information Related, Permanent	4	2	50	0
Office Cleaner, Permanent	30	29	3.30	0
Other Clerical Support Workers, Permanent	407	378	7.10	0
Other Middle Manager, Permanent	1	0	100	0
Personal Assistant, Permanent	2	2	0	0
Policy And Planning Managers, Permanent	12	9	25	0
Programme Or Project Manager, Permanent	27	24	11.10	0
Public/Media Relations Manager, Permanent	2	2	0	0
Receptionist (General), Permanent	3	3	0	0
Registry And Mailing Clerk, Permanent	6	4	33.30	0
Research And Development Manager, Permanent	1	0	100	0
Risk And Integrity Manager, Permanent	1	1	0	0
Risk Officer, Permanent	6	5	16.70	0
Safety/Health & Environ.& Quality(She & Q) Practitioner, Permanent	1	1	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Secretary (General), Permanent	42	37	11.90	1
Security Officer, Permanent	2	2	0	0
Social Worker, Permanent	1	1	0	0
Strategy/Monitoring & Evaluation Manager, Permanent	3	3	0	0
Supply Chain Clerk, Permanent	7	5	28.60	0
Supply Chain Manager, Permanent	2	2	0	0
Supply Chain Practitioner, Permanent	35	30	14.30	0
Surveyor, Permanent	4	3	25	0
Systems Administrator, Permanent	1	1	0	0
Training Manager, Permanent	1	0	100	0
Urban And Regional Planner, Permanent	9	9	0	0
Water Production And Supply Manger, Permanent	1	1	0	0
TOTAL	1 131	996	11.90	9

3.3. Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2026

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0%	0	0%
Salary Level 16	2	1	50%	1	50%
Salary Level 15	3	1	33.3%	2	66.6%
Salary Level 14	10	8	80%	2	20%
Salary Level 13	41	33	80%	8	19.5%
TOTAL	56	43	76.7%	13	23.2%

Table 3.3.2 SMS post information as on 30 September 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	10	8	80%	2	20%
Salary Level 13	41	33	80%	8	19.5%
TOTAL	53	43	81%	10	18.9%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2025 and 31 March 2026

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	1	0	0
Salary Level 15	2	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
TOTAL	3	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2025 and 31 March 2026**Reasons for vacancies not advertised within six months**

The merged Department of Co-operative Governance, Human Settlements and Traditional Affairs (COGHSTA), was unable to advertise critical vacant funded posts since the organisational structure was only approved on 20 November 2025 and the process of matching and placing of duplicating officials had to be concluded before considering advertising posts. Furthermore, Circular no 28 of 2025 dated 31 July 2025, directs departments to subject all positions to job evaluation before advertising therefore the department had to comply.

Reasons for vacancies not filled within twelve months

The department was in the process of conducting job evaluation for vacant funded posts as directed by the Department of Public Service and Administration.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2025 and 31 March 2026**Reasons for vacancies not advertised within six months**

N/A

Reasons for vacancies not filled within six months

N/A

3.4. Job Evaluation

Table 3.4.1 Job Evaluation by Salary Band for the period 1 April 2025 and 31 March 2026

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
01 Lower Skilled (Levels 1-2)	9	0	0%	0	0%	0	0%
02 Skilled (Levels 3-5)	80	0	0%	0	0%	0	0%
03 Highly Skilled Production (Levels 6-8)	630	0	0%	1	100%	0	0%
04 Highly Skilled Supervision (Levels 9-12)	339	0	0%	54	100%	0	0%
05 Senior Management Service Band A	44	0	0%	0	0%	0	0%
06 Senior Management Service Band B	10	0	0%	0	0%	0	0%
07 Senior Management Service Band C	2	0	0%	0	0%	0	0%
08 Senior Management Service Band D	2	0	0%	0	0%	0	0%
11 Contract (Levels 3-5)	4	0	0%	0	0%	0	0%
12 Contract (Levels 6-8)	3	0	0%	0	0%	0	0%
13 Contract (Levels 9-12)	6	0	0%	0	0%	0	0%
14 Contract Band A	1	0	0%	0	0%	0	0%
16 Contract Band C	1	0	0%	0	0%	0	0%
TOTAL	1 131	0	0%	55	100%	0	0%

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2025 and 31 March 2026

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0
Employees with Disability					0

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2025 and 31 March 2026

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				00
Percentage of total employed				0%

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2025 and 31 March 2026

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Number of employees at beginning of period-1 April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	9	0	0	0
02 Skilled (Levels 3-5) Permanent	75	0	1	1
03 Highly Skilled Production (Levels 6-8) Permanent	582	0	14	2
04 Highly Skilled Supervision (Levels 9-12) Permanent	299	0	13	4
05 Senior Management Service Band A Permanent	36	0	3	8
06 Senior Management Service Band B Permanent	8	0	1	13
08 Senior Management Service Band D Permanent	1	0	0	0
11 Contract (Levels 3-5) Permanent	8	8	8	100
12 Contract (Levels 6-8) Permanent	10	10	10	100
13 Contract (Levels 9-12) Permanent	6	8	8	133
14 Contract Band A Permanent	1	1	0	0
16 Contract Band C Permanent	1	0	0	0
TOTAL	1 036	27	58	5.7

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2025 and 31 March 2026

Critical occupation	Number of employees at beginning of period-April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATION CLERKS Permanent	12	0	1	8
ADMINISTRATION OFFICER Permanent	193	1	12	6
ADMINISTRATIVE AND GOVERNANCE POLICY MANAGER Permanent	3	0	0	0
CIVIL ENGINEER Permanent	2	0	0	0
CIVIL ENGINEERING TECHNICIAN Permanent	14	0	0	0
COMMUNICATION COORDINATOR Permanent	10	0	0	0
CONSTRUCTION PROJECT MANAGER Permanent	7	0	0	0
DISASTER MANAGEMENT MANAGER Permanent		0	0	0
EMPLOYEE WELLNESS PRACTITIONER Permanent	5	0	0	0
ENGINEERING MANAGER Permanent	5	0	0	0
FINANCE MANAGER Permanent	3	0	0	0
FINANCIAL ACCOUNTANT Permanent	55	0	2	4
FOOD TRADE ASSISTANT Permanent	0	1	1	0
GARDEN WORKER Permanent	2	0	0	0
GEOPHYSICAL TECHNICIAN Permanent	1	0	0	0
GRAPHIC DESIGNER Permanent	1	0	0	0
HANDYPERSON Permanent	1	0	0	0
HEAD OF PROVINCIAL DEPARTMENT Permanent	2	0	0	0
HEALTH AND SAFETY MANAGERS Permanent	1	0	0	0
HUMAN RESOURCE CLERK Permanent	3	0	0	0
HUMAN RESOURCE MANAGER Permanent	1	0	0	0
HUMAN RESOURCE PRACTITIONER Permanent	28	7	7	25
ICT SYSTEMS ANALYST Permanent	14	0	0	0
INDUSTRIAL/ LABOUR RELATIONS OFFICER Permanent	5	0	0	0
INFORMATION TECHNOLOGY & SYSTEMS MANAGER Permanent	1	0	0	0
KITCHEN HAND Permanent	6	2	2	33
LEGAL ADMINISTRATION OFFICER Permanent	8	0	0	0
LEGAL RELATED MANAGER Permanent	1	0	0	0
LIGHT VEHICLE DRIVER Permanent	6	5	5	83
MANAGERS NOT ELSEWHERE CLASSIFIED Permanent	3	1	1	33
MESSENGERS Permanent	2	0	0	0
MIDD.MANAGER:HUMAN RESOURCE & ORGANISA.DEVEL.RELA Permanent	4	0	0	0

Critical occupation	Number of employees at beginning of period-April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
MIDDLE MANAGER: ADMINISTRATIVE RELATED Permanent	57	1	3	5
MIDDLE MANAGER: ENGINEERING SCIENCES RELATED Permanent	1	0	0	0
MIDDLE MANAGER: FINANCE AND ECONOMICS RELATED Permanent	6	0	0	0
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED Permanent	1	0	0	0
MIDDLE MANAGER: COMMUNICATION & INFORMATION RELATED Permanent	4	0	2	50
OFFICE CLEANER Permanent	29	0	0	0
OTHER CLERICAL SUPPORT WORKERS Permanent	386	0	6	2
OTHER OCCUPATIONS Permanent	0	0	6	0
PERSONAL ASSISTANT Permanent	2	2	2	100
POLICY AND PLANNING MANAGERS Permanent	10	0	1	10
PROGRAMME OR PROJECT MANAGER Permanent	26	2	2	8
PUBLIC/MEDIA RELATIONS MANAGER Permanent	2	0	0	0
RECEPTIONIST (GENERAL) Permanent	3	1	1	33
REGISTRY AND MAILING CLERK Permanent	5	1	1	20
RESEARCH AND DEVELOPMENT MANAGER Permanent	1	0	0	0
RISK AND INTEGRITY MANAGER Permanent	1	0	0	0
RISK OFFICER Permanent	5	2	2	40
SAFETY/HEALTH&ENVIRON.& QUALITY(SHE&Q)PRACTITIONER Permanent	1	0	0	0
SECRETARY (GENERAL) Permanent	37	1	0	0
SECURITY OFFICER Permanent	2	0	0	0
SOCIAL WORKER Permanent	1	0	0	0
STRATEGY/MONITORING & EVALUATION MANAGER Permanent	3	0	0	0
SUPPLY CHAIN CLERK Permanent	6	0	0	0
SUPPLY CHAIN MANAGER Permanent	2	0	0	0
SUPPLY CHAIN PRACTITIONER Permanent	30	0	0	0
SURVEYOR Permanent	4	0	1	25
SYSTEMS ADMINISTRATOR Permanent	1	0	0	0
URBAN AND REGIONAL PLANNER Permanent	9	0	0	0
WATER PRODUCTION AND SUPPLY MANGER Permanent	1	0	0	0
TOTAL	1 036	27	58	5.7

Table 3.5.3 Reasons why staff left the department for the period 1 April 2025 and 31 March 2026

Termination Type	Number	% of Total Resignations	% of Total Employment	Total	Total Employment
01 Death, Permanent	3	5.2%	0.3%	58	1 005
02 Resignation, Permanent	6	10.3%	0.6%	58	1 005
03 Expiry of contract, Permanent	29	50%	2.9%	58	1 005
06 Discharged due to ill health, Permanent	3	5.2%	0.3%	58	1 005
09 Retirement, Permanent	13	22%	1.3%	58	1 005
Transfers out	4	6.9%	0.4%	58	1005
TOTAL	58	100%	5.7%	58	1 005
Total number of employees who left as a % of total employment	5.7%				

Table 3.5.4 Promotions by critical occupation for the period 1 April 2025 and 31 March 2026

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATION CLERKS	12	0	0	8	66.7%
ADMINISTRATION OFFICER	193	0	0	122	63.2%
ADMINISTRATIVE AND GOVERNANCE POLICY MANAGER	3	0	0	1	33.3%
CIVIL ENGINEER	2	0	0	2	100%
CIVIL ENGINEERING TECHNICIAN	14	0	0	1	7.1%
COMMUNICATION AND MARKETING MANAGER	0	0	0	1	0%
COMMUNICATION COORDINATOR	10	0	0	6	60%
COMMUNITY DEVELOPMENT MANAGER	0	0	0	1	0%
CONSTRUCTION PROJECT MANAGER	7	0	0	6	85.7%
DISASTER MANAGEMENT MANAGER	1	0	0	0	0%
ECONOMIST	0	0	0	1	0%
EMPLOYEE WELLNESS PRACTITIONER	5	0	0	1	20%
ENGINEERING MANAGER	5	0	0	2	40%
FINANCE CLERK	0	0	0	7	0%
FINANCE MANAGER	3	0	0	2	66.7%
FINANCIAL ACCOUNTANT	55	0	0	24	43.6%
GARDEN WORKER	2	0	0	0	0%
GENERAL ACCOUNTANT	0	0	0	1	0%
GEOPHYSICAL TECHNICIAN	1	0	0	0	0%
GRAPHIC DESIGNER	1	0	0	2	200%
HANDYPERSON	1	0	0	0	0%

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
HEAD OF PROVINCIAL DEPARTMENT	2	0	0	1	50%
HEAD OF PROVINCIAL GOVERNMENT COMPONENT	0	0	0	1	0%
HEALTH AND SAFETY MANAGERS	1	0	0	1	100%
HUMAN RESOURCE CLERK	3	0	0	8	266.7%
HUMAN RESOURCE MANAGER	1	0	0	2	200%
HUMAN RESOURCE PRACTITIONER	28	0	0	28	100%
ICT SYSTEMS ANALYST	14	0	0	3	21.4%
INDUSTRIAL/ LABOUR RELATIONS OFFICER	5	0	0	4	80%
INFORMATION TECHNOLOGY & SYSTEMS MANAGER	1	0	0	0	0%
KITCHEN HAND	6	0	0	0	0%
LEGAL ADMINISTRATION OFFICER	8	0	0	2	25%
LEGAL RELATED MANAGER	1	0	0	1	100%
LIBRARY ASSISTANT	0	0	0	1	0%
LIGHT VEHICLE DRIVER	6	0	0	1	16.7%
MANAGERS NOT ELSEWHERE CLASSIFIED	3	0	0	4	133.3%
MESSENGERS	2	0	0	2	100%
MIDD.MANAGER:HUMAN RESOURCE & ORGANISA. DEVEL.RELA	4	0	0	3	75%
MIDDLE MANAGER: ADMINISTRATIVE RELATED	57	0	0	48	84.2%
MIDDLE MANAGER: ENGINEERING SCIENCES RELATED	1	0	0	1	100%
MIDDLE MANAGER: FINANCE AND ECONOMICS RELATED	6	0	0	5	83.3%
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED	1	0	0	0	0%
MIDDLE MANAGER: LEGAL RELATED	0	0	0	1	0%
MIDDLE MANAGER:COMMUNICATION & INFORMATION RELATED	4	0	0	1	25%
OFFICE CLEANER	29	0	0	11	37.9%
OTHER CLERICAL SUPPORT WORKERS	386	0	0	372	96.4%
OTHER MIDDLE MANAGER	0	0	0	1	0%
OTHER OCCUPATIONS	0	0	0	2	0%
PERSONAL ASSISTANT	2	0	0	2	100%

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
POLICY AND PLANNING MANAGERS	10	0	0	6	60%
PROGRAMME OR PROJECT MANAGER	26	0	0	15	57.7%
PROTECTION/SECURITY OFFICIAL	0	0	0	2	0%
PUBLIC/MEDIA RELATIONS MANAGER	2	0	0	1	50%
RECEPTIONIST (GENERAL)	3	0	0	4	133.3%
REGISTRY AND MAILING CLERK	5	0	0	4	80%
RESEARCH AND DEVELOPMENT MANAGER	1	0	0	0	0%
RISK AND INTEGRITY MANAGER	1	0	0	1	100%
RISK OFFICER	5	0	0	2	40%
SAFETY/HEALTH&ENVIRON.& QUALITY(SHE&Q) PRACTITIONER	1	0	0	1	100%
SECRETARY (GENERAL)	37	0	0	25	67.6%
SECURITY OFFICER	2	0	0	1	50%
SOCIAL WORKER	1	0	0	0	0%
STRATEGY/MONITORING & EVALUATION MANAGER	3	0	0	6	200%
SUPPLY CHAIN CLERK	6	0	0	0	0%
SUPPLY CHAIN MANAGER	2	0	0	2	100%
SUPPLY CHAIN PRACTITIONER	30	0	0	25	83.3%
SURVEYOR	4	0	0	2	50%
SWITCHBOARD OPERATOR	0	0	0	1	0%
SYSTEMS ADMINISTRATOR	1	0	0	4	400%
TRAINING AND DEVELOPMENT PROFESSIONAL	0	0	0	2	0%
URBAN AND REGIONAL PLANNER	9	0	0	8	88.9%
WATER PRODUCTION AND SUPPLY MANGER	1	0	0	1	100%
TOTAL	1 036	0	0	807	77.9%

Table 3.5.5 Promotions by salary band for the period 1 April 2025 and 31 March 2026

Salary Band	Employees 1 April 2025	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
01 Lower Skilled (Levels 1-2), Permanent	9	0	0%	3	33.3%
02 Skilled (Levels 3-5), Permanent	75	0	0%	44	58.7%
03 Highly Skilled Production (Levels 6-8), Permanent	582	0	0%	492	84.5%
04 Highly Skilled Supervision (Levels 9-12), Permanent	299	0	0%	227	75.9%
05 Senior Management (Levels 13), Permanent	45	0	0%	34	75.6%
11 Contract (Levels 3-5), Permanent	8	0	0%	1	12.5%
12 Contract (Levels 6-8), Permanent	10	0	0%	1	10%
13 Contract (Levels 9-12), Permanent	6	0	0%	4	66.7%
14 Contract (Levels 13), Permanent	2	0	0%	1	50%
TOTAL	1 036	0	0%	807	77.9%

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
03 - Technicians and Associate Professionals	0	0	0	0	1	0	0	0	1
09 - Labourers and Related Workers	13	0	0	0	6	0	0	0	19
Clerical Support Workers	192	1	1	0	261	1	0	0	456
Elementary	5	1	0	0	32	0	0	0	38
Managers	86	0	2	0	49	1	0	3	141
Plant & Machine Operators & Assemblers	6	0	0	0	0	0	0	0	6
Professionals	62	0	0	2	63	0	0	1	128
Protect Rescue Social Health Science Support Pers	1	0	0	0	0	0	0	0	1
Security & Custodian Personnel	1	0	0	0	1	0	0	0	2
Technicians & Associate Technical Occupations	92	2	0	0	118	1	0	0	213
TOTAL	458	4	3	2	531	3	0	4	1 005
Employees with Disabilities	6	0	0	6	0	7	0	0	13

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1	0	0	0	0	0	0	0	1
02 Senior Management, Permanent	22	0	1	0	15	1	0	1	40
03 Professionally qualified and experienced specialists and mid-management, Permanent	156	1	1	2	124	1	0	3	288
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	250	2	1	0	322	0	0	0	575
05 Semi-skilled and discretionary decision making, Permanent	15	1	0	0	51	1	0	0	68
06 Unskilled and defined decision making, Permanent	0	0	0	0	9	0	0	0	9
08 Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
09 Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
10 Contract (Professionally Qualified), Permanent	4	0	0	0	2	0	0	0	6
11 Contract (Skilled Technical), Permanent	3	0	0	0	5	0	0	0	8
12 Contract (Semi-Skilled), Permanent	5	0	0	0	3	0	0	0	8
TOTAL	458	4	3	2	531	3	0	4	1 005

Table 3.6.3 Recruitment for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
09 Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
10 Contract (Professionally qualified), Permanent	5	0	0	0	3	0	0	0	8
11 Contract (Skilled technical), Permanent	3	0	0	0	7	0	0	0	10
12 Contract (Semi-skilled), Permanent	4	0	0	0	4	0	0	0	8
TOTAL	13	0	0	0	14	0	0	0	27
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	18	0	0	0	14	1	0	1	34
03 Professionally qualified and experienced specialists and mid-management, Permanent	119	1	1	2	101	0	0	3	227
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	208	1	1	0	282	0	0	0	492
05 Semi-skilled and discretionary decision making, Permanent	12	0	0	0	32	0	0	0	44
06 Unskilled and defined decision making, Permanent	0	0	0	0	3	0	0	0	3
08 Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
10 Contract (Professionally qualified), Permanent	3	0	0	0	1	0	0	0	4
11 Contract (Skilled technical), Permanent	0	0	0	0	1	0		0	1
12 Contract (Semi-skilled), Permanent	1	0	0	0	0	0		0	1
TOTAL	362	2	2	2	434	1		4	807
Employees with Disabilities	5	0	0	0	6	0	0	0	11

Table 3.6.5 Terminations for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	2	0	0	0	2	0	0	0	4
03 Professionally qualified and experienced specialists and mid-management, Permanent	9	0	0	0	4	0	0	0	13
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	0	0	0	10	0	0	0	14
05 Semi-skilled and discretionary decision making, Permanent	1	0	0	0	0	0	0	0	1
10 Contract (Professionally qualified), Permanent	2	0	0	0	6	0	0	0	8
11 Contract (Skilled technical), Permanent	4	0	0	0	6	0	0	0	10
12 Contract (Semi-skilled), Permanent	3	0	0	0	5	0	0	0	8
TOTAL	25	0	0	0	33	0	0	0	58
Employees with Disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.6 Disciplinary action for the period 1 April 2025 to 31 March 2026

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
No outcome	0	0	0	0	1	0	0	0	1
Total	0	0	0	0	1	0	0	0	1

Table 3.6.7 Skills Development for the period 1 April 2025 to 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	8	0	0	0	13	0	0	0	21
Professionals	15	0	0	0	22	0	0	0	37
Technicians and Associate Professionals	13	0	0	0	82	0	0	0	95
Clerks	9	0	0	0	39	0	0	0	48
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
TOTAL	45	0	0	0	156	0	0	0	201
Employees with Disabilities	0	0	0	0	0	0	0	0	0

3.7. Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2025

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department				
Salary Level 16	2	1	1	100%
Salary Level 15	3	1	1	100%
Salary Level 14	10	8	8	100%
Salary Level 13	41	33	33	100%
TOTAL	56	43	43	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2026

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2026

Reasons
None

3.7. Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2025 to 31 March 2026

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Female	0	524	0%	0	0
Male	0	452	0%	0	0
Asian					
Female	0	0	0%	0	0
Male	0	3	0%	0	0
Coloured					
Female	0	3	0%	0	0
Male	0	4	0%	0	0
White					
Female	0	4	0%	0	0
Male	0	2	0%	0	0
TOTAL	0	1 005	0%	0	0
Employees with Disabilities	0	13	0%	0	0

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management
Service for the period 1 April 2025 to 31 March 2026

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	
01 Lower Skilled (Levels 1-2)	0	9	0	0	0	0%
02 Skilled (Levels 3-5)	0	68	0	0	0	0%
03 Highly Skilled Production (Levels 6-8)	0	575	0	0	0	0%
04 Highly Skilled Supervision (Levels 9-12)	0	288	0	0	0	0%
11 Contract (Levels 3-5)	0	8	0	0	0	0%
12 Contract (Levels 6-8)	0	8	0	0	0	0%
13 Contract (Levels 9-12)	0	6	0	0	0	0%
TOTAL	0	962	0	0	0	0%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2025 to 31 March 2026

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
ADMINISTRATION CLERKS	0	12	0%	0	0
ADMINISTRATION OFFICER	0	185	0%	0	0
ADMINISTRATIVE AND GOVERNANCE POLICY MANAGER	0	3	0%	0	0
CIVIL ENGINEER	0	2	0%	0	0
CIVIL ENGINEERING TECHNICIAN	0	14	0%	0	0
COMMUNICATION COORDINATOR	0	9	0%	0	0
CONSTRUCTION PROJECT MANAGER	0	7	0%	0	0
DISASTER MANAGEMENT MANAGER	0	1	0%	0	0
EMPLOYEE WELLNESS PRACTITIONER	0	5	0%	0	0
ENGINEERING MANAGER	0	5	0%	0	0
FINANCE MANAGER	0	2	0%	0	0
FINANCIAL ACCOUNTANT	0	54	0%	0	0
FOOD TRADE ASSISTANT	0	1	0%	0	0
GARDEN WORKER	0	2	0%	0	0
GEOPHYSICAL TECHNICIAN	0	1	0%	0	0
GRAPHIC DESIGNER	0	1	0%	0	0
HANDYPERSON	0	1	0%	0	0
HEAD OF PROVINCIAL DEPARTMENT	0	2	0%	0	0
HEALTH AND SAFETY MANAGERS	0	1	0%	0	0
HUMAN RESOURCE CLERK	0	3	0%	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
HUMAN RESOURCE MANAGER	0	1	0%	0	0
HUMAN RESOURCE PRACTITIONER	0	27	0%	0	0
ICT SYSTEMS ANALYST	0	14	0%	0	0
INDUSTRIAL/ LABOUR RELATIONS OFFICER	0	5	0%	0	0
INFORMATION TECHNOLOGY & SYSTEMS MANAGER	0	1	0%	0	0
KITCHEN HAND	0	5	0%	0	0
LEGAL ADMINISTRATION OFFICER	0	8	0%	0	0
LEGAL RELATED MANAGER	0	1	0%	0	0
LIGHT VEHICLE DRIVER	0	6	0%	0	0
MANAGERS NOT ELSEWHERE CLASSIFIED	0	2	0%	0	0
MESSENGERS	0	2	0%	0	0
MIDD.MANAGER:HUMAN RESOURCE & ORGANISA.DEVEL. RELA	0	4	0%	0	0
MIDDLE MANAGER: ADMINISTRATIVE RELATED	0	55	0%	0	0
MIDDLE MANAGER: ENGINEERING SCIENCES RELATED	0	1	0%	0	0
MIDDLE MANAGER: FINANCE AND ECONOMICS RELATED	0	6	0%	0	0
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED	0	1	0%	0	0
MIDDLE MANAGER:COMMUNICATION & INFORMATION RELATED	0	2	0%	0	0
OFFICE CLEANER	0	29	0%	0	0
OTHER CLERICAL SUPPORT WORKERS	0	378	0%	0	0
PERSONAL ASSISTANT	0	2	0%	0	0
POLICY AND PLANNING MANAGERS	0	9	0%	0	0
PROGRAMME OR PROJECT MANAGER	0	24	0%	0	0
PUBLIC/MEDIA RELATIONS MANAGER	0	2	0%	0	0
RECEPTIONIST (GENERAL)	0	3	0%	0	0
REGISTRY AND MAILING CLERK	0	4	0%	0	0
RISK AND INTEGRITY MANAGER	0	1	0%	0	0
RISK OFFICER	0	5	0%	0	0
SAFETY/HEALTH&ENVIRON.& QUALITY(SHE&Q)PRACTITIONER	0	1	0%	0	0
SECRETARY (GENERAL)	0	38	0%	0	0
SECURITY OFFICER	0	2	0%	0	0
SOCIAL WORKER	0	1	0%	0	0
STRATEGY/MONITORING &EVALUATION MANAGER	0	3	0%	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
SUPPLY CHAIN CLERK	0	5	0%	0	0
SUPPLY CHAIN MANAGER	0	2	0%	0	0
SUPPLY CHAIN PRACTITIONER	0	30	0%	0	0
SURVEYOR	0	3	0%	0	0
SYSTEMS ADMINISTRATOR	0	1	0%	0	0
URBAN AND REGIONAL PLANNER	0	9	0%	0	0
WATER PRODUCTION AND SUPPLY MANGER	0	1	0%	0	0
TOTAL	0	1 005	0%	0	0

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2025 to 31 March 2026

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	33	0%	0	0	0%
Band B	0	8	0%	0	0	0%
Band C	0	1	0%	0	0	0%
Band D	0	1	0%	0	0	0%
TOTAL	0	43	0%	0	0	0%

3.9. Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2025 and 31 March 2026

Salary band	01 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower Skilled	0	0%	0	0%	0	0%
Highly Skilled Production (Lev. 6-8)	0	0%	0	0%	0	0%
Highly Skilled Supervision (Lev. 9-12)	0	0%	0	0%	0	0%
Permanent (Level 13-16)	2	0.2%	2	0.2%	0	0%
Contract (Level 9-12)	2	0.2%	2	0.2%	0	0%
Contract (Level 13-16)	0	0%	0	0%	0	0%
TOTAL	4	0.4%	4	0.4%	0	0%

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2025 and 31 March 2026

Major occupation	01 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
Building, Construction and Project Management	2	0.2%	2	0.2%	0	0
Technical Services	2	0.2%	2	0.2%	0	0
	4	0.4%	4	0.4%	0	0%

3.10. Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2025 to 31 December 2026

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 9-12)	5	100%	1	0.3%	5	17
Highly skilled production (Levels 6-8)	1 210	90.4%	180	57%	7	2 199
Highly skilled supervision (Levels 9-12)	518	87.8%	89.00	28.2%	6	1 792
Lower skilled (Levels 1-2)	37	100%	2	0.6%	19	28
Senior management (Levels 13-16)	137	93.4%	13	4.1%	11	675
Skilled (Levels 3-5)	197	93.4%	31	9.8%	6	231
TOTAL	2 104	90.4%	316	100%	7	4 942

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2025 to 31 December 2026

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	23	100%	1	33.3%	23	40
Highly skilled supervision (Levels 9-12)	52	100%	1	33.3%	52	132
Senior management (Levels 13-16)	35	100%	1	33.3%	35	166
TOTAL	110	100%	3	100%	37	338

Table 3.10.3 Annual Leave for the period 1 January 2025 to 31 December 2026

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 3-5)	20	10	2
Contract (Levels 6-8)	28	9	3
Contract (Levels 9-12)	7	4	2
Highly skilled production (Levels 6-8)	10 868	22	503
Highly skilled supervision (Levels 9-12)	4 518	17	267
Lower skilled (Levels 1-2)	100	11	9
Senior management (Levels 13-16)	592	15	39
Skilled (Levels 3-5)	1 389	20	68
TOTAL	17 522	20	893

Table 3.10.4 Capped leave for the period 1 January 2025 to 31 December 2026

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 2025
Contract (Levels 13-16)	0	0	41	40.93
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	60	2 344.93
Highly skilled supervision (Levels 9-12)	0	0	56	2 801.64
Lower skilled (Levels 1-2)	0	0	0	0
Senior management (Levels 13-16)	0	0	56	778.13
Skilled (Levels 3-5)	0	0	49	393.13
TOTAL	0	0	57	6 358.76

Table 3.10.5 Leave payouts for the period 1 April 2025 and 31 March 2026

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual – Discounting with Resignation (Work Days)	195	5	39
Annual - Discounting: Contract Expiry (Work Days)	26	1	26
Annual - Gratuity: Death/Retirement/Medical Retirement(Work	1 292	20	64 6
Capped - Gratuity: Death/Retirement/Medical Retirement(Work	1 643	8	205 375
TOTAL	3 156		

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Men And Women Aged Between 25 - 49	Gems Reports Indicates That Officials Within This Category Are at High Risk. Educational Programmes On HIV/ Aids and Adherence to Medications is always conducted.

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms. S.M Mandlazi - Director: HRM&D
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		The Department has the Employee and Wellness Unit with 05 officials. • 1 x Deputy Director • 02 x Assistant Director : OHS • 01 x Assistant Director: Employee Health and Wellness • 02x Administration Officers The Annual Budget Allocated to the Unit is not clearly earmarked as it is shared with other 05 Units under the Human Resource Management and Development Unit.
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 Programme aligns to the DPSA Strategic Framework for Employee Health and Wellness in the Public Service and addresses the four pillars - HIV/AIDS and TB Management, • Health and Productivity Management, Safety health risk and Quality (SHERQ) Management, and • Wellness Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. X	X		The EHW Committee and the members are as follows: 1. Ms NR Masilela – EHW Unit 2. Ms .KI Mojapelo – EHW Unit 3. Ms P Mazibuko – EHW Unit (OHS) 4. Mr TF Zulu – EHW Unit (OHS) 5. Ms L Thonye - Gert Sibande District; 6. Mr P Magolela – Gert Sibande District 7. Ms Ms UF Mashile- Ehlanzeni District Office; 8. Mr MK Mbokane – Ehlanzeni District Office 9. Ms PF Dibakoane – Human Resource Management 10 Ms. G Mashego – Human Resource Management 11.Mr L Mokoena - Finance 12. Mr B Simelane – Finance. 13. Ms N Dhlamini - Nkangala District 14. Mr J Mogola- Nkangala District 15. Mr H Kwinika - Nkangala District 16. Ms N Masango Communications; 17. Mr GM Ndlala - NEHAWU Representative 18. Ms N Mashaba - PSA Representative 19. Ms. PT Nepfumbada – Legal Services 20. Mr JS Rakgoale – Integrated Human Settlements

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 EHW policies were reviewed and approved for implementation: 1. Health and Productivity Management 2. HIV/AIDS and TB Management 3. SHERQ 4. Wellness Management
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 Head of Department has approved an HIV/AIDS and TB Management Policy that addresses protection of HIV-Positive employees. The key elements of the policy are-: - Commitment to create an enabling environment for employees infected and affected by HIV/AIDS & TB pandemic; - Affirmation regarding management of HIV/AIDS & TB in the Department; Implementing fair employment practice and - Statement of voluntary disclosure
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. .	X	• Departmental onsite HIV Counselling and Testing programme was facilitated and psychosocial support was provided to those who have disclosed their status • Conducted Commemorative Days such as World Aids Day and Candlelight Memorial • Two hundred and sixteen (216) employees tested and know their status
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X	Approved Employee Health and productivity management Plan Annual integrated employee health and wellness report Quarterly integrated employee health and wellness activities coordinated Number of employees reached through health promotion messages EHW System Monitoring Tool was produced and submitted to DPSA by 30 June on annual basis. The Annual Reports from employee health and wellness partners (Health Risk Manager and GEMS are also used to gauge the progress

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2025 and 31 March 2026

Subject matter	Date
Total number of collective agreements	None

Total number of Collective agreements	None
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Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2025 and 31 March 2026

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	1	3.7%
Written warning	21	77.7%
Final written warning	1	3.7%
Suspended without pay	0	0%
Resignation	3	11%
Demotion	0	0%
Dismissal	0	0%
Pending	1	3.7%
Case withdrawn	0	0%
Total	27	100%

Total number of Disciplinary hearings finalised	26
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2025 and 31 March 2026

Type of misconduct	Number	% of total
Type of misconduct	Number	% of total
Solicit bribe and demanding financial favours	1	3.7%
Prejudice Administration of Organisation or Dept	15	55.5%
Contravened Supply Chain Management processes	6	22.2%
Gross negligence (loss of state-owned vehicle)	1	3.7%
Absenteeism due to arrest	1	3.7%
Alleged fruitless and wasteful expenditure	1	3.7%
Misuse of state-owned vehicle and loss of departmental desktop	1	3.7%
Defrauding a service provider	1	3.7%
Total	27	100%

Table 3.12.4 Grievances logged for the period 1 April 2025 and 31 March 2026

Grievances	Number	% of Total
Number of grievances resolved	5	100%
Total	5	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2025 and 31 March 2026

Disputes	Number	% of Total
Number of disputes upheld	2	50%
Number of disputes dismissed	2	50%
Total number of disputes lodged	4	100%

Table 3.12.6 Strike actions for the period 1 April 2025 and 31 March 2026

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2025 and 31 March 2026

Number of people suspended	1
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	176 days
Cost of suspension(R'000)	R184 308.5

3.13. Skills Development

Table 3.13.1 Training needs identified for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	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	19	0	16	0	16
	Male	28	0			
Professionals	Female	50	0	4	0	4
	Male	85	0			
Technicians and Associate Professionals	Female	403	0	5	0	5
	Male	330	0			
Clerks	Female	58	0	14	0	14
	Male	23	0			
Service and Sales Workers	Female	9	0	0	0	0
	Male	0	0	0	0	0
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary Occupations	Female	0	0	2	0	2
	Male	0	0	0	0	0
Sub Total	Female	539	0	0	0	0
	Male	466	0	0	0	0
TOTAL		1005	0	41	0	41

Table 3.13.2 Training provided for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, Senior Officials and Managers	Female	19	0	46	0	46
	Male	28	0	38	0	38
Professionals	Female	50	0	11	0	11
	Male	85	0	48	0	48
Technicians and Associate Professionals	Female	403	0	82	0	82
	Male	330	0	48	0	48
Clerks	Female	58	0	28	0	28
	Male	23	0	6	0	6
Service and Sales Workers	Female	9	0	0	0	0
	Male	0	0	0	0	0
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary Occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	539	0	0	0	0
	Male	466	0	0	0	0
TOTAL		1005	0	307	0	307

3.14. Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2025 and 31 March 2026

Nature of injury on duty	Number	% of total
Required basic medical attention only	08	100%
Temporary total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
TOTAL	08	100%

3.15. Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2025 and 31 March 2026

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Focused Risk	1	12 months	357144.01
247 Khompho Trading	1	12 months	6 242 119.77
ACCRA Group	1	12 months	1 913 751.03
Diba BES	1	12 months	1 291 996.25
Earthinvlab	1	12 months	397 879.35
Enviro Social	1	12 months	274 917.30
Enviro Social Management	1	12 months	2 950 071.33
GAP development Planners	1	12 months	3 241 781.01
Inkosi Iyabusa	1	12 months	441 309.63
Inkosi Iyabusa Holdings	1	12 months	978 060.03
Joker			112 125.00
Lehuma	1	12 months	357 650.00
Leseko	1	12 months	1 370 299.73
Monde Consulting	1	12 months	3 879 040.86
MS Mabuya	1	12 months	7 647 557.05
Mvelendzo	1	12 months	835 092.95
Mvelendzo Environmental & Safety	1	12 months	168 000.00
Naren Mistry	1	12 months	168 000.00
Rev2Light	1	12 months	4 063 369.94
Simlex	1	12 months	751 092.95
Simlex in	1	12 months	3 185 147.60
Sinamandla	1	12 months	536 875.54
Tariq Enterprises	1	12 months	735 634.64
Tinazonke	1	12 months	3 381 968.17
Tinozonke Holdings	1	12 months	2 309 420.32
Zethu	1	12 months	17 185 469.25
Total			64 775 773.71

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
73	26	12 months	64 775 773.71

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
PMU	100%	100%	1

Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2025 and 31 March 2026

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 3.15.4 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

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

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2025 and 31 March 2026

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
TOTAL	0	0	0	0

The background features a light gray grid of small dots. Overlaid on this are several sets of concentric circles in a muted green color. One large set of circles is on the right side, while smaller sets are in the top-left and bottom-left corners.

PART E: PFMA COMPLIANCE REPORT

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

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	615 910	-
Opening balance as restated	615 910	-
Add: Irregular expenditure confirmed	17 735	-
Less: Irregular expenditure condoned	(318 984)	-
Less: Irregular expenditure not condoned and removed	(224 089)	-
Closing balance	90 572	-

The amount reflected under adjustment to opening balance relates to the closing balances of former DHS and CoG-TA following the conclusion of the merger into one entity. The overall amount arose from non-compliance with the Supply Chain Management regulations as was previously reported to AGSA.

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure for the current year	17 735	-
Total	17 735	-

This expenditure relates to current running contracts that were previously not condoned by Provincial Treasury. The Department has resuscitated the process of requesting condonation.

b) Details of irregular expenditure condoned

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure condoned	318 984	-
Total	318 984	-

The above irregular expenditure resulting from non-compliance to Supply Chain Management prescripts was condoned.

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

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure NOT condoned and removed	224 089	-
Total	224 089	-

The overall amount resulted from non-compliance with the Supply Chain Management regulations. An investigation was conducted through the Office of the Premier (Integrity Management Unit), and the above expenditure was found not to be irregular.

Additional disclosure relating to Inter-Institutional Arrangements**d) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)**

Description
None.
Total

None

e) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)¹

Description	2025/2026	2024/2025
	R'000	R'000
None.	-	-
Total		

None.

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

Disciplinary steps taken
<i>Officials involved in the procurement processes were issued with warning letters in line with the applicable disciplinary procedures. In addition, they were advised to attend relevant training to strengthen their understanding of procurement prescripts and ensure improved compliance in future processes.</i>

None.

1.2. Fruitless and wasteful expenditure**a) Reconciliation of fruitless and wasteful expenditure**

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	198 855	-
Opening balance as restated	198 855	-
Add: Fruitless and wasteful expenditure confirmed	56 934	-
Less: Fruitless and wasteful expenditure recoverable ²	(3 422)	-
Closing balance	252 365	-

The amount reflected under adjustments to opening balance relates to closing balances of former DHS and CoGTA following conclusion of the merger into one entity. The overall amount arose from VAT charged on housing stocks, which are deemed to be VAT zero-rated.

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	40 745	-
Fruitless and wasteful expenditure for the current year	16 189	-
Total	56 934	-

The current year amounts relate to VAT-related payments made up to 31st July 2026 and overpayment discovered during the year end reconciliation, which also relates to VAT.

b) Details of fruitless and wasteful expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure recoverable	3 422	-
Total	3 422	-

Three (3) service providers entered into agreements with the Department to refund the fruitless and wasteful expenditure in instalments.

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

Disciplinary steps taken
No official was held liable for the fruitless and wasteful expenditure, as it arose due to a change in the VAT policy. The National Department did not communicate this policy change to the provinces timeously, which resulted in the incorrect application of VAT on housing stock. Accordingly, the matter was assessed as a systemic issue rather than individual negligence, and therefore no disciplinary action was taken against any officials.
Total

None.

LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	3885	1 436 309
Invoices paid within 30 days or agreed period	3873	1 395 386
Invoices paid after 30 days or agreed period	12	40 923
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	-	-
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	-	-

Reason for late payment of twelve invoices was due to the insufficient funds or Cash Flow Issues during the beginning of the financial year.

SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Transformers	ACTOM	Deviation	n/a	R 186 300.00
-	-	-	-	-
Total				R 186 300.00

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Extension of time with additional cost for the Design and construction supervision for the bulk water, sewer and electricity services to the Parliamentary village project under the City of Mbombela Local Municipality	Endecon Ubuntu	Variation	DHS/195/19/MP	R9 467 953,18	n/a	R1 282 400,00
Construction of internal engineering services in Coromandel under Thaba Chweu Local Municipality	Khwezana Business Enterprise	Variation	E23110007/1	R3 904 936,50	n/a	R745 426,50
Extension of scope of work for registration of title deeds (from 51 to 77) at Emthonjeni under Emakhazeni Local Municipality.	WDT Attorneys	Expansion	DHS/123/22/MP	R88 230,00	n/a	R46 710,00
Extension of scope for removal and replacement of 100 Asbestos roofed houses at Victor Khanye Local Municipality	Zethu Consulting	Variation	DHS/217/22/MP	R8 164 800,00	n/a	R1 080 000,00

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Additional resources for civil engineering services	Zethu Consulting	Variation	DHS/217/22/MP	R104 283 089.28	n/a	R7 636 032.00
Project management for eradication of 756 asbestos roofed houses						R8 164 800,00
Assessment and verification of incomplete houses in the Mpumalanga Province						R8 026 821,75
Project management for eradication of 227 asbestos roofed houses in Thaba Chweu Local Municipality.						R2 451 600,00
Variation order implementing agent for Kinross Extension 33 under Govan Mbeki Local Municipality						R162 042 710,00
Variation order for the sewer connection point for the top structure from the serviced 550 phase 1.1 sites at Rondebosch, Steve Tshwete Local Municipality	Tiger Business	Variation (8)	E17060004/3	R484 086 421,25	R18 868 841,71	R1 535 858,00
Variation order for the construction of sewer reticulation per household for the construction of 690 units under informal settlements, upgrade programme (IUSP) at Ethandukukhanya Ext 7 under Mkhondo Local Municipality	Tiger Business	Variation	EE20050004/1	R28 274 998,00	n/a	R1 143 450,00

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Variation order for the Hard Rock Excavation and Importation of suitable materials at Lesle Extension 6 under Govan Mbeki Local	SIV Consulting	Variation	E25100019/1	R18 819 718,40	R1 269 162,00	R648 064,49
Feb Approval for variation order number 1 for the construction of social amenities in Ntunda under Nkomazi Local Municipality	Reikemetse Projects	Variation	E24050002	R28 604 221,74	n/a	R2 580 531,98
Extension of time with costs for the implementation and maintenance of Municipal Monitoring and Support IT Systems for a period of three (3) years	S and L Avenue JV Quantative Innovative Solutions	Variation	CGT/091/22/MP	R141 628 820,20	n/a	R1 909 608,12
Appointment of service of development, implementation and maintenance of Municipal Monitoring and Support IT Systems for a period of three (3) years	S and L Avenue JV Quantative Innovative Solutions	Expansion	CGT/091/22/MP	R141 628 820,20	n/a	R3 819 216,24
Extension of time with costs for the construction of internal engineering services at Coromandel in Thaba Chweu Local Municipality	Monde Civil	Variation	E17040016/1	14%	n/a	R1 146 260,87
Extension of time with cost for the provision of professional and project services at Leslie, Govan Mbeki Local Municipality	Perozz Consulting Engineers	Extension	E22100007	R17 911 222,00	n/a	R3 231 418,67
Extension of time with costs for the provision of Bulk services to the Parliamentary village, Mbombela Local Municipality	Prodipix 212/Nkolele Projects JV	Extension	DHS/195/19/MP	R89 634 665,65	n/a	R2 032 310,17

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Technical Assessment for Siyathuthuka 42 incomplete units under Emakhazeni Local Municipality	T and Z Construction	Expansion	E23090004 (03)	R61 244809,80	R1 096 178,62	R880 600,,00
Fencing and paving at Sethlare Traditional Council offices under Bushbuckridge Local Municipality	Lala's Trading	Expansion	COGHSTA/005/25/MP	R2 367 728,48	n/a	R293 200,93
Variation order for construction of a sub-soil drainage system at Bhuga under the City of Mbombela Local Municipality	Lwati-V Trading Enterprise	E24100009	Variation	R751 353,70	n/a	R119 372,00
Approval for variation order for the demolition and debris removal for two houses at Kanyamazane under the City of Mbombela Local Municipality	Fenekwane Constructin Projects	E23100023/1	Expansion	R366 514,00	n/a	R46 745,40aa
Variation order for excessive clay material for the construction of municipal engineering services for 889 sites under informal settlements in Kinross Extension 33 under Govan Mbeki Local Municipality	Siphosezwe Trading Enterprise	E22030003	Variation	R65 221 371,57	R9 149 641,40	R3 945 876,01
Varation order for the hard rock excavation and blasting services for the construction of Municipal engineering services in Leslie Ext 8 under Govan Mbeki Local Municipality	247 Khompo	E22120015/1	Variation - 2	R29 191 155,92	R494 550,00	R1 501 540,00

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Variation order 4 for blasting services for the construction of Municipal Engineering services (servicing of sites) in Silobela Ext 5 under Chief Albert Luthuli Local Municipality	Asishiyelane Trading	DHS /205/20/ MP	Variation (4)	R185 497 560,75	n/a	R734 000,00
Variation order 5 for Hard rock excavation and installation of internal engineering in Silobela Ext 5 under Chief Albert Luthuli Local Municipality	Asishiyelane Trading	E21080013/1	Variation	R31 187 245 92	R1 154 257,75	R3 225 885,79aa
Variation order for excessive clay material for the construction of Municipal engineering services for 600 of the 1489 sites under ISUP partnership grant in Kinross Ext 33 & 34 under Govan Mbeki Local Municipality	Nomatiki Trading Logistics	E24110013/1	Variation	R41 221 000,00	n/a	R1 646 962,50
Extension of scope of work by 23 housing units at Bethal in Govan Mbeki Local Municipality	Delu Trading	E23060011/1	Expansion	R21 990 840,00	n/a	R4 214911,00
IRDP PH2/ WESSELTON EXT 6/Msukaligwa Municipality (300 to 340)	Dr Bongani Investments	E17090002/1	Expansion	R32 984 100,00	n/a	R7 330 280,00
Variation order for the development of a relocation plan for zone 7 to undertake Township establishment and finalisation processes for the upgrading of informal settlement Dipaleseng Local Municipality	Liberty and Regional Planners	E23070011	Variation	R150 317,20	n/a	R22 547,58

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Variation for the township establishment and finalization processes for the upgrading of Phomolong informal settlements in Dipaleseng Local Municipality	Nthlatse Planning Consultants	E23070014	Variation	R2 264 695,00	n/a	R339 704,25
Variation order for the development of relocation plan for Thembu Khumalo informal settlements to undertake Township establishment and finalization processes for the upgrading of informal settlements in Dipaleseng Local Municipality	Umsebe Development Planners	E23070016	Variation	R899 170,60	n/a	R134 875,52
Extension of scope of work by 2 housing units at Thabana Ward 07 under Dr. JS Moroka Local Municipality	Donaliour	E25100001/1	Expansion	R696 376,30	n/a	R366 514,00
Extension of scope of work by two (02) additional houses for focused risk and training services for assessment, audit and monitoring by the Asbestos inspection authority during asbestos removal process under Nkomazi Local Municipality	Focused Risk and Training Services	E24010004/	Expansion	R77 031,60	n/a	R13 741,58
Extension of scope of work by 01 housing unit at Thekwane North in the City of Mbombela Local Municipality	Basadi Civil Construction	E22110008/1	Expansion	R2 711 013,90	n/a	R183 257,00

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Extension of scope of work to include link connection water and sewer pipeline, elevated storage tank and pressure booster pump station to connect the 3220 sites at Msholozhi under the City of Mbombela Local Municipality	Sizampilo Projects	E25100014/2	Expansion	R226 735 238,99	n/a	R40 906 648,45
Total						

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PART F: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL

Report of the auditor-general to the Mpumalanga Provincial Legislature on vote 4: Department of Cooperative Governance, Human Settlements and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Cooperative Governance, Human Settlements and Traditional Affairs (department) as set out on pages 205 to 256, which comprise the appropriation statement, statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the department of Cooperative Governance, Human Settlements and Traditional Affairs as at 31 March 2026, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as issued by the National Treasury of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 2 of 2025 (Dora).

Basis for opinion

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

Emphasis of matter

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

Departmental merger

7. I draw attention to note 28 to the financial statements. The Mpumalanga Department of Human Settlements and the Mpumalanga Department of Cooperative Governance and Traditional Affairs were merged to form the Mpumalanga Department of Cooperative Governance, Human Settlements and Traditional Affairs, effective from 1 April 2025, and now operate as a combined department.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 245 to 256 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.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS as issued by the National Treasury of South Africa, the requirements of the PFMA 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.
11. 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

12. 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.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 203, forms part of my auditor's report.

Report on the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
15. I selected the following programmes presented in the annual performance report for the year ended 31 March 2026. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Human settlements	38	To facilitate and undertake integrated human settlements planning. The programme ensures integrated and cohesive provincial spatial planning. It also facilitates integrated planning for development in urban and rural spaces through integrated human settlements as well as upgrading of informal settlements, priority human settlements and housing development areas. The planning functions of the programme are geared towards the realisation of National Development Plan 2030, Mpumalanga Vision 2030, and the National Spatial Development Perspective as well as the provincial spatial development framework.
Cooperative governance	49	This programme aims to strengthen the administrative and financial capacity of municipalities as well as deepen democracy at local level in order to ensure that municipalities perform their developmental responsibilities. The programme also aims to strengthen municipalities on development and planning requirements as well as coordinating and enhancing the delivery of quality infrastructure to improve the provision of basic services at local government level.

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

17. I performed procedures to test whether:

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

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

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

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

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

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

22. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 38 to 48 and 49 to 65.

Human settlements

<i>Targets achieved: 56%</i>		
<i>Budget spent: 99%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of approved research projects on sectoral topics	1	0
Number of informal settlements completed in phase 1	5	0
Number of informal settlements upgraded in phase 3	2	0
Number of housing units enrolled with the National Home Builders Registration Council (NHBRC)	750	196
Percentage of houses certified in line with the NHBRC regulations and standards	100%	64%
Number of subsidies disbursed through project-linked individual subsidies	10	2
Number of well-located land under land assembly processes acquired	2	0
Number of integrated residential development programme phase 2 top structure completed	1429	804
Number of houses completed through rural housing: communal land rights and mud houses	337	278
Number of housing units completed	1921	1238
Number of bulk water and sanitation infrastructure projects completed	5	0

Report on compliance with legislation

23. 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.
24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
26. I did not identify any material non-compliance with the selected legislative requirements.

Other matter

27. I draw attention to the matter below.

Participation in a contract arranged by another organ of state

28. Treasury Regulation 16A6.6 allows an accounting officer to participate in a contract arranged by another organ of state, provided that the prescribed requirements are met.
29. During the audit, a matter was identified relating to the department's participation in a contract arranged by another organ of state. Based on the historical interpretation of Treasury Regulation 16A6.6 by the auditor-general and previously supported by National Treasury, this matter would have resulted in a material non-compliance finding. More recently, National Treasury communicated a different interpretation of the regulation. Therefore, this matter has not been reported as a material finding on compliance in this report, and the irregular expenditure of R980,6 million in the current year has not been reported as such in the annual financial statements.
30. The original contract arranged by another organ of state had an awarded value of R1,7 billion. Through its participation in that contract, the department procured additional services amounting to R980,55 million without undertaking a separate competitive bidding process. Given the significance of the additional procurement undertaken through the participation arrangement, the need arises to consider the extent to which this procurement approach gives effect to the constitutional procurement principles of fairness, equitability, transparency, competitiveness and cost-effectiveness, as set out in section 217 of the Constitution of the Republic of South Africa.

Other information in the annual report

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

33. 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 programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

internal control deficiencies

35. 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.
36. I did not identify any significant deficiencies in internal control.

Material irregularities

37. 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.

Material irregularities identified during the audit

38. The material irregularities identified are as follows:

Completed services at sites not utilised

39. Resources of the department were not utilised effectively, efficiently, economically and transparently, as required by section 38(1)(b) of the PFMA.
40. In July 2021, the department commenced the construction of internal services at 5 141 sites in KaMhlushwa extension 2 and 3, Nkomazi Local Municipality - contract number DHS/145/17/MP. By April 2024, the department completed the construction of internal services on 4 000 sites (serviced sites) at a cost of R289,7 million, without ensuring that the bulk services are constructed. The lack of bulk services has consequently resulted in the serviced sites not being transferred by the department to the municipality, resulting in non-compliance with section 38(1)(b) of the PFMA. The non-compliance was due to inadequate budgeting processes and ineffective intergovernmental coordination between the department and the municipality.
41. The serviced sites are a material public resource intended to provide housing opportunities to the community of KaMhlushwa Extensions 2 and 3 in Nkomazi. The non-compliance has resulted in the likely misuse of the 4 000 serviced sites by April 2024 for the department and is likely to result in further misuse of the resource if bulk infrastructure is not constructed.
42. The accounting officer was notified of the material irregularity on 14 August 2025 and was invited to make a written submission on the actions taken and those that will be taken to address the matter. The following actions have been taken or are planned to be taken to resolve the material irregularity:
43. In September 2025, the accounting officer prioritised the delivery of bulk infrastructure by approving a revised 2025-26 procurement plan to address project delays. This resulted in the appointment of a contractor for the KaMhlushwa bulk infrastructure project and the implementation of a signed action plan to expedite the delivery of bulk infrastructure.

44. In December 2025, the accounting officer conducted an internal investigation to determine the causes of deficiencies in project management and implementation and to identify the officials responsible, this process was concluded in April 2026. This resulted in the issuance of written warning letters and final written warning letters to the relevant officials.
45. In December 2025, the accounting officer established a project steering committee for the KaMhlushwa project, comprising representatives from the department, the Department of Water and Sanitation, Nkomazi Local Municipality and Ehlanzeni District Municipality. This resulted in enhanced project oversight through ongoing monitoring of compliance with the commitments outlined in the memorandum of agreement and the timely tracking of project progress.
46. The accounting officer developed and started implementing a monitoring matrix plan to the material irregularity. The plan includes the following key actions to be taken:
 - Sewer Package Plant: Land Disposal and Transfer Process
 - KaMhlushwa Link Water, Link Sewer, Roads and Stormwater: Township Establishment
 - KaMhlushwa Link Water, Link Sewer, Roads and Stormwater: Designs t and Construction.
47. I will follow up on the implementation of the ongoing actions during my next audit.

Other reports

48. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
49. The Special Investigating Unit is conducting an investigation into alleged irregularities in the procurement of goods in respect of the national state of disaster, as per Government Notice 313 of 15 March 2020, covering the period 1 January 2020 to 23 July 2020. These proceedings were in progress at the date of this auditor's report.

Auditor General

Mbombela

31 July 2026



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b)
Treasury Regulations, 2005	Regulation 4.1 1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1; 18.2; 19.8.4
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
Division of Revenue Act 2 of 2025	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

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

(Vote number 04)

Annual Financial Statements for the year ended 31 March 2026

Appropriation Statement

Figures in Rand thousand				2025/2026				
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
		R '000	R '000	R '000	R '000	R '000	R '000	%
Appropriation per programme								
Programme								
Administration	1	391,168	-	-	391,168	365,176	25,992	93.36%
Human Settlements	2	1,290,619	-	-	1,290,619	1,281,475	9,144	99.29%
Co-operative Governance	3	424,888	-	-	424,888	398,644	26,244	93.82%
Traditional Institutional Development	4	246,930	-	-	246,930	226,167	20,763	91.59%
House of Traditional Leaders	5	35,178	-	-	35,178	32,729	2,449	93.04%
Programme subtotal		2,388,783	-	-	2,388,783	2,304,191	84,592	96.46%
Total		2,388,783	-	-	2,388,783	2,304,191	84,592	96.46%
Reconciliation with								
Add:								
Add:								
Actual amounts per (total expenditure)						2,304,191		

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	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R '000	R '000	R '000	R '000	R '000	R '000	%
Appropriation per economic classification							
Economic classification							
Current payments Compensation of employees							
Salaries and wages	653,752	19,352	-	673,104	667,834	5,270	99.22%
Social contributions	127,747	(19,892)	-	107,855	100,254	7,601	92.95%
	781,499	(540)	-	780,959	768,088	12,871	98.35%
Goods and services							
Administrative fees	2,038	(385)	-	1,653	1,188	465	71.87%
Advertising	3,369	(58)	-	3,311	1,378	1,933	41.62%
Minor assets	361	786	-	1,147	830	317	72.36%
Audit costs: External	15,000	-	-	15,000	14,850	150	99.00%
Catering: Departmental activities	4,640	584	-	5,224	3,978	1,246	76.15%
Communication	25,085	4,586	-	29,671	26,808	2,863	90.35%
Computer services	623	453	-	1,076	1,075	1	99.91%
Consultants: Business and advisory services	16,196	(1,068)	-	15,128	13,540	1,588	89.50%
Infrastructure and planning services	3,158	(21)	-	3,137	1,105	2,032	35.22%
Legal services	12,000	5,236	-	17,236	17,235	1	99.99%
Contractors	7,839	431	-	8,270	3,172	5,098	38.36%
Agency and support/outsourced services	8,429	(155)	-	8,274	6,807	1,467	82.27%
Fleet services	13,828	(5,753)	-	8,075	8,072	3	99.96%
Inventory: Clothing material and supplies	1,418	3	-	1,421	620	801	43.63%
Inventory: Materials and supplies	52,200	-	-	52,200	51,926	274	99.48%
Consumable supplies	2,211	(558)	-	1,653	1,048	605	63.40%
Consumable: Stationery, printing and office supplies	6,030	(632)	-	5,398	2,599	2,799	48.15%
Operating leases	44,577	(4,950)	-	39,627	39,626	1	100.00%
Property payments	16,000	-	-	16,000	15,733	267	98.33%
Transport provided: Departmental activity	901	-	-	901	582	319	64.59%
Travel and subsistence	53,585	1,443	-	55,028	50,283	4,745	91.38%
Training and development	11,244	-	-	11,244	1,852	9,392	16.47%
Operating payments	3,817	(181)	-	3,636	1,476	2,160	40.59%

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Figures in Rand thousand	2025/2026						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R '000	R '000	R '000	R '000	R '000	R '000	%
Appropriation per economic classification (continued)							
Venues and facilities	1,613	1	-	1,614	1,288	326	79.80%
Rental and hiring	112	238	-	350	349	1	99.71%
	306,274	-	-	306,274	267,420	38,854	87.31%
Total current payments	1,087,773	(540)	-	1,087,233	1,035,508	51,725	95.24%
Transfers and subsidies							
Provinces and municipalities	241	-	-	241	139	102	57.68%
Non-profit institutions	40,800	-	-	40,800	37,950	2,850	93.01%
Households	1,139,336	448	-	1,139,784	1,131,864	7,920	99.31%
Total transfers and subsidies	1,180,377	448	-	1,180,825	1,169,953	10,872	99.08%
Payments for capital assets Buildings and other fixed structures							
Buildings	54,374	(4,444)	-	49,930	38,992	10,938	78.09%
Other fixed structures	1,500	4,257	-	5,757	4,443	1,314	77.18%
	55,874	(187)	-	55,687	43,435	12,252	78.00%
Machinery and equipment							
Transport equipment	5,000	1,050	-	6,050	6,050	-	100.00%
Other machinery and equipment	16,566	(863)	-	15,703	7,150	8,553	45.53%
	21,566	187	-	21,753	13,200	8,553	60.68%
Software and other intangible assets	43,193	-	-	43,193	42,003	1,190	97.24%
Total payments for capital assets	120,633	-	-	120,633	98,638	21,995	81.77%
Payments for financial assets	-	92	-	92	92	-	100.00%
Total	2,388,783	-	-	2,388,783	2,304,191	84,592	96.46%

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	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R '000	R '000	R '000	R '000	R '000	R '000	%
1. Administration							
Sub programme	13,754	1,441	-	15,195	13,744	1,451	90.45%
Office of the MEC							
Corporate Services	377,414	(1,441)	-	375,973	351,432	24,541	93.47%
Subtotal	391,168	-	-	391,168	365,176	25,992	93.36%
Economic classification							
Current payments Compensation of employees	213,417	(540)	-	212,877	209,301	3,576	98.32%
Goods and services	155,128	-	-	155,128	140,665	14,463	90.68%
Total current payments	368,545	(540)	-	368,005	349,966	18,039	95.10%
Transfers and subsidies Provinces and municipalities	241	-	-	241	139	102	57.68%
Households	3,023	448	-	3,471	3,469	2	99.94%
Total transfers and subsidies	3,264	448	-	3,712	3,608	104	97.20%
Payments for financial assets	-	92	-	92	92	-	100.00%
Total	391,168	-	-	391,168	365,176	25,992	93.36%

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	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R '000	R '000	R '000	R '000	R '000	R '000	%
2. Human Settlements							
Sub programme	92,409	(937)	-	91,472	85,383	6,089	93.34%
Housing Needs, Research and Planning							
Housing Development	1,177,127	1,630	-	1,178,757	1,175,769	2,988	99.75%
Housing Asset Management	21,083	(693)	-	20,390	20,323	67	99.67%
Subtotal	1,290,619	-	-	1,290,619	1,281,475	9,144	99.29%
Economic classification							
Current payments							
Compensation of employees	136,657	-	-	136,657	136,217	440	99.68%
Goods and services	17,649	-	-	17,649	16,863	786	95.55%
Total current payments	154,306	-	-	154,306	153,080	1,226	99.21%
Transfers and subsidies							
Households	1,136,313	-	-	1,136,313	1,128,395	7,918	99.30%
Total	1,290,619	-	-	1,290,619	1,281,475	9,144	99.29%

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Figures in Rand thousand

	2025/2026						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R '000	R '000	R '000	R '000	R '000	R '000	%
3. Co-operative Governance							
Sub programme							
Local Governance	304,258	-	-	304,258	286,303	17,955	94.10%
Development and Planning	120,630	-	-	120,630	112,341	8,289	93.13%
Subtotal	424,888	-	-	424,888	398,644	26,244	93.82%
Economic classification							
Current payments							
Compensation of employees	278,401	-	-	278,401	270,925	7,476	97.31%
Goods and services	102,387	-	-	102,387	85,647	16,740	83.65%
Total current payments	380,788	-	-	380,788	356,572	24,216	93.64%
Payments for capital assets							
Buildings and other fixed structures	1,500	(187)	-	1,313	-	1,313	-%
Machinery and equipment	500	187	-	687	646	41	94.03%
Software and other intangible assets	42,100	-	-	42,100	41,426	674	98.40%
Total payments for capital assets	44,100	-	-	44,100	42,072	2,028	95.40%
Total	424,888	-	-	424,888	398,644	26,244	93.82%

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Figures in Rand thousand				2025/2026			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R '000	R '000	R '000	R '000	R '000	R '000	%
4. Traditional Institutional Development							
Sub programme	2,655	(439)	-	2,216	2,124	92	95.85%
Office support Traditional Institutional Development							
Traditional Institutional Administration	17,123	1,631	-	18,754	17,677	1,077	94.26%
Traditional Resource Administration	153,510	2,593	-	156,103	148,677	7,426	95.24%
Rural Development Facilitation	67,871	(2,252)	-	65,619	53,577	12,042	81.65%
Traditional Land Administration	5,771	(1,533)	-	4,238	4,112	126	97.03%
Subtotal	246,930	-	-	246,930	226,167	20,763	91.59%
Economic classification							
Current payments							
Compensation of employees	132,386	-	-	132,386	131,700	686	99.48%
Goods and services	16,570	-	-	16,570	11,461	5,109	69.17%
Total current payments	148,956	-	-	148,956	143,161	5,795	96.11%
Transfers and subsidies							
Non-profit institutions	40,800	-	-	40,800	37,950	2,850	93.01%
Payments for capital assets							
Buildings and other fixed structures	54,374	-	-	54,374	43,435	10,939	79.88%
Machinery and equipment	2,800	-	-	2,800	1,621	1,179	57.89%
Total payments for capital assets	57,174	-	-	57,174	45,056	12,118	78.81%
Total	246,930	-	-	246,930	226,167	20,763	91.59%

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Figures in Rand thousand				2025/2026			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R '000	R '000	R '000	R '000	R '000	R '000	%
5. House of Traditional Leaders							
Sub programme	20,154	(1,301)	-	18,853	16,837	2,016	89.31%
Administration of House of Traditional Leaders							
Committees and Local Houses of Traditional Leaders	15,024	1,301	-	16,325	15,892	433	97.35%
Subtotal	35,178	-	-	35,178	32,729	2,449	93.04%
Economic classification							
Current payments							
Compensation of employees	20,638	-	-	20,638	19,945	693	96.64%
Goods and services	14,540	-	-	14,540	12,784	1,756	87.92%
Total current payments	35,178	-	-	35,178	32,729	2,449	93.04%
Total	35,178	-	-	35,178	32,729	2,449	93.04%

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, disclosure notes and Annexure 1 (A-H) to the annual financial statements.

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

Detail of these transactions can be viewed in note 1 Annual appropriation to the annual financial statements.

3. Detail on payments for financial assets

Details of these transactions per programme 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 Perprogramme**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R '000	R '000	R '000	%
Administration	391,168	365,176	25,992	6.6%
Human Settlements	1,290,619	1,281,475	9,144	0.7%
Co-operative Governance	424,888	398,644	26,244	6.2%
Traditional Institutional Development	246,930	226,167	20,763	8.4%
House of Traditional Leaders	35,178	32,729	2,449	7.0%

Administration:

The underspending is primarily attributed to delays in filling vacant funded posts and in the training budget resulting from challenges with the signing of the Memorandum of Understanding with National School of Governance. Further delays were encountered in implementing panels of contractors inherited from the two former departments, which constrained spending. The underspending on capital assets was mainly in the budget allocated for procurement of computers for CDW's, the quotation received exceeded the available budget resulting in the suspension of the procurement process.

Human Settlements:

The underspending is mainly attributed to delays in the Parliamentary Village projects, which experienced challenges related to vandalism as well as the contractor's inability to commit to completing the project within the planned time frame.

Co-operative Governance:

The underspending is mainly attributable to delays in the implementation of the Municipal Support projects largely due to non-responsive bids received during the procurement process.

Traditional Institutional Development: The underspending is mainly attributable to non-utilisation of funds earmarked for the induction and payment of stipend for Traditional Councils. The induction programme could not be implemented due to stakeholder engagement challenges on the stipend structure which resulted in the process being suspended.

House of Traditional Leaders

The underspending is mainly attributable to planned activities being implemented at lower than initially budgeted for during the reporting period.

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R '000	R '000	R '000	%
Current payments				
Compensation of employees	781,499	768,088	13,411	2%
Goods and services	306,274	267,420	38,854	13%
Transfers and subsidies				
Provinces and municipalities	241	139	102	42%
Non-profit institutions	40,800	37,950	2,850	7%
Households	1,139,336	1,131,864	7,472	1%
Payments for capital assets				
Buildings and other fixed structures	55,687	43,435	12,252	22%
Machinery and equipment	21,753	13,200	8,553	39%
Intangible assets	43,193	42,003	1,190	3%
Payments for financial assets	92	92	-	-%

1. Goods and Services, the underspending is attributable to challenges experienced in implementing the panels inherited from the former departments, delays in planned training and induction activities due to stakeholder engagement challenges. The underspending on Transfers and Subsidies is mainly due to reduced number of vehicles to be licensed as a result of auctions carried out during the reporting period.
2. The underspending on non-profit institutions was attributable to transfers not processed as scheduled, due to mismanagement of funds in those Traditional Council's offices.
3. The underspending on buildings and other fixed structures is attributable to delays of appointment of service providers for the construction of building of Traditional Councils' offices.
4. The underspending on machinery and equipment is attributable to the budget allocated for procurement of computers for CDW's, the quotation received exceeded the available budget resulting in the suspension of the procurement process.

4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R '000	R '000	R '000	%
Human Settlements Development	942,978	942,935	43	-%
Informal Settlements Upgrading Partnership	184,593	182,144	2,449	1%
EPWP	3,504	3,504	-	-%

	Note(s)	2025/2026 R '000
Revenue		
Annual appropriation	1	2,388,783
Expenditure		
Current expenditure		
Compensation of employees	3	768,088
Goods and services	4	267,420
Total current expenditure		1,035,508
Transfers and subsidies		
Transfers and subsidies	6	1,169,953
Expenditure for capital assets		
Tangible assets	7	56,635
Intangible assets	7	42,003
Total expenditure for capital assets		98,638
Payments for financial assets	5	92
Total expenditure		2,304,191
Surplus for the year		84,592
Reconciliation of Net Surplus/(Deficit) for the year		
Voted funds		
Annual appropriation		82,101
Conditional grants		2,492
		84,592

	Note(s)	2025/2026 R '000
Assets		
Current Assets		
Cash and cash equivalents	8	73,946
Receivables	9	34,226
		108,172
Non-Current Assets		
Receivables	9	470
Total Assets		108,642
Liabilities		
Current Liabilities		
Voted funds to be surrendered to the Revenue Fund / (Voted funds receivable)	10	84,593
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	1,659
Payables	12	689
		86,941
Total Liabilities		86,941
		21,701
Represented by:		
Recoverable revenue		21,701

Statement of Change in Net Assets

	Note	2025/2026 R '000
Recoverable revenue		
Transfers:		
Recoverable revenue written off	5.1	92
Debts revised		(92)
Debts recovered (incl in dept revenue)		(125)
Debts raised		21,826
Closing balance		21,701

	Note(s)	2025/2026 R '000
Cash flows from operating activities		
Receipts		
Annual appropriated funds received	1.1	2,388,783
Departmental revenue received	2	2,116
Interest received	2.2	4,890
		2,395,789
Net (increase)/ decrease in working capital		(33,537)
(Surrendered to)/ Received from the Revenue Fund	10	(18,102)
Current payments		(1,035,508)
Payments for financial assets		(92)
Transfers and subsidies paid		(1,169,953)
Net cash flow available from operating activities	13	138,597
Cash flows from investing activities		
Payments for capital assets	7	(98,638)
Proceeds from sale of capital assets	2.3	3,338
(Increase)/ decrease in non-current receivables	9	(470)
Net cash flows from investing activities		(95,770)
Cash flows from financing activities		
Increase/ (decrease) in net assets		21,701
Net increase/ (decrease) in cash and cash equivalents		64,528
Cash and cash equivalents at beginning of year		9,418
Cash and cash equivalents at the end of the year	14	73,946

Summary of significant accounting policies

The annual 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 annual 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 annual financial statements and to comply with the statutory requirements of the, and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

The annual financial statements have been prepared in accordance with the Modified Cash Standard.

2. Going concern

The annual financial statements have been prepared on a going concern basis.

3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4. Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rand using the spot exchange rates prevailing at the date of payment / receipt.

6. Revenue

6.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation, which are direct charges against the Revenue Fund authorised in terms of enabling legislation).

Appropriated funds are recognised as revenue 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.

Appropriated funds are measured at the amounts receivable.

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.

6. Revenue (continued)**6.2 Departmental revenue**

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Departmental revenue is measured at the cash amount received.

- In-kind donations received are recorded in the notes to the annual financial statements on the date of receipt and are measured at fair value.

- Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

6.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the annual financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

- The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.

7. Expenditure**7.1 Compensation of employees****7.1.1 Salaries and wages**

- Salaries and wages are recognised in the statement of financial performance on the date of payment.

7.1.2 Social contributions

- Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

- 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.

7.2 Other expenditure

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.

Donations made in kind are recorded in the notes to the annual financial statements on the date of transfer and are measured at cost or fair value.

7.3 Accruals and payables not recognised

- Accruals and payables not recognised are recorded in the notes to the annual financial statements at cost or fair value at the reporting date.

7. Expenditure (continued)**7.4 Leases****7.4.1 Operating leases**

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.

The operating lease commitments are recorded in the notes to the annual financial statements.

7.4.2 Finance leases

Finance lease payments made during the revenue 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.

The finance lease commitments are recorded in the notes to the annual financial statements and are not apportioned between the capital and interest portions.

At commencement of the finance lease term, finance lease assets acquired are recorded and measured at:

- the fair value of the leased asset; or if lower,
- the present value of the minimum lease payments.

Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.

8. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank over drafts are shown separately on the face of the statement of financial position as a current liability.

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.

9. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

10. Loans and receivables

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.

11. Investments

Investments are recognised in the statement of financial position at cost.

12. Financial assets**12.1 Financial assets (not covered elsewhere)**

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.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

12. Financial assets (continued)**12.2 Impairment of financial assets**

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 annual financial statements.

13. Payables

Payables recognised in the statement of financial position are recognised at cost.

14. Capital assets**14.1 Immovable capital assets**

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost, or fair value [or R1000 for specific assets per MCS 11.72A] where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition.

Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

14.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the annual financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R -.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R - Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

14.3 Intangible assets

Intangible assets are initially recorded in the notes to the annual financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the annual financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R -.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R -.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

14.4 Project costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

14. Capital assets (continued)

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.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

15. Provisions and contingents**15.1 Provisions**

Provisions are recorded in the notes to the financial statements when a present legal or constructive obligation exists as a result of past events, 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.

15.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the annual 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.

15.3 Contingent assets

Contingent assets are recorded in the notes to the annual 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.

15.4 Capital commitments

Capital commitments are recorded at cost in the notes to the annual financial statements.

16. Unauthorised expenditure

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the annual financial statements comprise of:

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- unauthorised expenditure incurred in the current year.

17. Fruitless and wasteful expenditure

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.

Fruitless and wasteful expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

18. Irregular expenditure

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.

Irregular expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

19. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

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.

20. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual 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 annual financial statements.

21. Principal-Agent arrangements

The department is party to a principal - agent arrangement for [include details here]. In terms of the arrangement the department is theand is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed here in. Additional disclosures have been provided in the notes to the annual financial statements where appropriate.

22. Departures from the MCS requirements**23. Capitalisation reserve**

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.

24. Recoverable revenue

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.

25. Related party transactions

Related party transactions within the Minister / MEC's portfolio are recorded in the notes to the annual financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the annual financial statements.

26. Inventories

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or 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.

The cost of inventories is assigned by using the weighted average cost basis.

27. Public-Private Partnerships

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.

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 annual financial statements.

28. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

29. Transfers of functions

Transfers 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.

30. Mergers

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.

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.

	Note	2025/2026 R '000
1.1 Annual appropriation		
Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:		
		2025/2026
	Final budget	Actual funds received
	R '000	R '000
Programmes		
1. Administration	391,168	391,168
2. Human Settlements	1,290,619	1,290,619
3. Co-operative Governance	424,888	424,888
4. Traditional Institutional Development	246,930	246,930
5. House of Traditional Leaders	35,178	35,178
Total	2,388,783	2,388,783
1.2 Conditional grants**		
Total grants received	29	1,131,075
**It should be noted that the Conditional grants are included in the amounts per the Final Appropriation in Note 1.1		
2. Departmental revenue		
Sales of goods and services other than capital assets	2.1	668
Interest, dividends and rent on land	2.2	4,890
Sales of capital assets	2.3	3,338
Transactions in financial assets and liabilities	2.4	1,448
Total revenue collected		10,344
Less: Own revenue included in appropriation	11	10,344
Departmental revenue collected		-
2.1 Sales of goods and services other than capital assets		
Sales by market establishment		86
Other sales		582
Sales of goods and services produced by the department		668
Other sales includes services rendered on commission insurance and garnishee.		
2.2 Interest, dividends and rent on land		
Interest		4,890
2.3 Sales of capital assets		
Tangible assets		
Machinery and equipment		3,338

	Note(s)	2025/2026 R '000
2. Departmental revenue (continued)		
2.4 Transactions in financial assets and liabilities		
Receivables		267
Other receipts including recoverable revenue		1,181
Total	2	1,448
Included in other receipts is, receipts of previous years expenditure.		
3. Compensation of employees		
3.1 Salaries and wages		
Basic salary		471,819
Service based		741
Compensative / circumstantial		9,808
Other non-pensionable allowances		185,466
Total		667,834
Other non-pensionable allowances consist of: capital remuneration, housing allowance, service bonus and salaries of Traditional Leaders. Compensative / circumstantial consist of overtime and acting allowances.		
3.2 Social contributions		
Employer contributions		
Pension		60,305
Medical		37,078
UIF		73
Bargaining council		143
Insurance		2,655
Total		100,254
Total compensation of employees		768,088
Average number of employees		1,892

Average number of employees consist of 911 permanent employees, 49 permanent on probation, 24 contracted employees, 21 political office bearer and 887 abnormal appointments (Traditional leaders and and EPWP workers)

	Note(s)	2025/2026 R '000
4. Goods and services		
Administrative fees		1,188
Advertising		1,378
Minor assets	4.1	830
Catering		3,978
Communication		26,808
Computer services	4.2	1,076
Consultants: Business and advisory services		13,540
Infrastructure and planning services		1,105
Legal services		17,235
Contractors		3,172
Agency and support / outsourced services		6,807
Auditcost - external	4.3	14,850
Fleet services		8,072
Inventory	4.4	52,546
Consumables	4.5	3,646
Operating leases		39,626
Property payments	4.6	15,733
Rental and hiring		349
Transport provided as part of the departmental activities		582
Travel and subsistence	4.7	50,283
Venues and facilities		1,288
Training and development		1,852
Other operating expenditure	4.8	1,476
Total		267,420
4.1 Minor assets		
Tangible assets		
Machinery and equipment		830
4.2 Computerservices		
External computer service providers		1,076
4.3 Audit cost - external		
Regularity audits		14,850
4.4 Inventory		
Clothing material and accessories		620
Materials and supplies		51,926
Total	4	52,546
4.5 Consumables		
House hold supplies		866
Building material and supplies		181
Consumable supplies		1,047
Stationery, printing and office supplies		2,599
Total	4	3,646

	Note(s)	2025/2026 R '000
4. Goods and services (continued)		
4.6 Property payments		
Municipal services		12,427
Other		3,306
Total	4	15,733
Other includes cleaning services, property maintenance and gardening services.		
4.7 Travel and subsistence		
Local		50,283
4.8 Other operating expenditure		
Professional bodies, membership and subscription fees		89
Other		1,387
Total	4	1,476
Other includes laundry services, non-life insurance, subscription, printing and publication services		
4.9 Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services)		
Name of Commission / Committee		
Investigative committee and commission on Traditional leadership and Boundry Dispute		1,342
5. Payments for financial assets		
Debts written off	5.1	92
5.1 Debts written off		
Nature of debts written off		
Other debt written off		
Irrecoverable debts		92
6. Transfers and subsidies		
Provinces and municipalities	30	139
Non-profit institutions	Annexure 1F	37,950
Households	Annexure 1G	1,131,864
Total		1,169,953
7. Expenditure for capital assets		
Tangible capital assets		
Buildings and other fixed structures	27	43,435
Machinery and equipment	25	13,200
		56,635

	Note(s)	2025/2026 R '000		
7. Expenditure for capital assets (continued)				
Intangible capital assets				
Software	26	42,003		
Total		98,638		
7.1 Analysis of funds utilised to acquire capital assets - 2025/2026				
	Voted funds	Total		
	R '000	R '000		
Tangible capital assets				
Buildings and other fixed structures	43,435	43,435		
Machinery and equipment	13,200	13,200		
	56,635	56,635		
Intangible capital assets				
Software	42,003	42,003		
Total	98,638	98,638		
8. Cash and cash equivalents				
Consolidated paymaster general account		74,795		
Disbursements		(849)		
Total		73,946		
9. Receivables				
	2025/2026			
	Note	Current	Non-current	Total
		R '000	R '000	R '000
Claims recoverable	9.1	12,121	-	12,121
Staff debt	9.2	195	470	665
Other receivables	9.3	21,910	-	21,910
Total		34,226	470	34,696
9.1 Claims recoverable				
House holds and non-profit institutions				149
Local governments				11,972
Total			9	12,121

	Note(s)	2025/2026 R '000
9. Receivables (continued)		
9.2 Staff debt		
Employees		610
Ex-employees		55
Total	9	665
9.3 Other receivables		
Fruitless and wasteful expenditure		3,420
Traditional Leaders		351
Contractors / Suppliers		18,139
Total	9	21,910
10. Voted funds to be surrendered to the Revenue Fund/ (Voted funds receivable)		
Opening balance		20,560
Transferred from statement of financial performance (as restated)		84,593
Received / (Paid) during the year		(20,560)
Closing balance		84,593
The opening balance consists of the combined voted funds to be surrendered for the 2024/25 financial year from the former Departments.		
10.1 Reconciliation of unspent conditional grants		
Total conditional grants received	1.2	1,131,075
Total conditional grants spent		(1,128,583)
Unspent conditional grants to be surrendered		2,492
11. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund		
Opening balance		837
Own revenue included in appropriation	2	10,344
Paid during the year		(9,522)
Closing balance		1,659
The opening balance consists of the combined revenue accrual for the 2024/25 financial year from the former Departments.		
12. Payables-current		
Clearing accounts	12.1	689
12.1 Clearing accounts		
Sal: GEHS Refund Control		64
Sal: Pension fund		4
Disallowance Miscellaneous		141
Sal: ACB Recall		7
Sal: Income Tax		473
Total	12	689

Note(s) 2025/2026
R '000

13. Net cash flow available from operating activities

Net surplus as per Statement of Financial Performance	84,592
Add back non cash / cash movements not deemed operating activities	
(Increase) / decrease in receivables	(34,226)
Increase / (decrease) in payables – current	689
Proceeds from sale of capital assets	(3,338)
Expenditure on capital assets	98,638
Surrenders to / Received from the Revenue Fund	(18,102)
Own revenue included in appropriation	10,344
Net cash flow generated by operating activities	138,597

14. Reconciliation of cash and cash equivalents to cash flow purposes

Consolidated paymaster general account	74,795
Disbursements	(849)
Total	73,946

15. Contingent liabilities and contingent assets

15.1 Contingent liabilities

Liable to	Nature	
Claims against the department	Annexure3B	409,645

Included in the contingent liabilities is the consolidated balance of R63.7million emanating from the former departments. There is uncertainty that an outflow of resources embodying economic benefit will be required to settle the obligations.

The Department is not aware of any information that will determine the outcome of the matters above in favour or against the department.

The Department does not expect any reimbursement from third parties in respect of these claims.

15.2 Contingent assets

Nature of contingent asset

Contractual dispute	4,536
The contractor claimed 20 houses which he did not build in 2006/2007.	2,060
Contractual dispute	22,000
Total	28,596

Counter claim against the service providers. There is a probability of possible inflow arising from the claim instituted against the Department. The Department is not aware of any information that will determine the outcome of the matters above in favour or against the department. Included in the contingent asset is the consolidated balance of R 6.6 emanating from the former Departments.

16. Capital commitments

Buildings and other fixed structures	32,243
Intangible assets	6,674
Total	38,917

	Note(s)	2025/2026 R '000
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17. Accruals and payables not recognised

17.1 Accruals

	2025/2026		
	30Days R '000	30+Days R '000	Total R '000
Listed by economic classification	6,200	13,157	19,357
Goods and services			
Transfers and subsidies	61,999	8,042	70,041
Capital assets	651	-	651
Other	619	28	647
Total	69,469	21,227	90,696
Intergovernmental payables not recognised (included above)		Annexure 5	1,780

Other consist of Compensation of employees

17.2 Payables not recognised

	2025/2026		
	30Days R '000	30+Days R '000	Total R '000
Listed by economic classification			
Goods and services	49	-	49
Transfers and subsidies	10,645	10	10,655
Capital assets	433	-	433
Other	53	-	53
Total	11,180	10	11,190

Other consist of compensation of employees

18. Employee benefits

Leave entitlement	52,292
Service bonus	20,318
Capped leave	14,034
Other	3,015
Total	89,659

“Other” includes long service awards. At this stage the department is not able to reliably measure the long term portion of the long service awards.

Note(s) 2025/2026

R '000

19. Lease commitments**19.1 Operating leases****2025/2026**

	Buildings and other fixed structures	Machinery and equipment	Total
	R '000	R '000	R '000
Not later than 1 year	24,418	2,627	27,045
Later than 1 year and not later than 5 years	15,495	2,337	17,832
Total lease commitments	39,913	4,964	44,877

The amount reflected under buildings and other fixed structures relates to lease contracts for four office buildings occupied by officials in the Enhlanzeni District, Gert Sibande District, Riverside House A& B. The operating lease commitments on these office buildings provide for an annual escalation of 6% per annum.

19.2 Finance leases****2025/2026**

	Machinery and equipment	Total
	R '000	R '000
Not later than 1 year	95	95

**This note excludes leases relating to public private partnership as they are separately disclosed.

20. Unauthorised, Irregular and Fruitless and wasteful expenditure

Irregular expenditure	17,735
Fruitless and wasteful expenditure	16,189
Total	33,924

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report. Comparative information has not been presented, as this is a new department, in line with Chapter 20 of the Modified Cash Standard (MCS).

The above irregular expenditure is due to non - compliance with SCM regulations and the fruitless and wasteful expenditure is due to Value Added Tax (VAT) paid on VAT zero-rated housing stocks.

	Note(s)	2025/2026 R '000		
21. Related party transactions				
In kind goods and services provided / received				
List in kind goods and services between the department and the related party				
Department of Public Works, Roads and Transport - Custodian of government-wide immovable assets (including government owned offices)		-		
Office of the Premier-Shared services for Audit Committee as well as Interns		-		
Provincial Treasury - IT Services		-		
Department of Community Safety, Security and Liaison - Provisions of security services		-		
LGSETA and Provincial Treasury - Received interns from free of charge		-		
Development Bank of South Africa (DBSA) - Received services from Engineers, the Department is		-		
only liable for subsistence and travelling allowances		-		
Total		-		

There's no related party transaction within the MEC's portfolio however all departments are related and the above is disclosed as an additional information in line with TR 21.2.4.

22. Key management personnel

Political office bearers (provide detail below)	2,306		
Level 15 to 16	5,604		
Level 14 (Inclu. CFO if at a lower level)	14,531		
Family members of key management personnel	571		
Total	23,012		

The Department had an acting Superintendent-General/Head, two (2) acting Deputy Director-Generals, three (3) acting Chief Directors and one (1) family member related to key management personnel.

23. Provisions

Retention	225,054		
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23.1 Reconciliation of movement in provisions - 2025/2026

	Conditional grants	Construction and Renovation of Traditional Councils	Infrastructure Projects	Total provisions
	R '000	R '000	R '000	R '000
Increase in provision	328,714	5,471	389	334,574
Settlement of provision	(105,413)	(4,107)	-	(109,520)
Closing balance	223,301	1,364	389	225,054

Included in increase in provision is consolidated opening balance of R230.9 million emanating from the former Departments as well as adjustment of R 25 million. The provisions represent retention amount relating to construction of low-cost houses, municipal engineering works, social and economic facilities, infrastructure projects, as well as construction of traditional councils.

	Note(s)	2025/2026 R '000
24. Non-adjusting events after reporting date		
		2025/2026 R '000
In April 2026, a default judgment amounting to R319.5 million was granted against the Department in favour of a service provider. On 19 May 2026, the Department filed an application for the rescission of the default judgment. The rescission application is scheduled to be partially heard on 28 July 2026.		-
Management's assessment is that there are reasonable grounds for rescission, as neither the Department nor the Office of the State Attorney was served with the application for default judgment, notwithstanding that the Department had filed a Notice of Intention to Oppose within the prescribed time frames. Based on the merits of the rescission application, management believes that there are good prospects of success. Accordingly, the Department has assessed its potential liability with reference to the amount claimed in the summons of R354.4 million.		-
Should the rescission application be unsuccessful, the Department intends to approach the Court to seek a payment arrangement that is aligned with its budgetary and cash flow constraints, while ensuring the continued delivery of essential services.		-
Total		-

25. Movable tangible capital assets**Movement in movable tangible capital assets per asset register for the year ended 31 March 2026**

	Opening balance	Additions	Disposals	Closing balance
	R '000	R '000	R '000	R '000
Machinery and equipment	-	51,677	16,382	35,295
Transport assets	-			
Computer equipment	-	39,047	5,564	33,483
Furniture and office equipment	-	17,966	571	17,395
Other machinery and equipment	-	9,773	1,011	8,762
	-	118,463	23,528	94,935
Finance lease assets				
Finance lease assets	-	4,451	-	4,451
Total movable tangible capital assets	-	122,914	23,528	99,386

Included in the additions is the consolidated balance of R109.9 million emanating from the former Departments.

Movable tangible capital assets under investigation

	Number	Value
		R '000

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Machinery and equipment

7

776

	Note(s)	2025/2026 R '000
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25. Movable tangible capital assets (continued)

The above cases were forwarded to Fraud, Theft and Evaluation Committee, Employee Relations & People's Management as well as Loss and Control Officer for investigations.

25.1 Minor assets

Movement in minor capital assets per the asset register for the year ended as at 31 March 2026

	Machinery and equipment	Total
	R '000	R '000
Additions	14,711	14,711
Disposals	(2,275)	(2,275)
Total minor capital assets	12,436	12,436

	Machinery and equipment	Total
	R '000	R '000
Number of R1 minor assets	13	13
Number of minor assets at cost	5,917	5,917
Total number of minor assets	5,930	5,930

25.2 Movable tangible capital assets written off

Movable capital assets written off for the year ended as at 31 March 2026

	Machinery and equipment	Total
	R '000	R '000
Assets written off	415	415

The amount above relates to two (2) vehicles written - off after conclusion of the investigation conducted on loss cases.

Note(s) 2025/2026
R '000

26. Intangible capital assets

Movement in intangible capital assets per asset register for the year ended 31 March 2026

	Opening balance	Additions	Disposals	Closing balance
	R '000	R'000	R '000	R '000
Software	-	8,214	164	8,050
Services and operating rights	-	895	-	895
Total intangible capital assets	-	9,109	164	8,945

Included in the additions is the consolidated balance of R8.5 million emanating from the former Departments..

26.1 Intangible capital assets: Capital work-in-progress

Capital work-in-process for the year ended as at 31 March 2026

	Note	Current year capital WIP	Closing balance 31March2026
		R '000	R'000
Intangible assets		196,245	196,245

Included in the current year WIP is the consolidated balance of R154.8 million emanating from the former Department (COGTA).

27. Immovable tangible capital assets

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2026

	Opening balance	Additions	Disposals	Closing balance
	R '000	R '000	R '000	R '000
Buildings and other fixed structures	-	160,041	(30,343)	129,698
Non-residential buildings				
Other fixed structures	-	56,502	(166)	56,336
	-	216,543	(30,509)	186,034

Included in the additions is the consolidated balance of R156.9 million emanating from the former Departments.

		Note(s)	2025/2026 R '000		
27.	Immovable tangible capital assets (continued)				
27.1	Immovable tangible capital assets: Capital work-in-progress				
Capitalwork-in-progress as at 31 March 2026					
	Note	Opening balance	Current year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance
		R '000	R '000	R'000	R'000
	</				

Included in the additions is the consolidated balance of R21.3 million emanating from the former Departments.

Payables not recognised relating to capital work-in-progress

Note(s) 2025/2026
R '000

28. Transfer of functions and mergers

28.1 Mergers

The Mpumalanga Department of Human Settlements (HS) merged with the Department of Co-operative Governance and Traditional Affairs (COGTA) and commenced operating as one entity with effect from 1 April 2025. As part of the merger process, the closing balances were transferred to the newly established department.

28.1.1 Statement of financial position

	Balance bef merger date Combining Dept(Human Settlements).	Balance bef merger date Combining Dept (Co-operative Governance& Traditional Affairs)	Balance after merger date
	R '000	R '000	R '000
Assets			
Current Assets			
Cash and cash equivalents	7,103	2,315	9,418
Receivables	30,699	540	31,239
	37,802	2,855	40,657
Non-current Assets			
Receivables	288	-	288
Total Assets	38,090	2,855	40,945
Liabilities			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	(19,594)	(966)	(20,560)
Dept revenue and NRF Receipts to be surrendered to	(548)	(289)	(837)
Payables	(3)	(1,517)	(1,520)
	(20,145)	(2,772)	(22,917)
Net Assets	17,945	83	18,028

28.1.2 Notes

	Department of Human Settlements	Department of Co-operative Governance & Traditional Affairs	Balance after merger date
	R '000	R '000	R '000
Contingent liability	59,461	4,277	63,738
Contingent asset	2,060	4,536	6,596
Capital commitments	893	85,687	86,580
Accruals	75,517	10,264	85,781

		Note(s)	2025/2026 R '000
28. Transfer of functions and mergers (continued)			
Payables not recognised	46,282	15,082	61,364
Employee benefits	31,030	53,428	84,458
Lease commitments - operating lease	45,508	12,711	58,219
Lease commitments - finance lease	-	2,700	2,700
Provisions	228,704	2,270	230,974
Movable tangible capital assets	47,453	62,210	109,663
Immovable tangible capital assets	50,299	106,567	156,866
Intangible capital assets	6,823	1,710	8,533
Total	594,030	361,442	955,472

On the 15th of November 2024 a proclamation to merge the Mpumalanga Department of Human Settlements (HS) and the Mpumalanga Department of Co-operative Governance and Traditional Affairs (CoGTA) into one Department under Gazette No:51556.

To facilitate the merger process, Terms of Reference were developed and approved, clearly outlining the roles and responsibilities of the merger team and key stakeholders.

29. Statement of conditional grants received

Name of grant	Grant allocation		Spent			
	Division of Revenue Act/ Provincial Grants	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department
	R '000	R'000	R '000	R '000	R'000	%
Human Settlements Development	942,978	942,978	942,978	942,935	43	100%
Informal Settlements Upgrading Partnership	184,593	184,593	184,593	182,144	2,449	99%
EPWP	3,504	3,504	3,504	3,504	-	-%
	1,131,075	1,131,075	1,131,075	1,128,583	2,492	

	Note(s)	2025/2026 R '000
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30. Statement of conditional grants paid to the provinces

Name of Grant	Grant allocation		Transfer
	Division of Revenue Act	Total Available	Actual Transfer
	R'000	R '000	R '000
Summary by province			
Mpumalanga	241	241	139

Summary by grant

Department of Community Safety, Security and Liaison

1. Department of Community Safety, Security and Liaison

Mpumalanga

31. 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.

32. Natural disaster or relief expenditure

Goods services	51,926
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Expenditure disclosed in this note relates to disaster relief material.

Annexure 1F

Statement of transfers to non-profit institutions

	Transfer allocation		Expenditure	
	Adjusted budget	Total available	Actual transfer	% of Available funds transferred
Non-profit institutions				
	R '000	R '000	R '000	%
Transfers				
Traditional Councils	40,800	40,800	37,950	93%

Annexure 1G**Statement of transfers to households**

	Transfer allocation			Expenditure	
	Adjusted budget	Adjustments	Total available	Actual transfer	% of Available funds transferred
Households	R '000	R '000	R '000	R '000	%
Transfers					
Leave gratuity	3,023	188	3,211	3,210	100%
Injury on duty	-	260	260	259	100%
	3,023	448	3,471	3,469	
Subsidies					
Project linked support - HSDG	942,978	-	942,978	942,935	100%
Project linked support - ISUPG	184,593	-	184,593	182,144	99%
Project linked support - Equitable Share	8,742	-	8,742	3,316	38%
	1,136,313	-	1,136,313	1,128,395	
Total	1,139,336	448	1,139,784	1,131,864	

Annexure 1H**Statement of gifts, donations and sponsorships received**

		2025/2026
Name of organisation	Nature of gifts, donations and sponsor ships	R'000
Received in kind		
Donations		
Maloa Bedding Company	Foam mattresses	286

Annexure 1K**Statement of actual monthly expenditure per grant**

Grant type	Apr 2025 R '000	May 2025 R '000	Jun 2025 R '000	Jul 2025 R '000	Aug 2025 R '000	Sep 2025 R '000	Oct 2025 R '000
Human Settlements Development	-	75,088	108,108	62,112	3,341	107,395	118,863
Informal Settlements Upgrading Partnership	-	-	-	82,229	-	66,046	7,813
EPWP	-	-	-	875	-	561	567
Total	-	75,088	108,108	145,216	3,341	174,002	127,243

Annexure 1K

Statement of actual monthly expenditure per grant

Grant type	Nov 2025 R '000	Dec 2025 R '000	Jan 2026 R '000	Feb 2026 R '000	Mar 2026 R '000	Total R '000
Human Settlements Development	147,883	135,714	59,801	66,410	58,220	942,935
Informal Settlements Upgrading Partnership	1,626	8,342	4,450	1,599	10,039	182,144
EPWP	564	936	-	-	-	3,503
Total	150,073	144,992	64,251	68,009	68,259	1,128,582

Annexure 3B**Statement of contingent liabilities as at 31 March 2026**

	Opening balance 01 April 2025	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Closing balance 31 March 2026
Nature of liabilities	R '000	R '000	R '000	R '000
Claims against the department				
Traditional leaders dispute	-	340	-	340
Unfair dismissal of an employee	-	7,000	-	7,000
Traditional leaders dispute	-	749	-	749
Delictual claim (Ingoma)	-	3,250	-	3,250
Contractual dispute	-	20,440	20,440	-
Contractual dispute	-	34,093	-	34,093
Contractual dispute	-	4,928	-	4,928
Contractual dispute	-	3,337	-	3,337
Contractual dispute	-	354,406	-	354,406
Motor vehicle claim	-	331	-	331
Payment for water services dispute	-	114	-	114
Motor vehicle claim	-	504	-	504
Contractual dispute	-	593	-	593
Subtotal	-	430,085	20,440	409,645

Included in the liabilities incurred during the year is the consolidated balance of R63.7 million emanating from the former Departments.

Annexure 4**Claims recoverable**

Government entity	Unconfirmed balance outstanding	Total
	2025/2026	2025/2026
	R '000	R '000

Other government entities

City of Mbombela Municipality	11,972	11,972
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Annexure 5

Inter-government contingent liabilities, accruals, payables not recognised and employee benefits

Government entity	Unconfirmed balance outstanding	Total
	2025/2026	2025/2026
	R '000	R '000
Departments		
Accruals		
Public Works, Roads and Transport	1,527	1,527
Government Printing Works	125	125
Land Reform and Land Development	18	18
Subtotal	1,670	1,670
Accruals		
SITA	110	110
Total Departments		
Accruals	1,780	1,780
Total inter-government contingent liabilities, accruals, payables not recognised and employee benefits	1,780	1,780

Annexure 6**Inventories****Inventory for the year ended 31 March 2026**

	Note	Other Inventory	Tarpaulin	Jojo Tanks	PPE's	Total
		R '000	R '000	R '000	R '000	R '000
Add: Additions/Purchases - Cash		15,105	36,900	-	616	52,621
Add: Additions - Non-cash		17,877	26,761	18	-	44,656
(Less): Issues		(20,918)	(44,261)	-	(616)	(65,795)
Closing balance		12,064	19,400	18	-	31,482

Included in non-cash additions is an amount of R44.3 million relating to the balance transferred from the former Department (COGTA).

Annexure 7**Movement in capital work-in-progress****Movement in capital-work-in progress for the year ended 31 March 2026**

	Currentyear Capital WIP	Ready for use (Assetregister) / Contract terminated	Closing balance
	R '000	R '000	R '000
Buildings and other fixed structures			
Non-residential buildings	64,795	51,478	13,317
Computer software			
Computer Software	196,245	-	196,245
Total	- 261,040	51,478	209,562

Annexure 10**Department of human settlements - Housing related expenditure classification**

2025/2026

R '000

Inventories

Foundations	13,394
Wall plates	11,101
Roofs	5,452
Community Residential Unit	31,758
Social Economic Facilities	34,898
Serviced Sites	98,198

Subtotal	194,801
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Annexure11

Natural disaster or relief expenditure

Per quarter and in total

	2025/2026									
	Aug	Sep	Subtotal Q2	Dec	Subtotal Q3	Jan	Feb	Mar	Subtotal Q4	Total
Expenditure per economic classification	R '000	R '000	R '000	R '000	R '000	R'000	R '000	R '000	R '000	R '000
Goods services										
Camping materials	10,574	2,638	13,212	36,469	36,469	570	818	857	2,245	51,926

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