



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

Vote 11

**ANNUAL
REPORT**

2022/23

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ANNUAL REPORT

2022/23

PART

A

**GENERAL
INFORMATION**

Department of Public Works & Roads

DEPARTMENT - GENERAL INFORMATION

Department of Public Works and Roads

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LIST OF ABBREVIATIONS

APP	Annual Performance Plan
COGTA	Department of Cooperative Governance and Traditional Affairs
DDM	District Development Model
DORA	Division of Revenue Act
DPW&R	Department of Public Works and Roads (provincial)
EPWP	Expanded Public Works Programme
GIAMA	Government Immovable Asset Management Act
HOD	Head of Department
IEHW	Integrated Employee Health and Wellness
MEC	Member of Executive Council
MPSA	Minister of Public Service and Administration
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NACH	National Anti-Corruption Hotline
NATMAP	National Transport Master Plan
NDP	National Development Plan
NDPWI	National Department of Public Works and Infrastructure
NIP	National Infrastructure Plan
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Coordinating Committee
PPAC	Provincial Public Accounts Committee
PPP	Public private partnerships
PRMG	Provincial Road Maintenance Grant
PWD	Persons with disabilities
RAMS	Road Asset Management System
RISFSA	Road Infrastructure Strategic Framework for South Africa
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SDIP	Service Delivery Improvement Plan
SHERQ	Safety, Health, Environment, Risk and Quality

SIP	Strategic integrated projects
SMS	Senior Management Service
SONA	State of the Nation Address
SOPA	State of the Province Address
TMH	Technical Methods for Highways
TRH	Technical Recommendation for Highways
VCi	Visual Condition Index

1. FOREWORD BY THE MEC



The 2022/23 financial year was the mid-term mark for the sixth Provincial Administration, which spans the period 2020 – 2025.

The Department was under administration in terms of Section 100(1)(b) of the Constitution, Act 108 of 1996, from May 2018 until 2022. In terms of this intervention, the constitutional powers were bestowed upon the National Department of Public Works and Infrastructure and an Administrator was appointed to fulfil the duties and obligations of the Accounting Officer for the Department. The subsequent migration from 100(1)(b) to 100(1)(a), as announced in 2022 was welcomed by the Premier and the executive of the Province. The Department was ready to reclaim the responsibility and

accountability for delivering services to our people.

A substantive Accounting Officer was appointed in the financial year 2022/23 which was a significant move forward in creating stability in the Department by providing strategic leadership and decisive action in addressing key systemic and operational challenges that have hampered performance for a number of years. Other key management positions were also filled during the year under review, some of which had been vacant for a number of years.

The performance of the Department against its pre-determined objectives and targets during the 2022/23 financial year was poor, and it has to be acknowledged. The core challenges related to the implementation of the plan was analysed, and management will be required to implement intervention strategies in order to bring about a turnaround in the Department's performance.

The Department is cognisant of the expectations of the citizenry, as well as of its constitutional obligations in relation to the implementation of our mandate. Despite some of the setbacks over the past years, the Department remains committed to fulfil its obligations.

A handwritten signature in black ink, appearing to read 'G.O. Molapisi', written over a horizontal line.

HONOURABLE G.O. MOLAPISI
MEMBER OF THE EXECUTIVE COUNCIL
DEPARTMENT OF PUBLIC WORKS AND ROADS

2. REPORT OF THE ACCOUNTING OFFICER

2.1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

2.1.1 Overview of the operations of the Department

Governance

The Department was under administration in terms of Section 100(1)(b) of the Constitution, 1996 from May 2018 to August 2022. The position of Accounting Officer was vacant for a substantial portion of this period. The position was filled during the period under review and the new Accounting Officer assumed duty in August of 2022.

One of the first priorities of the Accounting Officer was to assess the state of the Department in respect of governance, financial management and service delivery performance. The purpose of this assessment was to develop an understanding of the state of the Department with the purpose of developing a short- to medium-term strategy that will result in a better-performing organization.

Financial Management

The Department has registered significant improvement in relation to its audit outcomes. It has managed to reduce the number of qualification areas from five (5) in 2018/19 to one (1) in the 2020/21 and 2021/22 financial years respectively.

The performance as the mid-term mark of the current term (2020 – 2025) is as follows:

BASIS OF QUALIFICATION	2020/21	2021/22
Irregular Expenditure	Qualified	Qualified
Goods and Services	Unqualified	Unqualified
Prepayment	Unqualified	Unqualified
Work In Progress	Unqualified	Unqualified
Provisions	Unqualified	Unqualified

The position of Chief Financial Officer was filled also during the period under review. The appointment signifies a big step forward in strengthening a critical unit that is charged with accounting for the use of public financial resources in a manner that is responsible and compliant with Treasury laws and regulations.

Human resource capacity

The filling of critical vacancies at management level was another priority towards improving governance in the Department. To this end, key vacant management positions (in terms of the interim organizational structure) were filled during the 2022/23 financial year.

Given that only two positions were substantively occupied at the beginning of the 2020 – 2025 term, this is significant progress in bringing about stability, accountability and leadership.

The Department also finalized its organizational structure during the year under review. The Department operated on an interim structure since the re-organization of functions in the 2008/09 financial year. The new structure will support the core business units of the Department by providing for positions critical to the performance of the business units.

The Department has capacity constraints with a vacancy rate of approximately 70% in respect of technical skills related to construction in both the Public Works and Transport Infrastructure sectors. This factor impacts adversely on the capacity of the Department to deliver on its mandate. The Candidacy Development Programme that was introduced in 2018 remains a key strategy towards the training and development of a group of persons who are professionally registered in technical disciplines in the infrastructure sector from which to recruit and fill scarce skills / technical positions.

Service delivery

The Department faced many challenges during the period under review and did not meet the targets that it had set for itself. Procurement challenges remains one of the key contributors to the late implementation of projects. One of the root causes is that of poor planning. The Accounting Officer also identified this weakness during his one-on-one engagements with business units upon assumption of duty. The new organizational structure will support the creation of new, and strengthening of existing planning capacity within the core business units.

2.1.2 Overview of the financial results of the Department*Departmental receipts:*

2021/22			2022/23		
Estimate R'000	Actual amount collected R'000	(Over)/Under collection R'000	Estimate R'000	Actual amount collected R'000	(Over)/Under collection R'000
37 485	30 933	6 551	39 284	26 945	12 339

Departmental Expenditure:

Programme	2021/22			2022/23		
	Final appropriation R'000	Actual expenditure R'000	(Over)/Under expenditure R'000	Final appropriation R'000	Actual expenditure R'000	(Over)/Under expenditure R'000
Administration	213 556	200 985	12 571	219 047	205 807	13 240
Public Works Infrastructure	1 008 838	960 186	48 652	1 163 767	1 101 982	61 785
Transport Infrastructure	1 796 120	1 329 864	466 256	2 016 007	1 811 019	204 988
Community-Based Programme	348 635	329 860	18 775	359 025	352 323	6 702
TOTAL	3 367 149	2 820 895	546 254	3 757 846	3 471 131	286 715

Virements

Virements were requested to address property-related payments i.e. for security, electricity and municipalities.

Unauthorized / fruitless and wasteful expenditure

No unauthorized expenditure was incurred during the period under review.

In terms of fruitless and wasteful expenditure, an amount of R538 051,41 was incurred during the financial year 2022/23, while an amount of R18 016 432,75 relates to prior years.

2.1.3 Future plans of the Department / strategic focus over the short to medium term

The Annual Performance Plan (APP) for 2023/24 of the Department outlines the budget and performance targets for the MTEF period 2023/24 to 2025/26.

2.1.4 Public private partnerships (PPP)

The following public private partnerships were in force during the period under review:

PPP	Purpose	Outputs	Current value of the agreement	End date of the agreement
Ditsobotla Local Municipality	Assisting the Municipality with its road maintenance challenges	Safe and trafficable roads	0	30/10/2023
Batlase Tribal Authority	To contribute towards the development and improvement of roads in the Baphalane community, Ramokokastad	Safe and trafficable roads	R 20 million	Current
Noordwes Koöperasie	To collaborate on road maintenance	Safe and trafficable roads	0	Current

2.1.5 Discontinued activities

None.

2.1.6 New / proposed activities

None.

2.1.7 Supply Chain Management

The Department implemented the strategic sourcing policy during the third quarter and this greatly assisted in finalizing the infrastructure bids that formed part of the 2022/23 Procurement Plan.

The Department finalized the appointment of consultants for building projects, and this will assist in implementation of projects and addressing the backlog in this regard.

The Department further reviewed and aligned the departmental Supply Chain Management Policy in line with the Preferential Procurement Regulations of 2022.

2.1.8 Gifts and donations

None.

2.1.9 Exemptions and deviations received from Treasury

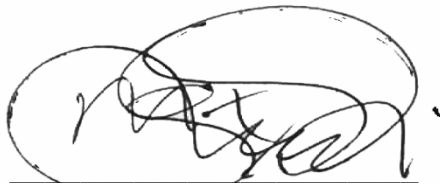
None.

2.1.10 Events after the reporting date

None.

2.1.11 Conclusion and approval

The Department remains committed to following sound corporate governance principles in the interest of promoting accountability and transparency.

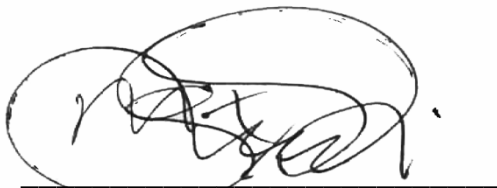


**MR M KGANTSI
HEAD OF DEPARTMENT
DEPARTMENT OF PUBLIC WORKS AND ROADS**

2.2 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF 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.
- This Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.
- The annual financial statements 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 judgments made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2023.



MR M KGANTSI
HEAD OF DEPARTMENT
DEPARTMENT OF PUBLIC WORKS AND ROADS

2.3 STRATEGIC OVERVIEW

VISION

Delivery and maintenance of quality infrastructure for sustainable growth and development.

MISSION

To provide quality provincial infrastructure and ensure better service delivery.

OUR VALUES

The vision and mission statements of the Department are underpinned by the following values:

- *Client focus*
- *Professionalism*
- *Integrity*
- *Commitment*
- *Valuing of staff and mutual respect at all levels of the organization*
- *Accountability*
- *Compliance to the Public Service Code of Conduct*

2.4 LEGISLATIVE AND OTHER MANDATES

The Department's mandate is derived from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). Mandates that are exclusive to Provinces as well as functional areas that share concurrent responsibility are outlined in schedules 4 and 6 of the Constitution, as follows:

- Schedule 4: functional areas of concurrent national and provincial legislative competence - Public Works only in respect of the needs of Provincial Government Departments in the discharge of their responsibilities to administer functions specifically assigned to them in terms of the Constitution or any other law.
- Schedule 6: transitional arrangements regarding the registration of immovable property owned by the state.

2.4.1 Legislative mandates

The Acts and Regulations assigned to and / or implemented by the Department include, but are not limited to the following:

- **Advertising on Roads and Ribbon Development Act, Act 21 of 1940** – the Act regulates the display of advertisements outside certain urban areas at places visible from public roads, and the depositing of disused machinery or refuse and the erection of structures near certain public roads.

- **Broad-based Black Economic Empowerment Act, Act 53 of 2000** - the Act seeks to address the historical imbalances of the past, to promote the achievement of the constitutional rights to equality and to increase broad-based participation of black people in the economy. It also seeks to promote a higher growth rate, increased employment and a more equitable income distribution.
- **Construction Industry Development Board Act, Act 38 of 2000** - the Act provides for the establishment of the Board to promote the contribution of the construction industry in meeting national construction demand, provide strategic leadership to the construction industry stakeholders to stimulate sustainable growth, reform and improve the construction sector and to determine and establish best practice.
- **Green Building Framework, 2001** - the Framework promotes, inter alia, sustainable development, energy efficiency, reduction of greenhouse gas emissions etc.
- **Government Immovable Asset Management Act, Act 19 of 2007** - the Act promotes a uniform, efficient and effective management of state immovable assets.
- **Infrastructure Development Act, Act 23 of 2014** - the Act provides for the facilitation and coordination of public infrastructure planning, implementation and development and aims to improve the management of such infrastructure during all life-cycle phases.
- **Intergovernmental Relations Framework Act, Act 13 of 2005** – the Act provides a framework for a coordinated and integrated alignment of developmental priorities and objectives between the three spheres of government.
- **National Public Works Quantity Surveying Profession Act, Act 49 of 2000** - the Act provides for the establishment of the Council for the Quantity Surveying profession and incidental matters.
- **North West Land Administration Act, Act 4 of 2001** - the Act regulates the acquisition and disposal of immovable property owned by the Provincial Government within the geographical area of the North West Province.
- **Preferential Procurement Policy Framework Act, Act 5 of 2000 & Preferential Procurement Regulations, 2022** – the Act and Regulations provides for the use of public procurement as an instrument to promote SMME development and to broaden participation in the economy in order to bring about socio-economic transformation.
- **Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, Act 19 of 1998** – the Act provides for the prohibition of unlawful eviction and further provides for procedures for the eviction of unlawful occupiers.
- **Property Valuation Act, Act 17 of 2014** - the Act provides for the establishment of the Office of the Valuer General whose responsibility will be to provide valuation services to Government.
- **Property Valuers Profession Act, Act 47 of 2000** - the Act provides for the establishment of the Council for the Property Valuers Profession and incidental matters.

- **Road Ordinance, Ordinance 22 of 1957, as amended** – the Ordinance provides for the proclamation of roads.
- **Restitution of Land Rights Act, Act 22 of 1994** – the Act provides for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices. It also provides for the establishment of a Commission on Restitution of Land Rights and a Land Claims Court.
- **Skills Development Act, Act 97 of 1998** - the Act provides for an institutional framework to devise and implement national, sector and workplace strategies with the aim of developing and improving the skills of the South African work force.
- **South African National Roads Agency Limited and National Roads Act, Act 7 of 1998** – the Act provides for a national roads agency to manage and control the Republic’s national roads system and take charge, amongst others, of the development, maintenance and rehabilitation of national roads within the framework of government policy.
- **Spatial Planning and Land Use Management Act, Act 16 of 2013** – the Act provides a framework for developmental, equitable and efficient spatial planning and land use management.
- **State Land Disposal Act, Act 48 of 1961** – the Act provides for the disposal of certain state land and to prohibit the acquisition of state land by prescription.
- **Transversal public sector acts** such as the Public Service Act, the Public Finance Management Act, the Labour Relations Act, the Division of Revenue Act, etc.

2.4.2 Updates to institutional policies and strategies

Other policy mandates governing the activities of the Department include, but are not limited to the following:

- **Road Infrastructure Strategic Framework for South Africa (RISFSA)** - the policy provides for the planning and development of road infrastructure and provides guidelines for the redefinition of the South African road network. It assists Roads Authorities in the reclassification of existing road networks.
- **Guidelines on the implementation of the Expanded Public Works Programme (EPWP)** - the objective of the Expanded Public Works Programme is to create short-term and medium-term work opportunities for the poor and unemployed as part of Government’s Anti-Poverty Strategy. These work opportunities are combined with training with the aim to increase the employability of the lowly-skilled beneficiaries within the formal employment market. The programme targets four main sectors namely Infrastructure, Environment & Culture, Social and Non-State.
- **Departmental Policy on the Administration and Management of Assets** - the policy provides directives on the administration and management of departmental assets.
- **Provincial Policy on State Housing** - the policy provides guidelines on the allocation, rental administration and maintenance of state residential

accommodation under the auspices of the Department of Public Works and Roads.

- **Framework for Infrastructure Delivery and Procurement Management** - the framework prescribes minimum requirements for effective governance of infrastructure delivery and procurement management.
- **Immovable Asset Management Policy** - the policy provides guidelines on the management and recording of immovable assets under the custodianship of the Department of Public Works and Roads.
- **Ministerial Determination: Expanded Public Works Programme and Code of Good Practice for Public Works Programmes** - the determination provides for standard terms and conditions for workers employed in the elementary occupations within the Expanded Public Works Programme.
- **National Space Planning Norms and Standards, Notice 1665 of 2005** - the framework provides minimum standards for office accommodation used by organs of state.

2.4.3 Updates to policies and strategy mandates

The Strategic Plan for 2020 - 2025 and the Annual Performance Plan for 2022/23 were guided by the following strategies and policy pronouncements:

2.4.3.1 The National Development Plan, MTSF 2019 - 2024 & provincial priorities for the Sixth Administration

Cabinet adopted the National Development Plan (NDP) 2030 in 2012. The NDP is South Africa's plan for achieving inclusive growth, property and improvements in the quality of life for the citizens of the country i.e. to reduce unemployment, poverty and inequality.

The six areas of priority of the NDP are as follows:

- uniting all South Africans around a common programme to achieve prosperity and equity;
- promoting active citizenry to strengthen development, democracy and accountability;
- bringing about faster economic growth;
- higher investment and greater labour absorption, focusing on key capabilities of people and the state;
- building a capable and developmental state; and
- encouraging strong leadership throughout society to work together to solve problems.

The tangible aim or outcome of the NDP is to (i) reduce the number of people who live in households with a monthly income below R419 per person from 39 percent to zero and (ii) a reduction in inequality as measured by the Gini coefficient, from 0.69 to 0.6, i.e. a decent standard of living.

The core elements identified in the NDP that contribute to, or which comprise a decent standard of living are as follows:

- housing, water, electricity and sanitation
- safe and reliable public transport
- quality education and skills development
- safety and security
- quality health care
- social protection
- employment
- recreation and leisure
- clean environment
- adequate nutrition

The Medium Term Strategic Framework (MTSF) is the implementation plan for achieving the goals and priorities of the NDP. The MTSF for 2019 - 2024 was developed with the advent of the Sixth Administration, and was subsequently revised to take into account the following:

- review of the NDP;
- recommendations from the Presidential Commission on the Fourth Industrial Revolution (4IR); and
- the institutional arrangements for the District Development Model.

The seven MTSF priorities for 2019 - 2024 are as follows:

- a capable, ethical & developmental state
- economic transformation and job creation
- education, skills and health
- consolidating the social wage and provide quality basic services
- spatial integration, human settlements & local government
- social cohesion and safe communities
- a better Africa and the world

The provincial priorities for the Sixth Administration are aligned with these national priorities and are as follows:

- combatting corruption
- unemployment
- health services
- water and sanitation
- houses and rural roads
- safe communities
- economic growth and regional integration

2.4.3.2 Government's Programme of Action 2022

The priorities for 2022, as highlighted in the State of the Nation Address (SONA) 2022, the State of the Province Address (SOPA) 2022 and by the Executive Council at its Planning Lekgotla, as relevant to the Department's mandate and programmes, are as follows:

- effective operationalization of the District Development Model;
- job creation with specific emphasis on the designated groups of women, youth and persons with disabilities across all sectors of the EPWP;
- massification of public employment programmes in line with the Economic Reconstruction and Recovery Plan through infrastructure development (e.g. road infrastructure);
- implementation of the Road Infrastructure Master Plan;
- repair of flood-damaged roads; and
- continued skilling through internships and learnerships.

2.4.3.3 National Infrastructure Plan and SIP 4

The South African Government adopted the National Infrastructure Plan in 2012. The purpose of the plan is to bring about economic transformation, while simultaneously creating new jobs and improving performance in relation to the delivery of basic services.

The New Growth Path identified specific structural problems in the economy and pointed to opportunities in specific sectors and markets to create work opportunities ("jobs drivers"); one of which is infrastructure as means of achieving higher growth, inclusivity and job creation. In order to address these challenges and goals, Cabinet established the Presidential Infrastructure Coordinating Committee (PICC) and under its guidance, eighteen strategic integrated projects (SIPs) were developed. The SIPs cover social and economic infrastructure across all nine provinces (with an emphasis on lagging regions).

Subsequently, SIP 4 was launched in the North West Province to facilitate faster economic growth. SIP 4 focuses on the following areas:

- acceleration of investments in road, rail, bulk water, water treatment and transmission infrastructure;
- enabling reliable supply and basic service delivery;
- facilitating development of mining, agricultural activities and tourism opportunities; and
- opening-up of beneficiation opportunities in the North West Province.

The Department of Public Works and Roads is a key role player in SIP 4 implementation with reference to investment in road infrastructure through activities related to the upgrading and maintenance of the provincial road network.

2.4.3.4 Sectoral infrastructure plans

Public Works sector - New National Infrastructure Plan 2050

The National Department of Public Works and Infrastructure (NDPWI) published the new National Infrastructure Plan 2050 in August of 2021. This plan provides a specific roadmap for the use of critical infrastructure to drive social and economic transformation in the country.

The new NIP envisages an initial focus on delivering critical energy, transport, water and digital communications infrastructure development in South Africa by 2050 through a plan that is linked to the NDP, which is critical to long-term economic and social objectives. NIP identifies four critical network sectors namely energy; freight transport; water and digital communications.

Transport sector – National Transport Master Plan 2050 (NATMAP 2050)

NATMAP 2050 constitutes a dynamic, long-term, and sustainable transportation systems framework. It aims at using transport infrastructure in support of Government's economic transformation processes, i.e. to use transport projects as a catalyst to unlock development and support transformation in our country.

The goal is to achieve an integrated, smart and efficient transport system that supports sustainable economic growth, a healthier life style, safe and accessible mobility options, social inclusion and preservation of the environment.

2.4.4 District Development Model

National Cabinet approved the District Development Model (DDM) in August of 2019 as an important innovation to improve integrated planning and delivery across the three spheres of Government.

The model is aimed at enhancing coherence and integration in planning, budgeting and implementation of service delivery projects in all districts and metros by all three spheres of Government. The model is anchored on the development of the "One Plan" and is meant to enhance other alignment initiatives such as Integrated Development Plans with a clear focus of implementing the One Plan in each district across all spheres of Government.

The response of the Department of Public Works and Roads in terms of its mandate and planned activities aimed at the achievement of these priorities outlined above can be illustrated as follows:

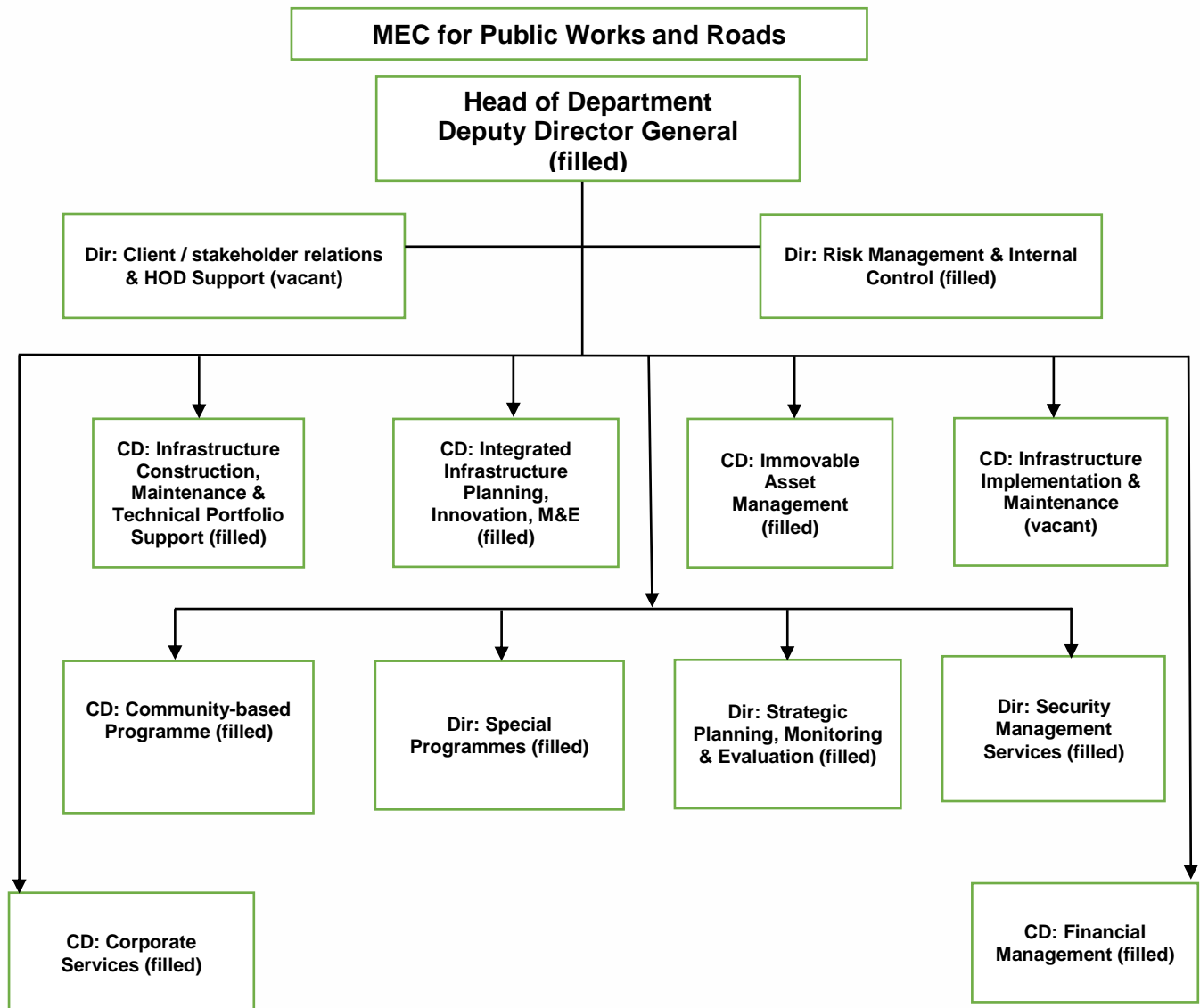
MTSF / NATIONAL PRIORITIES	OUTCOMES	NDP	SONA 2022 (as relevant to the Dept)	6 th ADMINISTRATION - PROVINCIAL PRIORITIES	PROV PROGRAMME OF ACTION (inclusive of SOPA)	SECTOR OUTCOMES	DEPARTMENT'S CONTRIBUTION / RESPONSE	RELEVANT OUTPUT INDICATOR
A capable, ethical & developmental state	Honest and capable state with professional and meritocratic public servants	Chapters 13 & 14		Combatting corruption	Good corporate governance Gender-responsive planning, budgeting and reporting		Adherence to principles of good governance, the Public Service Code of Conduct and regulatory frameworks aimed at combatting fraud and corruption. Targeted procurement with the focus on designated groups, i.e. inclusive of women.	1.1.1 1.2.1
Economic transformation and job creation	Creating more decent jobs Inclusive economic growth	Chapters 3 & 11	Economic Reconstruction & Recovery Plan – job creation and investment in road infrastructure, with specific reference to rural roads	Unemployment	Massification of job creation with emphasis on designated groups Upscale job creation through infrastructure programmes Upscale skilling through learnership programmes Investment in economic (transport) infrastructure	Optimized job opportunities Sustainable infrastructure investment SIP 4 NIP 2050 NATMAP 2050 Transformed built environment NIP 2050	Champion the EPWP Programme in order to create work opportunities through public employment programmes over five years. Create opportunities for the development of 160 emerging contractors through participation in the departmental Contractor Development Programme. Learnership and artisan development programmes in place Road infrastructure that supports socio-economic development priorities. The provincial road network in its entirety supports rural development as it serves as the main artery of access to socio-economic opportunities and services. Provide and manage the life cycle of building infrastructure required by Departments to deliver services in safe, fit-for-purpose facilities.	4.1.1 – 4.1.8 4.2.1– 4.2.2 3.2.1 – 3.3.3 2.1.1 – 2.3.2

MTSF / NATIONAL PRIORITIES	OUTCOMES	NDP	SONA 2022 (as relevant to the Dept)	6 th ADMINISTRATION - PROVINCIAL PRIORITIES	PROV PROGRAMME OF ACTION (inclusive of SOPA)	SECTOR OUTCOMES	DEPARTMENT'S CONTRIBUTION / RESPONSE	RELEVANT OUTPUT INDICATOR
Education, skills and health	Improved training, education and skills development	Chapters 9 & 10	Economic Reconstruction & Recovery Plan – investment in infrastructure	Health services	Adequate building infrastructure	Sustainable infrastructure investment Dignified user experience	Provide and manage the life cycle of building infrastructure required by Departments to deliver services in safe, fit-for-purpose facilities.	2.1.1 – 2.3.2
Consolidating the social wage and provide quality basic services	Comprehensive social security coverage	Chapters 3 & 11		Water & sanitation	Adequate building infrastructure	Sustainable infrastructure investment		
Spatial Integration, Human Settlements & Local Government	A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas	Chapters 6 & 8		Houses and rural roads	District Development Model	Integrated planning & coordination DDM	Provide support through specific, One Plan commitments, which may be projects, provision of equipment or training of people etc. The core contribution will come from the infrastructure maintenance sub-programmes in the Department.	Prog 2 and 3
Social cohesion and safe communities	United, democratic, participatory, non-sexist, non-racial, equal society	Chapters 12 & 15		Safe communities		Sustainable infrastructure investment DDM Productive use of assets	Provide and manage the life cycle of building infrastructure required by Departments to deliver services in safe, fit-for-purpose facilities.	2.1.1 – 2.3.2
A better Africa and the world	Increased investment opportunities for foreign directive investment in South Africa	Chapter 7		Economic growth, regional integration			Increased investment in infrastructure	Prog 2 and 3

2.5 ORGANIZATIONAL STRUCTURE

The Department's fit-for-purpose organizational structure was approved during the year under review. The structure will support the Department's activities and objectives by creating the capacity required to meet the service delivery mandate.

The top-level view of the new structure is as follows:



2.6 ENTITIES REPORTING TO THE MEC

None.

PART

B

**PERFORMANCE
INFORMATION**

3. AUDITOR GENERAL'S REPORT: PRE-DETERMINED OBJECTIVES

The report is included under Part F: Financial Information on page xx of the Annual Report.

4. OVERVIEW OF DEPARTMENTAL PERFORMANCE

4.1 SERVICE DELIVERY ENVIRONMENT

The demand for the services rendered by the Department is driven by the following:

- Condition of buildings as per building condition assessments.
- Condition of the road network as measured in terms of the Visual Condition Index (VCI) that is used to categorize the road condition ranging in categories from very poor to very good.
- Accommodation needs of Provincial Government Departments.
- Responsibility to facilitate access to socio-economic opportunities by providing transport infrastructure.
- Creation of job opportunities and skilling of people through labour-intensive programmes / projects.

Built infrastructure investment

Investment in infrastructure is needed in support of the successful implementation of the NDP. Growth has been lagging and concern over declining infrastructure investment was confirmed by Statistics South Africa in its analysis report titled: "*Financial statistics of provincial government*¹" that was published in 2020.

According to the Construction Industry report 2020² as released by Statistics South Africa in June of 2022, the total capital expenditure on new assets in the construction industry in 2020 was R11,1 billion. This represents an investment of 13,72%, while the NDP target is 30%.

The National Infrastructure Plan 2050³ is a strategic vehicle to support infrastructure investment. The Plan deals with mission-critical infrastructure areas inclusive of energy, freight transport, water and digital communications. There are also five crosscutting sections focused on the regional agenda for infrastructure namely finance, strengthening institutions for delivery, rebuilding the civil construction and supplier sectors and the approach to monitoring and reporting on progress.

To promote investment in the construction industry, NIP 2050 envisages a continuous pipeline of bankable projects that enables the construction sector to plan, invest and develop its people.

¹ Statistics South Africa, Financial statistics of provincial governments, 2020

² Construction Industry Report 2020, Statistics South Africa June 2022

³ National Infrastructure Plan 2050 (NIP 2050) Phase I, Government Gazette 46003, March 2022

Furthermore, investment in the industry requires investment in the transformation of the built infrastructure sector. The development of small and emerging contractors is a key strategy pursued by the Department to achieve this objective.

The Department of Public Works and Roads experienced the following challenges with regard to the completion of the construction and building maintenance projects during the period under review:

- Poor contractor performance, mainly as a result of cash flow constraints.
- Community disruptions.
- Inadequate water supply on site and delays with electricity connections.
- Delayed payment by Client Departments.
- Budget challenges.

Intervention strategies that the Department is pursuing to address these challenges include the following:

- Assisting emerging contractors through the approval of cession agreements and extension of time to allow for project completion in accordance with contractual conditions.
- Prompt processing of invoices for payment purposes.
- Strengthening of planning, budgeting and procurement management, as also supported by the approval of the new organizational structure – the new Chief Directorate for Integrated Infrastructure Planning, Innovation, Monitoring and Evaluation will be tasked with the planning of a pipeline of projects that is ready for implementation.
- Strengthening client relationship management through regular engagements with Client Departments.

Productive and efficient use of immovable assets

The Department advertised the intention to dispose of the first tranche of hundred-and-fifty (150) redundant state-owned houses in August 2019 (these houses are non-core assets). This was done in pursuance of the SOPA 2019/20 directive in respect of disposal of redundant Government-owned housing stock. The Department had planned to conclude the sale of 110 of the properties to the new owners in the 2022/23 financial year. However, the transfer of only three (3) of these properties were concluded during the year under review. Challenges experienced in this regard included the following:

- Section 4(1) of the North West Land Administration Act, 2001 states that, when properties are disposed of at below market value, the purchaser may not sell the property for a period of five (5) years from date of transfer. In the initial Powers of Attorney, this condition was not inserted and the Office of the State Attorney subsequently returned all Powers of Attorney for insertion of said clause.

- Some of the tenants' rental accounts were in arrears and have to be settled before the sale of houses can proceed.
- There were tenants who did not return the sale agreements or who opted out of purchasing the houses.

The Department also provides office accommodation for Provincial Departments in line with its mandate. Utilization inspections were conducted during the period under review.

Transport infrastructure

The North West Province's road network is approximately 19 668 kilometres in length, of which 5 418.4 kilometres are surfaced and 14 249.8 kilometres are unpaved (gravel roads). Since the previous appraisal of 2014/15, the total length of network has increased by 181.64 kilometres.

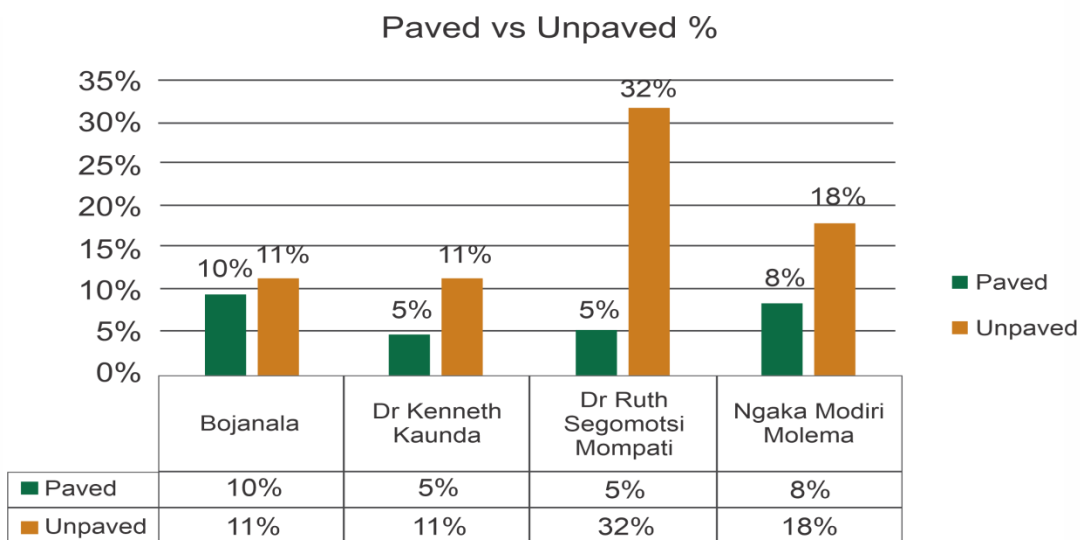
Dr. Ruth Segomotsi Mompoti District has the largest unpaved network of 6 242 kilometres, while the Bojanala District has the largest paved network of 1 878 kilometres.

The table below shows the extent of the road network for each region:

DISTRICTS	PAVED	UNPAVED	TOTAL
Bojanala	1 877.5	2 236.0	4 113.5
Dr. Kenneth Kaunda	914.2	2 242.0	3 156.2
Dr. Ruth Segomotsi Mompoti	957.7	6 241.9	7 199.5
Ngaka Modiri Molema	1 669.0	3 530.1	5 199.0
TOTAL	5 418.4	14 249.8	19 668.2

Paved roads comprise 28% of the managed network while unpaved roads comprise 72%. While only 28% of the provincial road network is paved / surfaced, it carries over 80% of the provincial traffic

The table below presents the percentage paved vs unpaved roads per District:

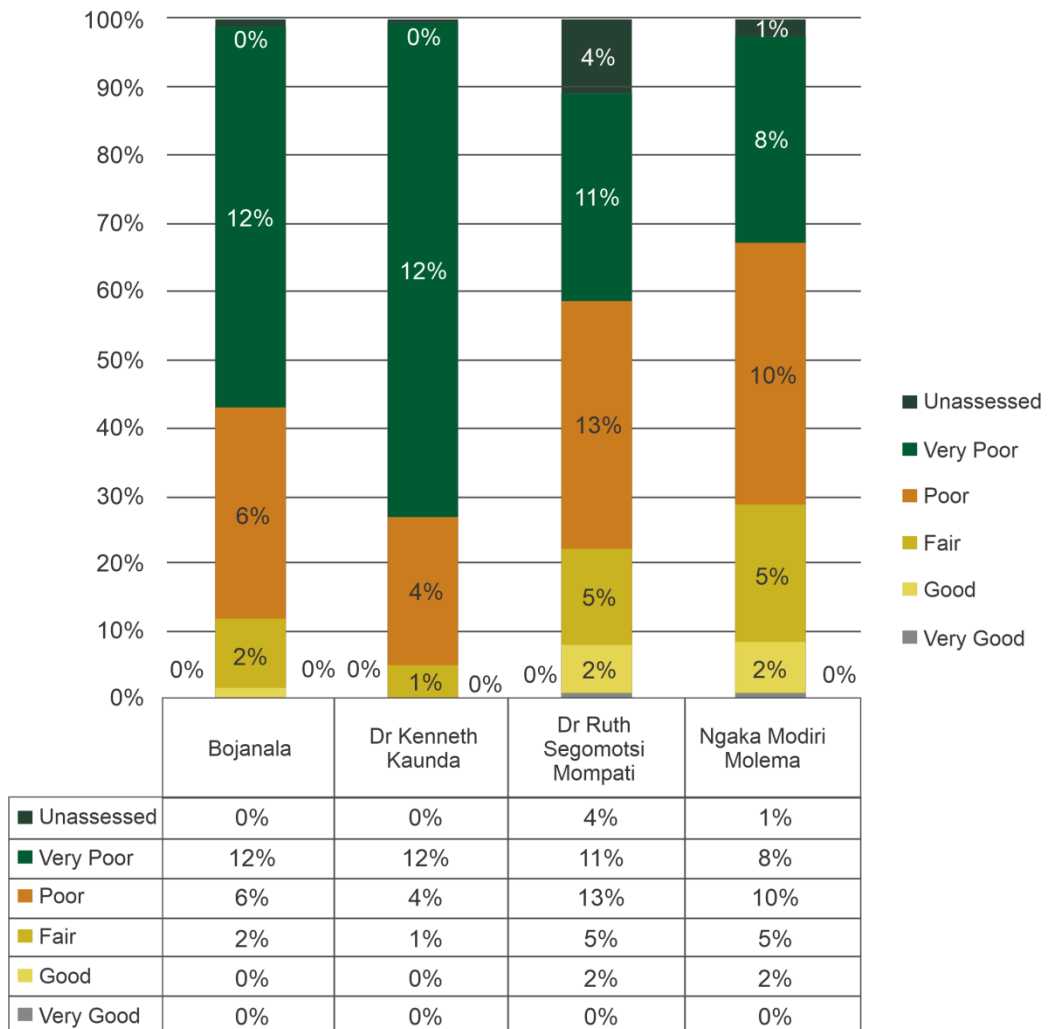


Visual condition assessments are conducted on the road network regularly, and it classifies the road condition in terms of the following categories:

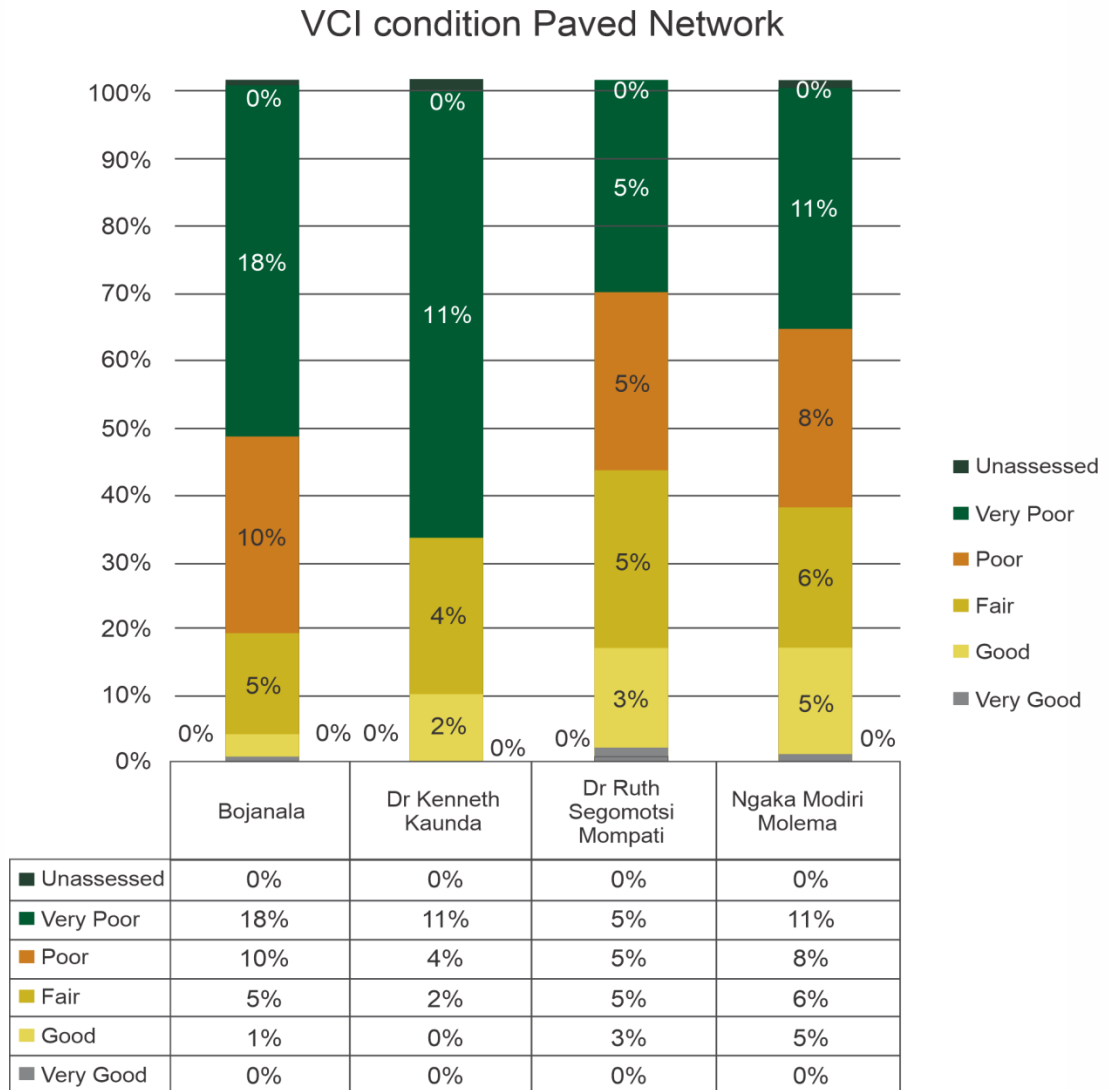
- Very poor
- Poor
- Fair
- Good
- Very good

Condition assessments determined that only 35 kilometres of the paved network falls within the category of Very Good. The distribution of the total network in terms of the categories of Poor and Very Poor is of concern - the distribution is as follows:

VCI condition Total Network



The condition of the paved provincial road network is illustrated in the graph below:



The Department’s performance in the 2022/23 financial year in relation to the implementation of the road infrastructure and maintenance projects was not as planned. The main challenges in this regard were as follows:

- Procurement challenges.
- Accelerated deterioration caused by heavy rainfall – a larger investment to address the backlog and implement preventative maintenance programmes is required.
- Poor contractor performance.
- An ageing yellow fleet that is plagued by continuous breakdowns with a resultant lack of capacity to undertake maintenance activities.

Intervention strategies that the Department implemented to address these challenges included the following:

- Revised procurement strategies.

- Strengthening of planning, budgeting and procurement management, as also supported by the approval of the new organizational structure – the new Chief Directorate for Integrated Infrastructure Planning, Innovation, Monitoring and Evaluation will be tasked with the planning of a pipeline of projects that is ready for implementation.
- Entering into partnerships with the private sector, communities and local municipalities as interventions to deal with the poor road network condition in Local Municipalities.
- The Department launched the Vala Zonke pothole-patching programme in the Province. Vala Zonke is a labour-intensive programme to fix potholes throughout South Africa that was developed by the National Department of Transport to improve the overall condition index of roads at local and provincial level.

Creation of work opportunities

EPWP Phase IV implementation commenced in 2019/20 and ends in the 2023/24 financial year. Phase V will commence in the 2024/25 financial year.

Provincial performance against EPWP Phase IV 2022/23 targets

The targets for Provincial Departments were as follows:

- Infrastructure Sector : 12 493
- Environment and Culture Sector : 3 522
- Social Sector : 9 866

The targets for Local Municipalities were as follows:

- Infrastructure Sector : 9 507
- Environment and Culture Sector : 4 545
- Social Sector : 518

Provincial performance as at the end of Quarter 4 was as follows:

SPHERE OF GOVERNMENT	TARGETS	TOTAL WORK OPPORTUNITIES REPORTED QTR 4	DEMOGRAPHICS					
			WOMEN	%	YOUTH	%	PWD	%
Provincial Departments	25 882	24 829	17 916	70%	9 890	39%	190	1%
Municipalities	14 570	7 663	4 291	30%	3 608	25%	83	1%
TOTAL	40 452	32 492	22 207	55%	13 498	34%	273	1%
National Departments	-	31 156	22 778	-	10 389	-	342	-
TOTAL	40 452	52 236	38 075	95%	18 460	46%	506	2%

An analysis of performance confirmed the following:

- Provincial Departments and Local Municipalities did not achieve the Province's EPWP targets for the 2022/23 financial year (i.e. excluding work opportunities reported by National Departments).
- Departments achieved 96% against targets, with the Department of Public Works and Roads being the predominant contributor.
- Municipalities achieved 53% performance against the targets, with municipalities in the Dr Kenneth Kaunda District being the only municipalities achieving all of their set targets.
- Institutional arrangements is a major challenge for managing and reporting of EPWP by public bodies. There are no dedicated budget allocations set aside for the creation of work opportunities by public bodies.
- The Infrastructure Sector continues to perform poorly. Infrastructure projects creates labour-intensive job opportunities but under-reporting poses a challenge for an adequate assessment of actual performance.

The Department also did not achieve its target for the creation of work opportunities in 2022/23. The Department reported 13 782 against the overall departmental target of 13 800. Challenges in this regard include the following:

- Late procurement of projects.
- Natural attrition.
- Difficulties in attracting persons with disabilities to participate in the EPWP.
- The rollout of the Contractor Development Programme did not proceed as planned – the Programme was advertised but the majority of respondents did not meet the qualifying criteria.

Intervention strategies that the Department implemented to address these challenges included the following:

- The major recruitment drive for the new EPWP intake is planned for the 2023/24 financial year.
- The qualifying criteria for the Contractor Development Programme were reviewed and eased – the Programme will be advertised again in 2023/24.
- The National Department of Public Works and Infrastructure developed a draft framework to provide guidelines for employment of persons with disabilities. This framework will be finalized and implemented in the 2023/24 financial year.

4.2 SERVICE DELIVERY IMPROVEMENT PLAN

Consultative processes on the development of the new Service Delivery Improvement Plan (SDIP) were concluded in 2022/23 and a new SDIP for 2023/24 – 2027/28 was developed and approved by the Accounting Officer and the Executing Authority.

4.3 **ORGANIZATIONAL ENVIRONMENT**

Filling of critical vacancies

The following critical senior management positions were filled during the period under review:

- Head of Department
- Chief Financial Officer
- Chief Director: Building Infrastructure (post title on new structure is CD: Infrastructure, Construction, Maintenance & Technical Portfolio Support)
- Director: Bojanala District
- Chief Director: Roads Infrastructure (post title on new structure is CD: Integrated Infrastructure Planning, Innovation, Monitoring and Evaluation)
- Chief Director: Immovable Asset Management

Furthermore, seventy-two (72) additional appointments were made, inclusive of critical middle management positions and infrastructure technical professionals who completed the departmental Candidacy Development Programme.

Approved organizational structure

The Department's fit-for-purpose organizational structure was signed-off for implementation in the 2023/24 financial year. The structure creates the necessary framework to support the core business of the Department.

Gender and employment equity

The overall ratio of female vs. male is 36:64 for the entire workforce representing an increase of 2% from the previous performance cycle. Women are still under-represented by 14% in terms of the requirements of the Employment Equity Act, Act 55 of 1998.

The ratio at senior management level of female vs. male is 35:65, which is a decline from the previous performance cycle and an under-representation of 15%.

Persons with disabilities remains at 1% of the entire workforce against the expected target of 2%. The Department remains committed to addressing the challenges of under-representation and gender disparities and will do so through the processes of recruitment and filling of vacant positions in the Department.

4.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

In February 2022, the Constitutional Court handed down judgment in the application for leave to appeal against a judgment and order of the Supreme Court of Appeal.

This application was brought by the Minister of Finance against Afribusiness NPC and concerns the validity of the Preferential Procurement Regulations, 2017 that were promulgated by the Minister on 20 January 2017 in terms of section 5 of the Preferential Procurement Policy Framework Act, Act 5 of 2000.

Subsequent to the ruling, National Treasury issued a moratorium on the procurement of goods and services above R30 000.00. This ruling was significant as it impacted on the ability of the Department to proceed with procurement during the fourth quarter of the financial year 2021/22 and the first quarter of financial year 2022/23.

4.5 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The performance of the Department in respect of achieving the targets/ objectives as set out for Year 3 of the 5-year period covered by the Strategic Plan for 2020 - 2025 was as follows:

OUTCOME	OUTCOME INDICATOR	2019/20 BASELINE	2024/25 TARGET	PROGRESS AS AT YEAR 3 - 2022/23	MTSF PRIORITY	CONTRIBUTION TOWARDS THE MTSF 2019 - 2024
Outcome 1: Good corporate governance ensured	Improved audit outcomes	Five (5) qualification areas	Unqualified audit opinion	The Department's baseline was a qualified audit report with five (5) qualification areas, as follows: 1. Irregular Expenditure 2. Goods and services 3. Prepayment 4. Work in progress 5. Provisions The Department reduced the number of qualification areas to one (1) in the last audit (2021/22). The only remaining area of qualification is irregular expenditure (as at 2021/22).	A capable, ethical & developmental state	Adherence to principles of good governance, the Public Service Code of Conduct and regulatory frameworks aimed at combatting fraud and corruption.
Outcome 2: Provincial building infrastructure condition improved	Percentage reduction of service delivery building infrastructure in poor condition	30% of building infrastructure is in a poor condition	20% of building infrastructure is in a poor condition	Over 30% of building infrastructure is in a poor state, while 45% is in a fair state.	<ul style="list-style-type: none"> ✓ Economic transformation ✓ Job creation ✓ Education, skills and health ✓ Consolidating the social wage and provide quality basic services 	Provide and manage the life cycle of building infrastructure required by Departments to deliver services.
Outcome 3: Provincial road network condition improved	Percentage of road network improved to an acceptable condition	6% of the road network is in a very good condition	21% of the road network is in a very good condition	4% of the road network is in a very good condition.	<ul style="list-style-type: none"> ✓ Economic transformation ✓ Job creation 	Provide and manage the life cycle of the provincial road infrastructure, thereby supporting equitable access to social and economic opportunities.
Outcome 4: Poverty alleviation through optimized work opportunities	Public Employment Programmes implemented	12 000	60 000	45 033	<ul style="list-style-type: none"> ✓ Job creation 	Champion the EPWP Programme provincially and departmentally.

4.6 **PROGRAMME PERFORMANCE INFORMATION**

The performance against the targets as set out in the 2022/23 Annual Performance Plan are as outlined below.

4.6.1 **Programme 1: Administration**

Purpose

The purpose of the Programme is to provide leadership and support in creating a capable and skilled workforce by means of creating the necessary good governance framework.

List of sub-programmes and their purpose

- **Office of the MEC**

The Office of the MEC is responsible for the management and administration of support services provided to the MEC, as well as to ensure that the programme of the MEC is executed.

- **Office of the HOD**

The Office of the HOD provides strategic advice and administrative support services to the HOD.

- **Corporate Support**

The sub-programme manages and provides administrative / governance and financial support services to the Department.

- **Departmental Strategy**

The sub-programme coordinates strategic planning processes and monitors departmental performance. It also undertakes research and evaluation programmes.

Contribution to institutional priorities and outcomes

The planned outputs and activities contribute to the following objectives and priorities:

- National Development Plan: Directly to Chapter 13: Building a capable and developmental state.
- MTSF 2019 - 2024: Directly to Priority 1: Capable, ethical and developmental state.
- Provincial priorities: A capable and developmental state (combatting corruption).

4.6.1.1 Outcome, outputs, output indicators, targets and actual achievements for Programme 1: Administration

PROGRAMME 1: ADMINISTRATION								
OUTCOME: GOOD CORPORATE GOVERNANCE ENSURED								
Output	APP Ref number	Output indicator	Audited performance 2020/21	Audited performance 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned vs actual achievement	Reason for / comment on deviations
Unqualified audit report	1.1.1	SUB-PROGRAMME: FINANCIAL MANAGEMENT						
		Number of qualified audit findings reduced	3	1	1	1	0	Target achieved.
Growth in procurement from women, youth and PWD	1.2.1	SUB-PROGRAMME: SUPPLY CHAIN MANAGEMENT						
		Percentage procurement allocated to designated groups	New Indicator	Women = 33% Youth = 40% PWD = 0%	Women = 7% Youth = 5% PWD = 1%	Women = 8% Youth = 10% PWD = 0%	Women = +1%, Youth = +5% PWD = 1%	The reason for non-achievement is as follows: ✓ The target was not met in relation to procurement from persons with disabilities. The group was non-responsive when quotations were sourced.

Strategies to overcome areas of under-performance

Output indicator	Comment on deviations	Strategies to overcome areas of under performance
1.2.1	The target was not met in relation to procurement from persons with disabilities. The group was non-responsive when quotations were sourced.	The Department will raise awareness on opportunities for public procurement during advocacy engagements with the sector.

Performance in relation to standardized outputs and output indicators

There were no standardized outputs and output indicators in relation to Programme 1 for the period under review.

4.6.2 Programme 2: Public Works Infrastructure

Purpose

The purpose of the Programme is to avail land and provide building infrastructure and facilities for Provincial Government Departments that is accessible, safe, fit-for-purpose and environmentally sensitive.

List of sub-programmes and their purpose

- **Programme Support**

The purpose of the sub-programme is to provide general operational support to the Programme, which includes programme management and support personnel.

- **Planning**

The purpose of the sub-programme is to plan infrastructure development based on demand, to monitor performance and to ensure the enforcement of built sector and property management norms and standards.

- **Design**

The purpose of the sub-programme is to design plans related to refurbishment, rehabilitation and renovations required for existing building infrastructure as well as to design plans for new infrastructure in line with applicable architectural standards and frameworks.

- Construction

The purpose of the sub-programme is to upgrade and refurbish buildings and construct new building infrastructure within the parameters of reasonable cost, quality and time.

- Maintenance

The purpose of the sub-programme is to implement routine, periodic and preventative maintenance based on the condition assessment reports in order to ensure the optimum performance of infrastructure assets throughout their respective life cycles.

- Immovable Asset Management

The purpose of the sub-programme is to manage the property portfolio of the Provincial Government through the provision of residential and office accommodation and by providing integrated property management services to Client and User Departments throughout the life cycle of respective properties / assets.

- Facilities Management

The purpose of the sub-programme is to provide facility management services such as cleaning, landscaping, gardening, security and day-to-day building maintenance.

Contribution to institutional priorities and outcomes

The planned outputs and activities contribute to the following objectives and priorities:

- National Development Plan: Indirectly to Chapter 9: Improving education, training, innovation and Chapter 10: Health care for all. This is achieved through the delivery of fit-for-purpose building infrastructure as required by the DPW&R and other Government Departments.

- MTSF 2019 - 2024: Indirectly to Priority 3: Education, skills and health and indirectly to Priority 2: Economic transformation and job creation. This is achieved through the development of contractors and job creation by means of implementation of projects with EPWP targets attached.
- Provincial priorities: Unemployment and health services.

4.6.2.1 Outcome, outputs, output indicators, targets and actual achievements for Programme 2: Public Works Infrastructure

PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE								
OUTCOME: PROVINCIAL BUILDING INFRASTRUCTURE CONDITION IMPROVED								
Output	APP Ref number	Output indicator	Audited performance 2020/21	Audited performance 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned vs actual achievement	Reason for / comment on deviations
SUB-PROGRAMME: CONSTRUCTION								
Service delivery infrastructure delivered	2.1.1	Number of new construction projects completed - DPW&R	New indicator	New indicator	0	0	0	N/A
	2.1.2	Number of new construction projects completed – Client Depts	New indicator	New indicator	8	2	6	The reasons for non-achievement include the following: <ul style="list-style-type: none"> ✓ Poor contractor performance. ✓ Contractors experienced cash flow constraints, in part due to late payment by Client Departments. ✓ Challenges with water and electricity connections on site.
SUB-PROGRAMME: MAINTENANCE								
Service delivery infrastructure sustained through maintenance projects completed	2.2.1	Number of maintenance projects completed - DPW&R	New indicator	New indicator	33	13	20	The reasons for non-achievement include the following: <ul style="list-style-type: none"> ✓ Poor contractor performance. ✓ Budgetary and procurement challenges. ✓ Late delivery of materials on site. ✓ Contractors experienced cash flow constraints. ✓ Challenges with water supply on site.

PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE								
OUTCOME: PROVINCIAL BUILDING INFRASTRUCTURE CONDITION IMPROVED								
Output	APP Ref number	Output indicator	Audited performance 2020/21	Audited performance 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned vs actual achievement	Reason for / comment on deviations
	2.2.2	Number of maintenance projects completed - Client Depts	New indicator	New indicator	15	7	8	<p>The reasons for non-achievement include the following:</p> <ul style="list-style-type: none"> ✓ Two (2) projects had been achieved at the end of March 2022 (i.e. in the previous financial year), after the APP targets for 2022/23 were concluded. ✓ Poor contractor performance. ✓ Challenges with lack of adequate water supply on site. ✓ Delays in the approval of variation orders by the Client Department.
SUB-PROGRAMME: FACILITIES MANAGEMENT								
Facilities required by Government are provided	2.3.1	Number of facilities provided	New indicator	230	230	230	0	Target achieved.
Inspections are conducted for optimal utilization of space	2.3.2	Number of utilization inspections conducted for office accommodation	New indicator	9	65	67	+2	Target achieved and exceeded – two (2) additional facilities were inspected.
Non-core / redundant assets are disposed of	2.3.3	Number of properties disposed of	New indicator	New indicator	110	3	107	<p>The reasons for non-achievement include the following:</p> <ul style="list-style-type: none"> ✓ Section 4(1) of the North West Land Administration Act states that, when properties are disposed of at below market value, the purchaser may not sell the property for a period of five (5) years from date of transfer. In the initial Powers of Attorney, this condition was not inserted and the Office of the State Attorney subsequently returned all Powers of Attorney for insertion of said clause. ✓ Some of the tenants' rental accounts are in arrears and have to be settled before the sale of houses can proceed. ✓ There were tenants who did not return the sale agreements or who opted out of purchasing the houses.

Strategies to overcome areas of under-performance

Output indicator	Comment on deviations	Strategies to overcome areas of under performance
2.1.2 – 2.2.2	Poor contractor performance remains a challenge mainly due to cash flow constraints, which are exacerbated by late payments by the Client Department.	The Department is assisting affected contractors through granting extension of time on projects, and the approval of cession agreements and variation orders where appropriate. Penalties were applied also, where relevant.
	Some projects were delayed due to challenges with insufficient water on site and delays by Eskom with electricity connections.	The Department is engaging with the Client Departments on issues of late payment and late approval of variation orders. The Department engaged Eskom to fast-track the electrical connections. The Department also engaged the Department of Cooperative Governance and Traditional Affairs (COGTA) and the traditional leaders regarding electricity and water connection challenges, in writing. Variation orders were prepared where the scope changes were necessitated by challenges on site regarding water supply etc.
	Budgetary and procurement challenges.	The budget allocations for some projects were inadequate – these challenges were addressed during the budget adjustment process of 2022/23.
2.3.3	The initial Powers of Attorney documentation did not include reference to section 4(1) of the North West Land Administration Act, 1995 that states that, when properties are disposed of at below market value, the purchaser may not sell the property for a period of five (5) years from date of transfer. The finalization of the sales and transfers of the houses to the new owners was also delayed by the fact that some of the tenants' rental accounts were in arrears, while others had opted out of purchasing the houses.	The Powers of Attorney were duly corrected. Tenants with outstanding rentals have been notified to bring accounts up to date. Tenants who have not returned signed sale agreements or who opted out of purchasing the properties will be advised to vacate the properties.

Performance in relation to standardized outputs and output indicators

There were no standardized outputs and output indicators in relation to Programme 2 for the period under review.

4.6.3 Programme 3: Transport Infrastructure

Purpose

The purpose of the Programme is to promote accessibility and the safe and affordable movement of people through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive and which supports and facilitates social empowerment and economic growth.

List of sub-programmes and their purpose

- **Programme Support**

The purpose of the sub-programme is to provide general operational support to the Programme, which includes programme management and support personnel.

- **Planning**

The purpose of the sub-programme is to provide planning services in support of an integrated transport infrastructure network and to promote and improve road safety and data collection.

- **Design**

The purpose of the sub-programme is to provide for the design of transport infrastructure including support functions such as environmental impact assessments, transport impact assessments, surveys, expropriations, material investigations and testing, road classification and upgrading of geographic information systems.

- Construction

The purpose of the sub-programme is to provide for the construction of new roads as well as for the upgrading and rehabilitation of existing infrastructure.

- Maintenance

The purpose of the sub-programme is to provide for the maintenance and repair of the provincial road network by using internal and outsourced capacity.

Contribution to institutional priorities and outcomes

The planned outputs and activities contribute to the following objectives and priorities:

- National Development Plan: Directly to Chapter 4: Economic infrastructure and indirectly to Chapter 3: Economy and employment and Chapter 6: Inclusive rural economy.
- MTSF 2019 - 2024: Directly to Priority 2: Economic transformation and job creation.
- Provincial priorities: Spatial integration, land, housing (rural roads) and unemployment.

**4.6.3.1 Outcome, outputs, output indicators, targets and actual achievements table for Programme 3:
Transport Infrastructure**

PROGRAMME 3: TRANSPORT INFRASTRUCTURE								
OUTCOME: PROVINCIAL ROAD NETWORK CONDITION IMPROVED								
Output	APP Ref number	Output indicator	Audited performance 2020/21	Audited performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned vs actual achievement	Reason for / comment on deviations
Reduce by 3 % of road network in poor and very poor condition to acceptable standards	3.1.1	SUB-PROGRAMMES: PLANNING AND DESIGN						
		Number of consolidated infrastructure plans developed	New indicator	New indicator	1	1	0	Target achieved.
	3.1.2	Number of km of surfaced roads visually assessed as per the TMH Manual	2 099.83	5 366	0	0	N/A	N/A
	3.1.3	Number of km of gravel roads visually assessed as per the TMH Manual	881.33	13 265	0	0	N/A	N/A
	3.2.1	SUB-PROGRAMME: CONSTRUCTION						
		Number of bridges constructed	0	1	0	0	N/A	N/A
	3.2.2	Number of bridges repaired	0	4	1	0	1	The reason for non-achievement is as follows: ✓ A change in scope related to the re-gravelling of Road D604 to end of tar in the Bojanala District (additional work required in relation to culverts).
3.2.3	Number of km of gravel roads upgraded to surfaced standard	45.59	29	65	31.20	33.80	The reasons for non-achievement include the following: ✓ Upgrading of Road P66/1 Kgomo-Kgomo to P65/1: A change in scope and excessive rainfall. ✓ Upgrading of Road Z374 Austrey to Goodwood (Phase 1): Poor contractor performance in addition to the contractor experiencing cash flow constraints. ✓ Upgrading of Road D201 Pampierstad to Matlapaneng (Phase 1): Community disruptions.	

PROGRAMME 3: TRANSPORT INFRASTRUCTURE								
OUTCOME: PROVINCIAL ROAD NETWORK CONDITION IMPROVED								
Output	APP Ref number	Output indicator	Audited performance 2020/21	Audited performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned vs actual achievement	Reason for / comment on deviations
	3.2.4	Number of square metres of surfaced roads rehabilitated	816 573	761 296	1 000 000	394 000	606 000	<p>The reasons for non-achievement include the following:</p> <ul style="list-style-type: none"> ✓ Special maintenance of Road P152/1 to P34/4 Setlagole to Delareyville (Phase 2): Poor contractor performance due to cash flow constraints. ✓ Special maintenance of Road P34/5 Schweizer-Reneke to Christiana (Phase 2): Poor contractor performance, inclement weather and community disruptions. ✓ Rehabilitation of Road P137/1 from N12 to Orkney: Works completed relate to the sinkhole repair and demolition of the bridge – the rehabilitation portion of work did not commence in the 2022/23 financial year. ✓ Procurement challenges.
	3.2.5	Number of square metres of surfaced roads resealed	1 027 938	351 100	530 000	12 284	517 716	<p>The reason for non-achievement is as follows:</p> <ul style="list-style-type: none"> ✓ Procurement challenges.
	3.3.1	SUB-PROGRAMME: MAINTENANCE						
		Number of km of gravel roads re-gravelled	205.4	78.88	250	100.6	149.4	<p>The reasons for non-achievement include the following:</p> <ul style="list-style-type: none"> ✓ A change in scope related to the re-gravelling of Road D604 to end of tar in the Bojanala District ✓ Five (5) projects were re-prioritized to 2023/24. ✓ Three (3) projects were awarded but have not recorded outputs as yet at the end of the 2022/23 financial year.

PROGRAMME 3: TRANSPORT INFRASTRUCTURE								
OUTCOME: PROVINCIAL ROAD NETWORK CONDITION IMPROVED								
Output	APP Ref number	Output indicator	Audited performance 2020/21	Audited performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned vs actual achievement	Reason for / comment on deviations
	3.3.2	Number of km of gravel roads bladed	43 826.65	36 147.78	51 300	31 903.61	19 396.39	The reason for non-achievement is as follows: ✓ Lack of sufficient yellow fleet (graders) due to continuous breakdowns as the yellow fleet is ageing.
	3.3.3	Number of square metres blacktop patching	87 864.55	90 087.11	52 470	151 353.21	+98 883.21	Target achieved and exceeded. The reasons for over-achievement include the following: ✓ Increased development of potholes due to heavy rains required additional work to be performed. ✓ Implementation of the Vala Zonke Programme (pothole patching programme) launched by the National Department of Transport.

Strategies to overcome areas of under-performance

Output indicator	Comment on deviations	Strategies to overcome areas of under performance
3.2.2	The repairs of the bridge structure is part of the project for the re-gravelling of Road D604 to the end of tar – the original scope entailed the use of existing culverts. However, upon the start of the works on the road, it was determined that the existing culverts cannot be used, requiring additional work in relation to replacement of all culverts.	A variation order was submitted and approved.
3.2.3	Poor contractor performance on Road Z374 from Austrey to Goodwood (Phase 1).	The contractor was assisted through the approval of a Deed of Cession. The contractor was issued with a notice of termination and was requested to submit a recovery plan.

Output indicator	Comment on deviations	Strategies to overcome areas of under performance
	Community disruptions in respect of Road D201 Pampierstad to Matlapaneng (Phase 1) delayed work.	Community engagements are ongoing.
	A change in scope and excessive rainfall delayed work on Road P66/1 Kgomo-Kgomo to Road P65/1.	A recovery plan was submitted.
3.2.4	The contractor for the maintenance project on Road P152/1 to P34/4 Setlagole to Delareyville (Phase 2) experienced cash flow constraints, which impacted on performance.	A Deed of Cession was approved.
	Work on the special maintenance project on Road P34/5 Schweizer-Reneke to Christiana (Phase 2) was delayed as a result of poor contractor performance, inclement weather and community disruptions.	A recovery plan was submitted.
	In respect of the rehabilitation of Road P137/1 from N12 to Orkney, the contractor scheduled the works on the sinkhole repair and demolition of the bridge as the first priority – the rehabilitation portion of work did not commence in the 2022/23 financial year.	The rehabilitation portion of the project will be completed in the 2023/24 financial year.
	Three (3) projects planned for implementation in 2022/23 were procured late, i.e. after the lifting of the moratorium placed by National Treasury on procurement above R30 000.00 following the Supreme Court's ruling on the promulgation of regulations 3(b), 4 and 9 of the Preferential Procurement Regulations, 2017.	<p>The projects were awarded after the lifting of the moratorium.</p> <p>Other interventions implemented included the following:</p> <ul style="list-style-type: none"> • Revision of the Procurement Plan 2022/23. • Development of a sourcing strategy. • Appointment of an additional Bid Evaluation Committee to deal with the large volume of bids to be evaluated.
3.2.5	Four (4) projects were planned for implementation of which one (1) was completed, while the other three (3) projects were awarded late due to the moratorium that National Treasury had placed on procurement following the Supreme Court's ruling on the promulgation of regulations 3(b), 4 and 9 of the Preferential Procurement Regulations, 2017.	<p>The projects were subsequently awarded following the lifting of the moratorium.</p> <p>Other interventions implemented included the following:</p> <ul style="list-style-type: none"> • Revision of the Procurement Plan 2022/23. • Development of a sourcing strategy. • Appointment of an additional Bid Evaluation Committee to deal with the large volume of bids to be evaluated.
3.3.1	The deviation is as a result of a change in scope related to the re-gravelling of Road D604 to end of tar in the Bojanala District, which impacted on the planned outputs achieved.	The projects that were re-prioritized will be implemented in the 2023/24 financial year.

Output indicator	Comment on deviations	Strategies to overcome areas of under performance
	Furthermore, five (5) projects were re-prioritized for implementation in 2023/24 and three (3) projects were awarded but have not recorded outputs as at the end of the 2022/23 financial year.	
3.3.2	The yellow fleet is ageing, resulting in regular breakdowns, which in turn impacts on performance.	The Department leases yellow fleet to augment the current fleet capacity.

Performance in relation to standardized outputs and output Indicators

The outputs and output indicators are in compliance with the standardized outputs and output indicators in relation to Programme 3 for the period under review.

4.6.4 Programme 4: Community-Based Programme (EPWP)

Purpose

The purpose of the Programme is to manage and coordinate the implementation of the Expanded Public Works Programme, both departmentally and provincially. The management of the implementation of programmes and strategies is intended to lead to the development and empowerment of previously disadvantaged communities, contractors and cooperatives.

List of sub-programmes and their purpose

- **Programme Support**

The purpose of the sub-programme is to provide operational support to the Programme.

- **Community Development**

The purpose of the sub-programme is to develop and assist emerging contractors with guidance and support to ensure that they are developed into sustainable enterprises.

- *Innovation and Empowerment*

The purpose of the sub-programme is to develop new training programmes and identify new opportunities.

- *EPWP Coordination and Monitoring*

The purpose of the sub-programme is coordinate and monitor the implementation of EPWP-related plans and strategies. The sub-programme is intended to monitor the operation of the projects, provide advice and to identify new and innovative ways of increasing opportunities, productivity and sustainability.

Contribution to institutional priorities and outcomes

The planned outputs and activities contribute to the following objectives and priorities:

- *National Development Plan*: Directly to Chapter 3: Economy and employment and indirectly to Chapter 6: Inclusive rural economy and Chapter 11: Social protection.
- *MTSF 2019 - 2024*: Directly to Priority 2: Economic transformation and job creation, with specific bias towards women, youth and persons with disabilities.
- *Provincial priorities*: Unemployment.

**4.6.4.1 Outcome, outputs, output indicators, targets and actual achievements table for Programme 4:
Community-Based Programme**

PROGRAMME 4: COMMUNITY-BASED PROGRAMME								
OUTCOME: POVERTY ALLEVIATION THROUGH OPTIMIZED WORK OPPORTUNITIES								
Output	APP Ref number	Output indicator	Audited performance 2020/21	Audited performance 2021/22	Planned target 2022/23	Actual performance 2022/23	Deviation between planned vs actual achievement	Reason for / comment on deviations
SUB-PROGRAMME: COMMUNITY DEVELOPMENT								
Paid work opportunities created	4.1.1	Number of EPWP work opportunities created – Transport Infrastructure Sector	15 609	New indicator	13 000	13 019	+19	Target achieved and exceeded. The reason for over-achievement is as follows: ✓ Additional work opportunities were created through the execution of routine road maintenance activities and specifically grass cutting projects.
	4.1.2	Number of EPWP work opportunities created – Public Works Infrastructure Sector	1 717	New indicator	800	763	37	The reason for non-achievement is as follows: ✓ Natural attrition.
	4.1.3	Number of youth employed (18 – 35) - Transport Infrastructure Sector	New indicator	New indicator	7 150	7 227	+77	Target achieved and exceeded. The reason for over-achievement is as follows: ✓ Additional work opportunities were created through the execution of routine road maintenance activities and specifically grass cutting projects.
	4.1.4	Number of youth employed (18 – 35) – Public Works Infrastructure Sector	New indicator	New indicator	440	459	+19	Target achieved and exceeded. The reasons for over-achievement include the following: ✓ Introduction of the semi-skilled public employment programme. ✓ Replacement of beneficiaries on the Lebalangwe brick-making project.

PROGRAMME 4: COMMUNITY-BASED PROGRAMME								
OUTCOME: POVERTY ALLEVIATION THROUGH OPTIMIZED WORK OPPORTUNITIES								
Output	APP Ref number	Output indicator	Audited performance 2020/21	Audited performance 2021/22	Planned target 2022/23	Actual performance 2022/23	Deviation between planned vs actual achievement	Reason for / comment on deviations
	4.1.5	Number of women employed - Transport Infrastructure Sector	New indicator	New indicator	7 800	8 549	+749	Target achieved and exceeded. The reason for over-achievement is as follows: ✓ Additional work opportunities were created through the execution of routine road maintenance activities and specifically grass cutting projects.
	4.1.6	Number of women employed - Public Works Infrastructure Sector	New indicator	New indicator	480	451	29	The reason for non-achievement is as follows: ✓ Natural attrition.
	4.1.7	Number of persons with disabilities employed - Transport Infrastructure Sector	New indicator	New indicator	260	65	195	The reason for non-achievement is as follows: ✓ The EPWP programme has historically not performed well in attracting persons with disabilities. The National Department of Public Works and Infrastructure has developed a framework to address this challenge.
	4.1.8	Number of persons with disabilities employed - Public Works Infrastructure Sector	New indicator	New indicator	16	4	12	
	SUB-PROGRAMME: INNOVATION AND EMPOWERMENT							
Departmental contractor development programme implemented	4.2.1	Number of contractors participating in the contractor development programme – Transport Infrastructure Sector	New indicator	New indicator	120	0	120	The reason for non-achievement is as follows: ✓ The programme was advertised during 2022/23 but the targeted number of applications was not reached. Upon review, it was determined that the requirements had been too stringent and the public invitation to participate in the contractor development programme was cancelled. ✓ It will be re-advertised in the 2023/24 financial year.
	4.2.2	Number of contractors participating in the contractor development programme – Public Works Infrastructure Sector	New indicator	New indicator	40	0	40	

PROGRAMME 4: COMMUNITY-BASED PROGRAMME								
OUTCOME: POVERTY ALLEVIATION THROUGH OPTIMIZED WORK OPPORTUNITIES								
Output	APP Ref number	Output indicator	Audited performance 2020/21	Audited performance 2021/22	Planned target 2022/23	Actual performance 2022/23	Deviation between planned vs actual achievement	Reason for / comment on deviations
SUB-PROGRAMME: EPWP COORDINATION AND MONITORING								
Participation by public bodies in EPWP	4.3.1	Number of public bodies reporting on EPWP targets in the Province	38	36	34	35	+1	Target achieved. The additional entity that reported work opportunities is the National Department of Tourism.

Strategies to overcome areas of under-performance

Output indicator	Comment on deviations	Strategies to overcome areas of under performance
4.1.2 & 4.1.6	The target was not reached due to natural attrition, i.e. beneficiaries exiting the EPWP programme, which resulted in fluctuating numbers.	The Department is planning to recruit new beneficiaries in the 2023/24 financial year.
4.1.7 & 4.1.8	The EPWP programme has historically not performed well in attracting persons with disabilities.	A draft framework on enhancing participation of persons with disabilities in the EPWP was developed by the National Department of Public Works and Infrastructure. The draft framework was presented at the National EPWP National Coordination Committee in February 2023 as part of the consultative processes. The framework will be implemented in the 2023/24 financial year.
4.2.1 & 4.2.2	A public invitation was advertised for persons to participate in the Contractor Development Programme. However, in assessing the applications, the Department determined that the criteria had been too stringent.	The Department revised the participating criteria and will re-advertise the Programme in the 2023/24 financial year.

Performance in relation to standardized outputs and output indicators

There were no standardized outputs and output indicators in relation to Programme 4 (Public Works sector) for the period under review. The standardized outputs and output indicators in relation to the Transport Infrastructure sector were complied with.

4.7 LINKING PERFORMANCE WITH BUDGETS

4.7.1 Expenditure for the financial year 2022/23, Programme 1: Administration

Sub-programmes	2021/22				2022/23			
	Final appropriation R'000	Actual expenditure R'000	Over/under expenditure R'000	Expenditure as a % of final appropriation	Final appropriation R'000	Actual expenditure R'000	Over/under expenditure R'000	Expenditure as a % of final appropriation
Office of the MEC	10 806	9 618	1 188	89%	12 800	12 097	721	94.4%
Office of the HOD	32 557	29 488	3 069	90%	40 138	30 593	9 545	76.2%
Corporate Support	162 067	154 952	7 115	95%	157 502	155 720	1 782	98.9%
Departmental Strategy	8 126	6 927	1 199	85%	8 607	7 415	1 192	86.2%
Total	213 556	200 985	12 571	94%	219 047	205 807	13 240	95.0%

4.7.2 Expenditure for the financial year 2022/23, Programme 2: Public Works Infrastructure

Sub-programmes	2021/22				2022/23			
	Final appropriation R'000	Actual expenditure R'000	Over/under expenditure R'000	Expenditure as a % of final appropriation	Final appropriation R'000	Actual expenditure R'000	Over/under expenditure R'000	Expenditure as a % of final appropriation
Programme Support	4 968	4 619	349	93%	6 360	5 264	1 096	82.8%
Planning	5 804	5 562	242	96%	13 374	12 990	384	97.1%
Design	-	-	-	-	1 754	1 517	237	86.5%
Construction	65 119	57 905	7 214	89%	84 381	74 839	9 502	88.7%
Maintenance	392 377	388 020	4 357	99%	450 436	432 583	17 853	96.0%
Immovable Asset Management	16 485	15 506	979	94%	18 263	17 434	829	95.5%
Facilities Management	524 085	488 573	35 512	93%	589 199	557 355	31 884	94.6%
Total	1 008 838	960 186	48 652	95%	1 163 767	1 101 982	61 785	94.7%

4.7.3 Expenditure for the financial year 2022/23, Programme 3: Transport Infrastructure

Sub-programmes	2021/22				2022/23			
	Final appropriation R'000	Actual expenditure R'000	Over/under expenditure R'000	Expenditure as a % of final appropriation	Final appropriation R'000	Actual expenditure R'000	Over/under expenditure R'000	Expenditure as a % of final appropriation
Programme Support	53 952	52 513	1 439	97%	77 679	53 833	23 846	69.3%
Planning	2 422	236	2 186	8%	1 562	1 232	330	78.9%
Design	9 510	6 580	2 930	69%	652	60	592	9.2%
Construction	1 259 158	830 857	428 301	66%	1 541 468	1 364 103	177 365	88.5%
Maintenance	471 078	439 678	31 400	93%	394 646	391 791	2 855	99.3%
Total	1 796 120	1 329 864	466 256	74%	2 016 007	1 811 019	204 988	89.8%

4.7.4 Expenditure for the financial year 2022/23, Programme 4: Community-Based Programme

Sub-programmes	2021/22				2022/23			
	Final appropriation R'000	Actual expenditure R'000	Over/under expenditure R'000	Expenditure as a % of final appropriation	Final appropriation R'000	Actual expenditure R'000	Over/under expenditure R'000	Expenditure as a % of final appropriation
Programme Support	6 329	5 975	354	94%	7 528	7 125	403	94.6%
Community Development	337 047	323 665	13 382	96%	347 685	342 903	4 782	98.6%
Innovation and Empowerment	4 906	0	4 906	0%	3 442	2 046	1 396	59.4%
EPWP Coordination and Monitoring	353	220	133	62%	370	249	121	67.3%
Total	348 635	329 860	18 775	95%	359 025	352 323	6 702	98.1%

4.8 INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Budget programme	Intervention	District/Local Municipality	No of beneficiaries	Disaggregation of beneficiaries	Total budget allocation per intervention	Budget spent per intervention	Contribution to the outputs in the APP	Immediate outcomes
Programme 2: Public Works Infrastructure	Implementation of relevant protocols and regulations in line with the relevant risk-adjusted lockdown levels	All four Districts	Not applicable	Not applicable	0	0	Not applicable	Not applicable

5. TRANSFER PAYMENTS

5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

None.

5.2 TRANSFER PAYMENTS TO ORGANIZATIONS OTHER THAN PUBLIC ENTITIES

None.

6. CONDITIONAL GRANTS

The table below details the conditional grants received during the period of 1 April 2022 to 31 March 2023:

6.1 EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR PROVINCES

TRANSFERRING DEPARTMENT	NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
Purpose of the grant	To incentivize Provincial Departments to expand work creation efforts through the use of the labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines: <ul style="list-style-type: none"> ✓ Road maintenance and maintenance of buildings ✓ Low traffic volume roads and rural roads ✓ Other economic and social infrastructure ✓ Tourism and cultural industries ✓ Sustainable land-based livelihood ✓ Waste management
Expected output of the grant	13 800 work opportunities created.
Actual output achieved	13 782 work opportunities created.
Amount per amended DORA (R'000)	R27 949
Amount Received (R'000)	R27 949
Reasons if amount as per DORA was not received	The entire amount was received.
Amount spent by the Department (R'000)	R27 035
Reasons for the funds unspent by the entity	Not applicable.
Reasons for deviations on performance	Provided under item 4.6.4 of this document.
Measures taken to improve performance	Provided under item 4.6.4 of this document.
Monitoring mechanism by the receiving department	In-year monitoring on a monthly, quarterly and annual basis.

6.2 PROVINCIAL ROAD MAINTENANCE GRANT

TRANSFERRING DEPARTMENT	NATIONAL DEPARTMENT OF TRANSPORT
Purpose of the grant	Support road infrastructure activities as follows: <ul style="list-style-type: none"> ✓ To supplement provincial investment for routine, periodic and special maintenance. ✓ To ensure all roads are classified as per RISFSA and the technical recommendation for highways (TRH 26), and road classification and access management guidelines. ✓ To implement and maintain road asset management systems (RAMS) as per technical methods for highways (TMH 22). ✓ To supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters. ✓ To improve the state of the broad network serving electricity generation infrastructure. ✓ To improve road safety with special focus on pedestrian safety in rural areas.
Expected output of the grant	<ul style="list-style-type: none"> ✓ Fully functional RAMS in line with minimum requirements for a provincial road authority. ✓ Network condition assessment and determination of project list from the RAMS. ✓ Submission of updated road condition data (paved and unpaved), traffic data, and bridge condition report. <p>The following was measured against 2022/23 targets defined in the final Road Asset Management Plan (RAMP) for the Province:</p> <ul style="list-style-type: none"> ✓ Number of bridges constructed = 0 ✓ Number of bridges repaired = 1 ✓ Number of km of gravel roads upgraded to surfaced standard = 65 ✓ Number of m² of surfaced roads rehabilitated = 1 000 000 ✓ Number of m² of surfaced roads resealed = 530 000 ✓ Number of km of gravel roads bladed = 51 300 ✓ Number of km of gravel roads re-gravelled = 250 ✓ Number of square metres of blacktop patching = 52 470
Actual output achieved	<ul style="list-style-type: none"> ✓ Number of bridges constructed = 0 ✓ Number of bridges repaired = 0 ✓ Number of km of gravel roads upgraded to surfaced standard = 31.20 ✓ Number of m² of surfaced roads rehabilitated = 282 385 ✓ Number of m² of surfaced roads resealed = 12 284 ✓ Number of km of gravel roads bladed = 31 903.61 ✓ Number of km of gravel roads re-gravelled = 100.6 ✓ Number of square metres of blacktop patching = 151 353.21
Amount per amended DORA (R'000)	R1 290 374
Amount Received (R'000)	R1 290 374
Reasons if amount as per DORA was not received	The entire amount was received.
Amount spent by the Department (R'000)	R1 078 386
Reasons for the funds unspent by the entity	Procurement challenges.
Reasons for deviations on performance	Provided under item 4.6.3 of this document.
Measures taken to improve performance	Provided under item 4.6.3 of this document.
Monitoring mechanism by the receiving department	In-year monitoring on a monthly, quarterly and annual basis.

7. DONOR FUNDS RECEIVED

None.

8. CAPITAL INVESTMENT

8.1 PROGRESS MADE ON IMPLEMENTING THE CAPITAL, INVESTMENT AND ASSET MANAGEMENT PLAN

The expenditure on infrastructure for the year under review was as follows:

Infrastructure projects	2021/22			2022/23		
	Final appropriation R'000	Actual Expenditure R'000	(Over)/Under expenditure R'000	Final appropriation R'000	Actual Expenditure R'000	(Over)/Under expenditure R'000
New and replacement assets	5 541	2 150	4 391	8 050	6 756	1 294
Existing infrastructure assets	503 005	319 647	183 358	527 241	459 475	67 766
Upgrades and additions	257 194	386 958	-129 764	458 925	463 492	-4 567
Maintenance and repairs	596 603	410 204	186 339	805 262	500 000	305 262
Infrastructure transfer	27 042	25 557	1 485	27 630	157 880	-130 250
Total	1 486 566	987 045	499 1	1 827 108	1,587,603	239,505

8.2 INFRASTRUCTURE PROJECTS COMPLETED DURING THE YEAR

Public Works Infrastructure projects:

PWR 63/17 Construction of the Southey Community Library
RFP 024/2021 Construction of Kagiso Barolong Secondary School Phase 1
BDPWR 32/22 Extension of carports for pool vehicles at Bojanala District Office
PWR 01/22 Commissioning of high mast lights at Ventersdorp DPW&R sub-district office
PWR 02/22 Commissioning of high mast lights at DPW&R offices, 12 Rivier Street, Klerksdorp
BO7 22/23 Paving of grounds at DPW&R offices, 20 Malt street, Vryburg
B06 22/23 Paving of assembly area at Vryburg Mini-Garona
BDPWR 005/2022 Minor repairs and renovations at DPW&R road camp, Maubane
PWR 09/22 Maintenance of DPW&R workshop at Tshepong Hospital
PWR 10/22 Maintenance of DPW&R workshop at Klerksdorp Hospital
PWR 11/22 Maintenance of parking area, dismantling of asbestos wall panels and roof sheets, DPW&R offices, 149 Kruis street, Potchefstroom
B04 22/23 Maintenance at DPW&R District Office, Vryburg
B03 22/23 Maintenance at DPW&R building camp, Ganyesa
B02 22/23 Maintenance at DPW&R sub-district office, Ganyesa
PWRT 103/13G Replacement of Pilanesburg Airport Fence
PWRT 103/13D Replacement of Pilanesburg Airport fence
PWRT 103/13E Replacement of Pilanesburg Airport fence
PWRT 103/13F Replacement of Pilanesburg Airport fence
PWRT 103/13I Replacement of Pilanesburg Airport fence
PWRT 103/13H Replacement of Pilanesburg Airport fence
BDPWR0062/21 Minor repairs and renovations of Bojanala District Library in Rustenburg

Transport Infrastructure projects:

PWRT 95/13 Rehabilitation of Road D933 and Road D2095 from Lichtenburg (Road R503) to Gelukspan as well as appurtenant works Phase 1 (from Road R503 along Road D933)
PWRT 113/13 Rehabilitation of Road R117/1 from Ottosdal to Hartebeesfontein Phase 1
PWR 125/20 Road D832 - Cecilia Home/Klerksdorp
RSMR 84 8022/2023 Re-gravelling of the Road D3466 between N18 (Brussels) to D1196
RSMR 83-2022/2023 Re-gravelling of the Road D3505 between Vryburg and Beesdam

RSMR 91-2022/2023 Re-gravelling of the Road D3459 between Karelstad and Sedibeng
RSMR 94-2022/2023 Re-gravelling of the Road Z142 between D3510 and Z139
PWR125/20A/2 Spot re-gravelling of Road P65/1 from Road Z614 Slangboom to Road Z620 within Moretele Local Municipality
RFQ 08/22 Spot re-gravelling of Road D95 from P51/2 to road D548
RFQ 07/22 Spot re-gravelling of Road D534 from D52 to road D548
PWR 125-20A-16 Spot re-gravelling of Road D608 from P66/1 Mathibestad to beginning of tar at Mogogelo
11K241019P Re-gravelling of Road D405 (Middleton road) in Tswaing Municipality

8.3 PLANS TO CLOSE DOWN OR DOWN-GRADE ANY CURRENT FACILITIES

There are no plans to close down or down-grade any current facilities.

8.4 PROGRESS MADE ON THE MAINTENANCE OF INFRASTRUCTURE

The Department did not meet its planned targets for either building or road maintenance due to the following reasons:

- Budget and procurement challenges resulted in the late start of maintenance projects.
- Poor contractor performance impacted on the achievement of planned targets.
- Water and electricity connection challenges delayed a number of building maintenance projects.
- Procurement challenges in respect of road maintenance projects.
- An ageing yellow fleet results in continuous breakdowns which interrupts road maintenance projects.

The details of road maintenance and building maintenance projects completed during 2022/23 are captured under item 8.2 of this document.

One of the interventions implemented to deal with building maintenance requirements is the implementation of the Garona Total Facilities Management solution. This contract was entered into with the Development Bank of Southern Africa, for a period of thirty-six (36) months.

The purpose of this agreement is to attend to urgent facility management issues in relation to the Garona office building in Mahikeng. The activities to be performed in terms of this agreement will focus on the following key areas:

- gardening and landscaping
- water/water storage
- ablution facilities
- heating ventilation and air-conditioning
- general maintenance services
- occupational health and safety compliance issues

8.5 DEVELOPMENTS RELATING TO THE ABOVE THAT ARE EXPECTED TO IMPACT ON THE DEPARTMENT'S CURRENT EXPENDITURE

The Department applied for a rollover of funds in respect of the projects that were awarded towards the end of the 2022/23 financial year where expenditure could not be realized. This will not affect current expenditure.

8.6 DETAILS AS TO HOW ASSET HOLDINGS HAVE CHANGED OVER THE PERIOD UNDER REVIEW, INCLUDING INFORMATION ON DISPOSALS

The Department had planned to dispose of 110 redundant government-owned houses during the period under review. However, only three (3) properties were disposed of.

The reasons for not achieving the target are as follows:

- Section 4(1) of the North West Land Administration Act states that, when properties are disposed of at below market value, the purchaser may not sell the property for a period of five (5) years from date of transfer. In the initial Powers of Attorney, this condition was not inserted and the Office of the State Attorney subsequently returned all Powers of Attorney for insertion of said clause.
- Some of the tenants' rental accounts were in arrears and the accounts have to be settled before the sale of houses can proceed.
- There were tenants who did not return the sale agreements or who opted out of proceeding with the purchase.

8.7 MEASURES TAKEN TO ENSURE THAT THE DEPARTMENT'S ASSET REGISTER REMAINED UP-TO-DATE DURING THE PERIOD UNDER REVIEW

The Department has a total portfolio of 4 274 land parcels contained in the Immovable Asset Register database, of which 1 240 are disclosed in 2022/23 annual financial statements at a value of R4 436 564 043,28.

The Department is updating the immovable building asset register on continuous basis with information obtained from the following sources:

- Deeds Registry data from the Department of Agriculture, Land Reform and Rural Development.
- Section 42 transfers in accordance to the PFMA obtained from User Departments and other stakeholders.
- Physical verification of properties conducted by in-house teams.
- Information obtained from condition assessments conducted by the Department via appointed service providers.

8.8 THE CURRENT STATE OF THE DEPARTMENT'S CAPITAL ASSETS

Building infrastructure

The Department is required, in terms of Section 13(1)(d)(iii) of GIAMA, as the custodian of immovable assets, to conduct condition assessments in order for the Department and User Departments to prepare maintenance plans.

The Department appointed three professional service providers in 2022/23 to do condition assessments of the first batch of thirty (30) state-owned offices. The condition assessments were not completed as planned, and interventions were implemented.

Transport infrastructure (road network)

Visual condition assessments are conducted on the road network regularly, and it classifies the road condition in terms of the following categories:

- Very poor
- Poor
- Fair
- Good
- Very good

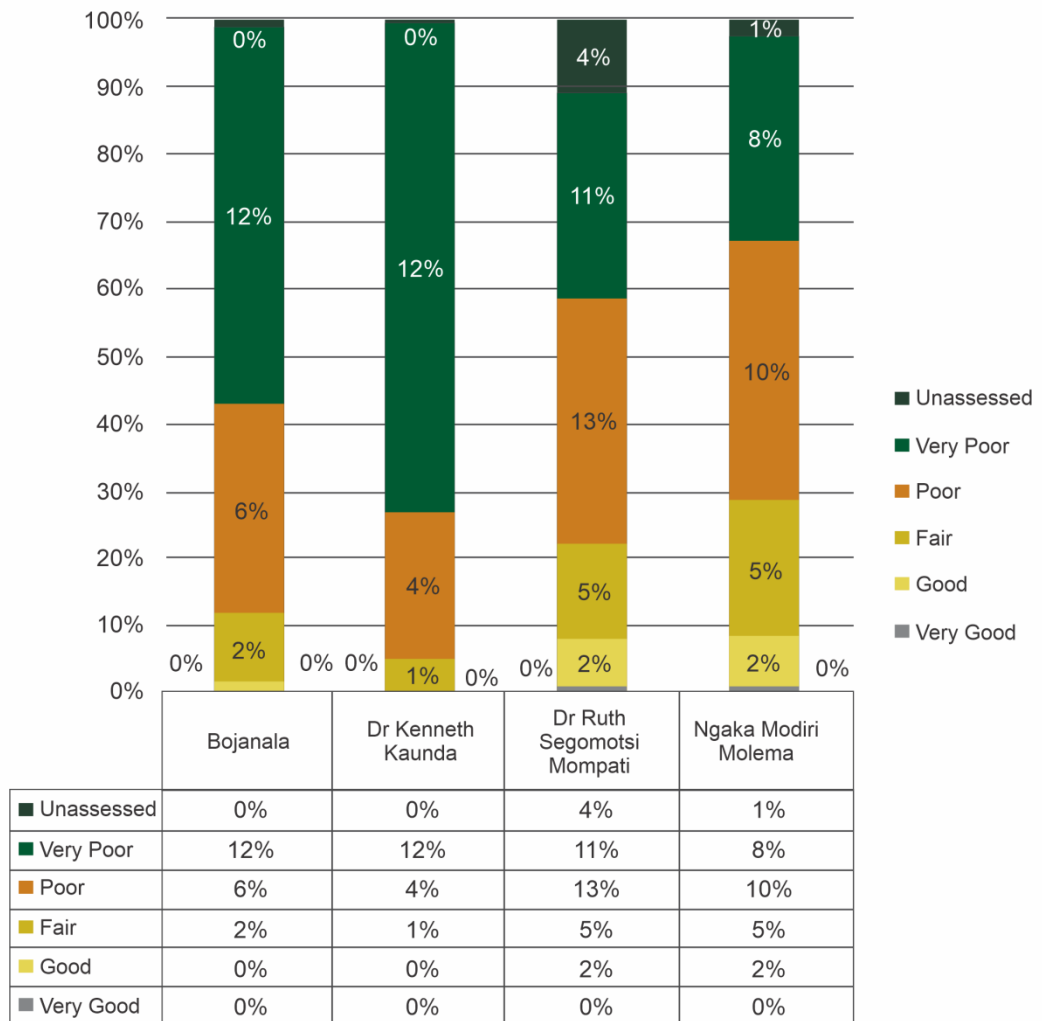
The table below shows the extent of the road network for each region:

DISTRICTS	PAVED	UNPAVED	TOTAL
Bojanala	1 877.5	2 236.0	4 113.5
Dr. Kenneth Kaunda	914.2	2 242.0	3 156.2
Dr. Ruth Segomotsi Mompati	957.7	6 241.9	7 199.5
Ngaka Modiri Molema	1 669.0	3 530.1	5 199.0
TOTAL	5 418.4	14 249.8	19 668.2

Paved roads constitute 5 419 kilometres of the provincial road network. Condition assessments determined that only thirty-five (35) kilometres of the paved network falls within the category of Very Good.

The distribution of the total network in terms of the categories of Poor and Very Poor is of concern – the distribution is as follows:

VCI condition Total Network



The maintenance needs in respect of the paved network is as follows:

- Rehabilitation – 41%
- Routine maintenance – 17%
- Periodic maintenance – 2%
- Special maintenance – 40%

The maintenance needs in respect of the unpaved network is as follows:

- Re-gravelling – 57%
- Upgrading – 6%
- Maintenance on certain sections – 6%

8.9 MAJOR MAINTENANCE PROJECTS COMPLETED DURING THE YEAR UNDER REVIEW

The performance against maintenance projects that were planned for implementation in the 2022/23 financial year is set out under sections 4.6.2.1, 4.6.3.1 and 8.2 of this document.

8.10 PROGRESS MADE IN ADDRESSING THE MAINTENANCE BACKLOG DURING THE PERIOD UNDER REVIEW

The performance against maintenance projects that were planned for implementation in the 2022/23 financial year is set out under sections 4.6.2.1, 4.6.3.1 and 8.2 of this document.

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GOVERNANCE

9. GOVERNANCE IN THE DEPARTMENT

9.1 GENERAL

The Department is committed to the achievement of good corporate governance as it supports proper management of public finances and resources and it encourages better decision-making.

To this end, the Department established structures that are tasked with ensuring that good governance is embedded, that it is efficient and effective, that state resources are used economically and that reporting promotes honesty and accountability.

9.2 RISK MANAGEMENT

The Department reviewed and approved its Risk Management Policy, Risk Management Strategy and Risk Management Implementation Plan that guided the rolling out of its risk management activities during the 2022/23 financial year.

The Department conducted risk assessments to determine the effectiveness of risk management strategies and to identify new and emerging risks. The risk assessment process was guided by the Risk Management Strategy, which aided in the development of the Departmental Risk Register for the financial year 2022/23. The Departmental Risk Register comprises the following:

- Strategic Risk Register
- Operational Risk Register
- Fraud Risk Register and
- ICT Risk Register

The Department considered both internal and external conditions that might hinder the achievement of the outcomes and outputs as contained in the Strategic Plan and Annual Performance Plans. Risks were identified, and treatment plans were implemented and monitored. A review of the efficacy of the plans were undertaken in order to improve on the plans drafted for implementation in the 2023/24 financial year.

A Risk Management Committee is in place. This structure advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The Committee operated under a Charter that was approved by the Accounting Officer. An independent Chairperson, appointed on a three-year term, chairs the Committee. The Committee held four (4) quarterly meetings during the year under review.

The external Audit Committee provided independent oversight over the system of risk management and monitored the effectiveness of the Department's risk management systems.

9.3 FRAUD AND CORRUPTION

The Department has an approved Fraud Prevention Strategy in place. The Strategy details how the Department makes changes and improvements in its drive to promote good governance, accountability and effectively fight fraud and corruption. The Department has adopted a zero tolerance to corrupt or fraudulent activities, whether internal or external. It will pursue and prosecute any party that engages in, or attempts to engage in these activities by all legal means available.

The Department conducted anti-corruption, fraud and ethics workshops during the year under review. The purpose of conducting these workshops was to assist in the prevention, detection and reporting of fraud and corruption by raising the level of awareness as to how fraud and corruption manifest in the workplace and how employees can contribute in curbing the effects of fraud and corruption. The Department also completed the fraud risk assessment and prepared a Fraud Risk Register as part of the Anti-Corruption and Fraud Prevention Strategy.

The Department encourages safe reporting through the National Anti-Corruption Hotline (NACH) and included a Safe Reporting Tool as part of the Whistle-Blowing Policy. Prevention, detection and preliminary investigations are done internally through the Directorate: Security Management Services while external investigation of reported matters are referred to the Provincial Anti-Corruption / Forensic Unit or to the Public Service Commission.

9.4 MINIMIZING CONFLICT OF INTEREST

The Department maintains a register of employees who have declared that they are performing remunerative work outside of employment (as also approved by the Accounting Officer). The register is a tool for managing possible conflicts of interest.

Annually, specific categories of officials are required to disclose their financial interests on the E-disclosure system to minimize and manage possible conflict of interest of officials. Educational workshops were conducted to educate officials with regard to ethics, fraud prevention and anti-corruption activities.

All departmental SCM Bid Committee members are required to sign declaration of interests as well.

Where employees are involved in processes that may create conflict of interest, those employees are required to remove themselves from those processes. Where conflict of interest is identified, the matter must be referred for investigation.

9.5 CODE OF CONDUCT

The Code of Conduct in the Public Service provides a set of rules, values and ethical principles that public servants should adhere to. The Code also provides standards on how public servants should conduct themselves from an ethical point of view, with reference to their individual conduct, the performance of their duties and their relationship with others.

Employees are required to sign the Code of Conduct, declaring that they understand the Department's expectations regarding ethics and compliance with the Code of Conduct and that they are not aware of any violations thereto.

The Department conducted Anti-corruption, Fraud and Ethics workshops to educate employees on aspects of the Code of Conduct relating to ethical behavior, acceptable conduct, conflict of interest as well as their responsibilities regarding the Public Service Regulations of 2016.

Non-compliance to the Code of Conduct must be referred for investigation and disciplinary action must be taken against employees that breach the code of conduct.

9.6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Department is continuously raising awareness on mental health issues, chronic diseases and other wellness management programmes.

Inspections of service delivery areas are conducted to ensure that defects are identified and reported for maintenance purpose.

9.7 PORTFOLIO COMMITTEES

The engagements with the Portfolio Committee on Community Safety and Transport and Public Works and Roads during the period under review covered the following areas of oversight:

- Quarterly financial and non-financial reports.
- Annual Performance Plan and MTEF budget for 2022/23.
- Second draft Annual Performance Plan and MTEF budget for 2023/24.
- Annual Report for 2021/22.
- Performance reports / oversight reports on specific matters as per requests communicated from time to time.

9.8 PROVINCIAL PUBLIC ACCOUNTS COMMITTEE RESOLUTIONS

AUDITOR GENERAL'S REPORT REFERENCE	QUESTION	RESPONSE	RESOLVED YES / NO
Resolution 7 of PPAC First report 2022	The department should ensure that contract and project management principles are clearly documented and communicated to staff, to avoid instances where services are paid but not delivered. In cases where non-compliance occurs, recorded actions should be taken timeously.	The contract and project management principles are outlined in the General Conditions of Contract and are available to both the contractors and the project managers. With regards to services paid for without any delivery; all invoices are certified by the relevant project managers together with the relevant programme manager before any payment is effected.	Yes
	The road maintenance grant to be used for intended purpose as stipulated in the DORA.	The PRMG (Provincial Roads Maintenance Grant) is used for its intended purpose in terms of the requirements of the DORA.	Yes
	The Post Audit Action Plan should be implemented to avoid repetition of findings from prior years.	The Audit Action Plan was developed and implemented. The plan was further reviewed by Provincial Treasury and Provincial Internal Audit for adequacy before implementation.	Yes
	Adequate monitoring must be done to ensure that expenditure is classified correctly in the Financial Statements.	During the course of the year, the office of the Chief Financial Officer would allow misclassification of expenditure in order to pay service providers in time. Then, on a monthly basis, the Directorate: Financial Management would pass journals to correct misclassification and redirect the expenditure accordingly in line with SCOA.	Yes
	Review and monitoring of the classifications should be done constantly.	Review and monitoring of the expenditure classifications are performed on a monthly basis in order to ensure that expenditure is classified correctly in the Annual Financial Statements.	Yes
	Adequate training should be provided to SCM officials to enable proper application of the SCM regulations in their work execution. Proper record keeping should be implemented to ensure that complete, relevant and accurate information is accessible and available to support the irregular expenditure included in the register. An action plan should be implemented to avoid repetition of findings from prior year. Irregular expenditure register should be reviewed and updated timely to ensure that it is complete.	The SCM compliance unit performs pre- and post audits at Head Office and District level to ensure compliance with the prescripts. In addition, continuous training of SCM staff is provided by Provincial Treasury. Checklists have been developed by the SCM Directorate, in line with prescripts. These lists assists in preventing irregular expenditure. The irregular expenditure register is updated on monthly basis upon confirmation of irregular expenditure identified.	Yes

9.9 INTERNAL CONTROL

The Department maintained internal controls in response to identified and assessed risks pertaining to the Department's governance, operations and financial systems with specific reference to the achievement of strategies and objectives; reliability and integrity of financial and operational reporting; effectiveness and efficiency of operations and

programmness; safeguarding of assets and compliance with laws, regulations, policies and procedures and contracts.

The internal controls were designed to provide reasonable assurance regarding the achievement of the Department's objective and goals. The Department implemented, among others, the following interventions to ensure the adequacy and effectiveness of internal controls:

- development of an operating procedural manual and periodic review of policies;
- development and implementation of the Post Audit Action Plans;
- reviewed and updated checklists in terms of recent legislation;
- reviewed contract files for completeness.

9.10 PRIOR MODIFICATIONS TO AUDIT REPORTS

The mechanisms that the Department had implemented during the year under review to address the qualification received in the audit of the 2021/22 financial year are outlined in the table below:

NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING / RESOLVING THE MATTER
Irregular Expenditure – qualified opinion	2014/2015	A Compliance Unit was established and checklists that are aligned to regulations were developed and implemented.
		All bids above R10 million are submitted to Provincial Internal Audit for review, prior to award.
		The Department is considering the appointment of a service provider to assist in clearing the qualification.
		A review of all current projects was performed to ensure the completeness of documentation in the contract files.

9.11 PROVINCIAL INTERNAL AUDIT

Key activities and objectives of the internal audit

Key activities:

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Key objectives:

Provide a value add risk based internal audit service to the department.

Summary of audit work done

For the financial year under review 20 internal audit assignments were performed. Work performed was based on a risk based internal audit plan and included audits of: risk management; supply chain management; financial statements; reporting on pre-determined objectives and the implementation audit action plans etc. Based on the internal audit work performed recommendations have been made to the Department for the enhancement and improvement of risk management, governance and internal control processes.

9.12 PROVINCIAL AUDIT COMMITTEE**Key activities:**

The audit committee, amongst others, reviews the following:

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of the internal audit function;
- (c) the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- (e) any accounting and auditing concerns identified as a result of internal and external audits;
- (f) the institution's compliance with legal and regulatory provisions;
- (g) 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

Key objective:

To contribute to the oversight function of the design and implementation of effective corporate governance, financial and performance management, risk management and internal controls with a view of achieving quality service delivery.

Attendance of audit committee meetings by audit committee members

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	ROLE	DATE APPOINTED	DATE RESIGNED	NUMBER OF MEETINGS ATTENDED
Central Audit Committee						
Ms P. Mzizi	CA(SA)	External	Chairperson	14 February 2022		7
Mr P. Tjie	B.Com, PMD	External	Member	14 February 2022		7
Mr. L. Ally	CA(SA)	External	Member	14 February 2022		7

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	ROLE	DATE APPOINTED	DATE RESIGNED	NUMBER OF MEETINGS ATTENDED
Cluster Audit Committee						
Ms. P. Mzizi	CA(SA)	External	Chairperson	14 February 2022		7
Mr. V. Makaleni	MPA	External	Member	14 February 2022		6
Mr. V. Magan	CA(SA), CIA	External	Member	14 February 2022		6
Mr. M. Ramukumba	CA(SA)	External	Member	14 February 2022		7
Mr. M. Terheyden ⁴	CA(SA)	External	Member	14 February 2022		1*

⁴ Co-opted for specific meetings

10. REPORT OF THE PROVINCIAL AUDIT COMMITTEE

1. Legislative Requirements

The Audit Committee herewith presents its report for the financial year ended 31 March 2023, as required by treasury regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

2. Audit Committee Members and Attendance

The Audit Committee should meet at least four times per annum as the Central Audit Committee and also four times per annum as the Cluster Audit Committee as per its approved terms of reference. During the current year 7 meetings were held by the Central Audit Committee and 7 meetings was held by the Cluster Audit Committee.

3. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) (ii) of the Public Finance Management Act, 1999 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 its responsibilities as contained therein.

4. The effectiveness of internal control

In line with the Public Finance Management Act, 1999, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12.

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

Through our analysis of audit reports and engagement with the Department we can conclude that the system on internal control for the period under review was not entirely adequate and effective.

A matter of concern for the Audit Committee that has been raised with the department continuously is that the department is currently not implementing all internal and external audit action plans agreed upon. Based on our interaction with the department we conclude that the action plan management system has not been implemented adequately and effectively to address internal and external audit findings and the Audit Committee and Internal Audit have recommended specific improvements in this regard.

The Audit Committee remains concerned with the slow progress in the finalization of irregular and fruitless and wasteful expenditure.

5. Risk Management

Based on the quarterly audit committee reviews, the departmental risk and fraud management system is not adequate and effective. The Audit Committee remains concerned that not all ICT risks are being addressed or mitigated.

6. In-Year Management and Quarterly Reporting

The quality of the in-year financial and performance reporting including interim financial statements are a concern to the Audit Committee.

The Audit Committee has recommended that the department prepare interim financial statements that comply with the financial reporting framework (Modified Cash Standard (MCS)). This will assist in performing reconciliations timeously and in eliminating year-end adjustments.

The department did not adequately report to the Audit Committee on compliance to the Division of Revenue Act, 2022.

7. Evaluation of Financial Statements

During the 4TH Quarter the Department presented the annual financial statement preparation plan and a progress report to the Audit Committee. The draft annual financial statements reviewed by the Audit Committee was not reflective of the progress reported to the Committee.

The draft annual financial statements reviewed by the Audit Committee was not submitted timely and finalised and completed to the extent required to enable adequate and effective review thereof. This compromised the assurance value of the review performed the Audit Committee. The Audit Committee has however 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 Internal Audit, the Accountant General and the Audit Committee are fully addressed prior to submission of the annual financial statements to the Auditor General South Africa.

Subsequently the material misstatements that were not corrected and corrected were also reviewed when the management report of the AGSA was discussed with the Audit Committee.

8. Evaluation of Performance Information

The information on predetermined objectives to be included in the annual report reviewed by the Audit Committee was not submitted timely and finalised and completed to the extent required to enable adequate and effective review thereof. This compromised the assurance value of the review performed the Audit Committee. The Audit Committee has however reviewed information on predetermined objectives to be included in the annual report prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of Internal Audit and the Audit Committee are fully addressed prior to submission of the annual financial statements to the Auditor General South Africa.

The Audit Committee has discussed the external audit outcomes programme performance information to be included in the annual report with the AGSA and the Accounting Officer.

9. Compliance with laws and regulations

The Audit Committee is concerned with the status of compliance with laws and regulations. If the department does not implement an adequate and effective compliance framework and system, noncompliance and irregular expenditure will continue to occur.

10. Internal Audit

The accounting officer is obliged, in terms of the Public Finance Management Act, 1999, to ensure that the department has a system of internal audit under the control and direction of the Audit Committee. The Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The Audit Committee also notes that the deficiencies in the risk management system mentioned above impact on the implementation of the risk-based audit approach.

The Audit Committee is satisfied that the internal audit function maintains an effective internal quality assurance programme that covers all aspects of the internal audit activity and that as determined during the external quality assessment review, that a generally “conforms rating” can be applied to the internal audit work and the term “Conforms with the International Standards for the Professional Practice of Internal Auditing” may be used by the function.

11. Auditor-General South Africa

We have reviewed the department’s implementation plan for audit issues raised in the previous year and based on the interaction with the department and the internal audit reports, the committee is not satisfied that all matters have been adequately addressed. To effectively address and prevent repeat audit findings, it must be a high priority for the department in the 2023/24 financial year. The Audit Committee is not aware 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 should be accepted and read together with the report of the AGSA.

12. General

We would like to express our appreciation to the Executive Authority, the Accounting Officer for his leadership and support, AGSA, Internal Audit and management for their commitment.

Signed on behalf of the Cluster Audit Committee by:

Chairperson of the	<i>P Mzizi CA(SA)</i>
Cluster Audit Committee
Date	P Mzizi CA (SA)
	13 August 2023

11. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The report for the period under review is as follows:

REPORT ON APPLICATION OF ANY RELEVANT CODE OF CONDUCT PRACTICE (B-BBEE CERTIFICATE LEVEL 1 – 8)		
Criteria	Yes/No	Discussion
Determining qualification criteria for the issuing of licenses, concessions or other authorizations in respect of economic activity in terms of the law	No	Not applicable.
Developing and implementing a preferential procurement policy	Yes	The policy has been developed and incorporated in the departmental Supply Chain Management Policy.
Determining qualification criteria for the sale of state-owned enterprises	No	Not applicable.
Developing criteria for entering into partnerships with the private sector	No	Partnerships are currently evaluated on a case-by-case basis before any agreement can entered into.
Determining criteria for the awarding of incentives, grants and investment schemes In support of broad-based black economic empowerment	No	None during the year under review.

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**HUMAN RESOURCE
OVERSIGHT REPORT**

Department of Public Works & Roads

12. HUMAN RESOURCE OVERSIGHT STATISTICS

12.1 PERSONNEL-RELATED EXPENDITURE

Table 12.1.1 Personnel expenditure by Programme, 1 April 2022 - 31 March 2023						
Programme	Total expenditure	Personnel expenditure (excl Goods & Services)	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	Average personnel cost per employee R'000
Prog 1: Administration	R196 791,00	R133 206,00	R42 779 913,35		72,70	R443,00
Prog 4: Community-Based Programme	R346 687,00	R5 271,00	R260.000		2,50	R 0.00
Prog 2: Public Works Infrastructure	R1 069 356,00	R372 750,00	R1 323,665.00		36,90	R 320.00
Prog 3: Transport Infrastructure	R1 787 031,00	R303 830,00	R2 029.000		18,00	R 274.00
Total	R3 339 864.00	R815 057.00	R44 126 468.35	R0.00	25,00	R53.00

Table 12.1.2 Personnel costs by salary bands, 1 April 2022 - 31 March 2023				
Salary bands	Personnel expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
Lower skilled (Levels 1 - 2)	R66,565,795.23	6	372	R 178,940.00
Skilled (Levels 3 - 5)	R354,127,854.89	32	1 262	R 258,865.00
Highly skilled production (Levels 6 - 8)	R251,191,041.89	23	543	R 462,599.00
Highly skilled supervision (Levels 9 -12)	R169,373,687.86	15	225	R 752,772.00
Senior and Top Management (Level 13 - 16)	R35,271,255.50	3	28	R 1,259,688.00
Non-permanent	R57,372,037.01	5		R 0.00
Total	R933,901,672.38	84	2 425	R 368,985.00

Table 12.1.3 Salaries, Overtime, Home Owners Allowance and Medical Assistance by Programme, 1 April 2022 – 31 March 2023

Programme	Salaries		Overtime		Home owners allowance		Medical aid	
	Amount	Salaries as a % of personnel cost	Amount	Overtime as a % of personnel cost	Amount	HOA as a % of personnel cost	Amount	Medical aid as a % of personnel cost
Prog 1: Administration	R 130,669,090.21	66	R 2,174,496.84	1	R 7,259,636.11	4	R 12,962,482.17	7
Prog 4: Community- Based Programme	R 3,515,278.85	6		0	R 163,570.42	0	R 229,789.00	0
Prog 2: Public Works Infrastructure	R 237,449,568.77	64	R 5,418,411.76	2	R 18,554,481.01	5	R 31,693,382.37	9
Prog 3: Transport Infrastructure	R 189,731,693.73	62	R 4,203,008.76	1	R 17,369,895.72	6	R 29,246,691.00	10
Total	R 561,365,631.56	60	R 11,795,917.36	1	R 43,347,583.26	5	R 74,132,344.54	8

Table 12.1.4 Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 1 April 2022 – 31 March 2023

Salary bands	Salaries		Overtime		Home owners allowance		Medical aid	
	Amount	Salaries as a % of personnel cost	Amount	Overtime as a % of personnel cost	Amount	HOA as a % of personnel cost	Amount	Medical aid as a % of personnel cost
Lower skilled (Levels 1 - 2)	R 38,032,955.44	57	R 1,540,132.56	2	R 5,081,525.25	8	R 9,563,667.50	14
Skilled (Levels 3 - 5)	R 210,793,148.53	60	R 6,569,956.64	2	R 24,235,775.54	7	R 41,242,508.50	12
Highly skilled production (Levels 6 - 8)	R 170,284,075.59	68	R 2,604,691.06	1	R 9,680,624.90	4	R 17,601,163.00	7
Highly skilled supervision (Levels 9 -12)	R 119,466,872.57	71	R 1,081,137.10	1	R 3,784,757.57	2	R 5,391,189.54	3
Senior and Top Management (Levels 13 -16)	R 22,788,579.43	65		0	R 564,900.00	2	R 333,816.00	1
Non-permanent		0		0		0		0
Total	R 561,365,631.56	60	R 11,795,917.36	1	R 43,347,583.26	5	R 74,132,344.54	8

12.2 EMPLOYMENT AND VACANCIES

Table 12.2.1 Employment and vacancies by Programme, 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Prog 1: Administration	297	253	46	58
Prog 4: Community- Based Programme	9	7	44	
Prog 2: Public Works Infrastructure	1252	1141	48	51
Prog 3: Transport Infrastructure	1174	1024	47	9
Total	2732	2425	1.9	118

Table 12.2.2 Employment and vacancies by salary bands, 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Lower skilled (Levels 1 - 2)	782	280	77	81
Skilled (Levels 3 - 5)	1126	1355	71	4
Highly skilled production (Levels 6 - 8)	546	543	74	16
Highly skilled supervision (Levels 9 -12)	251	221	76	15
Senior Management (Levels 13 - 16)	27	26	49	2
Total	2732	2425	3.5	118

Table 12.2.3 Employment and vacancies by critical occupation, 31 March 2023

Critical occupations	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Administrative related	464	131	72	1
All artisans in the building metal machinery etc.	797	113	86	1
Architects, town and traffic planners	17	2	88	2
Artisan, project and related superintendents	34	9	74	
Auxiliary and related workers	116	35	70	
Boiler and related operators	21	1	95	
Building and other property caretakers	138	18	87	
Bus and heavy vehicle drivers	29	5	83	
Cartographers and surveyors	21	5	76	4
Cartographic surveying and related technicians	1		100	

Table 12.2.3 Employment and vacancies by critical occupation, 31 March 2023

Critical occupations	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Chemical and physical science technicians	61	11	82	2
Civil engineering technicians	1		100	
Cleaners in offices workshops hospitals etc.	765	248	68	
Client inform clerks (switchboard, reception, information clerks)	44	9	80	
Communication and information related	1		100	
Computer system designers and analysts.	5	2	60	
Electrical and electronics engineering technicians	2		100	
Engineering sciences related	2		100	2
Engineers and related professionals	96	7	93	6
Farm hands and labourers	29	2	93	4
Finance and economics related	23	1	96	
Financial and related professionals	129	29	78	
Financial clerks and credit controllers	97	18	81	
General, legal administration & related professionals	18	4	78	
Geologists, geophysicists, hydrologists & related professionals	1		100	
Head of department/chief executive officer	5		100	
Horticulturists, foresters, agriculture & forestry technicians	5		100	
Human resources & org development & relate professions	64	10	84	
Human resources clerks	203	44	78	
Human resources related	16	1	94	
Inspectors of apprentices, works and vehicles	238	101	58	
Language practitioners, interpreters & other communicators	6		100	
Librarians and related professionals	3	1	67	
Library, mail and related clerks	62	19	69	
Light vehicle drivers	331	99	70	
Logistical support personnel	11	1	91	
Material-recording and transport clerks	56	9	84	
Mechanical engineering technicians	0		0	2
Messengers, porters and deliverers	39	10	74	1
Motor vehicle drivers	327	97	70	
Motorized farm and forestry plant operators	35	5	86	
Office clerks and related keyboard operators	2		100	
Other admin & related clerks and organizers	979	260	73	87
Other administrative policy and related officers	300	73	76	1

Table 12.2.3 Employment and vacancies by critical occupation, 31 March 2023

Critical occupations	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Other information technology personnel.	22	2	91	
Other occupations	0		0	1
Photographers, image & sound recording equipment operators	1		100	
Printing and related machine operators	86	18	79	
Production advisers: factories	254	105	59	
Road superintendents	50	15	70	
Road trade workers.	185	36	81	
Road workers	1395	458	67	
Safety, health and quality inspectors	106	18	83	
Secretaries & other keyboard operating clerks	82	16	81	1
Security guards	6		100	
Security officers	9	1	89	
Senior managers	74	27	64	
Social sciences related	2		100	
Social work and related professionals	8	3	63	
Trade labourers	948	272	71	
Trade trainers	1		100	
Trade/industry advisers & other related profession	1		100	
Work planners	1		100	
Total	8950	2388	73	115

12.3 FILLING OF SMS POSTS

Table 12.3.1 SMS post information as on 31 March 2023

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16	1	1	100	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	6	6	100	0	0
Salary Level 13	20	19	95	1	5
Total	28	27	96	1	3

Table 12.3.2 SMS post information as on 30 September 2022

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16	1	1	100	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	6	4	100	0	0
Salary Level 13	20	19	53	3	25
Total	28	25	7.6	3	25

Table 12.3.3 Advertising and filling of SMS posts, 1 April 2022 - 31 March 2023

SMS level	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
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	0	0	0

Table 12.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 - 31 March 2023

Post	Vacancy date	Approval to advertise date	Reasons
Departmental moratorium on filling of posts			

Table 12.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 to 31 March 2023

Not applicable.

12.4 JOB EVALUATION

Table 12.4.1 Job evaluation by salary band, 1 April 2022 - 31 March 2023							
Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1 - 2)	782	0	0	0	0	0	0
Skilled (Levels 3 - 5)	1126	0	0	0	0	0	0
Highly skilled production (Levels 6 - 8)	546	0	0	0	0	0	0
Highly skilled supervision (Levels 9 -12)	251	0	0	0	0	0	0
Senior Management Service Band A	24	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Total	2736	0	0	0	0	0	0

Table 12.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded, 1 April 2022 - 31 March 2023					
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

Table 12.4.3 Employees with salary levels higher than those determined by job evaluation by occupation, 1 April 2022 - 31 March 2023				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administrative related	0	0	0	0
Cleaners	0	N/A	N/A	0
Communication and information related	0	N/A	N/A	0
Engineering and related professionals	0	N/A	N/A	0
Financial and related professionals	0	N/A	N/A	0
Artisan and related professionals	0	N/A	N/A	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

Table 12.4.4 Profile of employees who have salary levels higher than those determined by job evaluation, 1 April 2022 - 31 March 2023

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

12.5 EMPLOYMENT CHANGES

Table 12.5.1 Annual turnover rates by salary band, 1 April 2022 – 31 March 2023

Salary band	Number of employees at 1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1 - 2)	782	45	9	3
Skilled (Levels 3 - 5)	1126	9	89	7
Highly skilled production (Levels 6 - 8)	546	11	43	8
Highly skilled supervision (Levels 9 - 12)	251	16	19	9
Senior Management Service Band A (Level 13)	18	1	1	6
Senior Management Service Band B (Level 14)	2	4	0	0
Senior Management Service Band C (Level 15)	0	1	0	0
MEC & Senior Management Service Band D (Level 16)	1	0	0	0
Contracts	91	120	29	79
Non-permanent	12210	1688	1067	8
Total	15027	1895	1293	9

Table 12.5.2 Annual turnover rates by critical occupation, 1 April 2022 to 31 March 2023

Critical occupation	Number of employees at beginning of period - 1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related	96	7	10	10
All artisans in the building metal machinery etc.	247	3	17	7
Architects town and traffic planners	3	4	3	100
Artisan project and related superintendents	14	0	1	7
Auxiliary and related workers	48	0	3	6
Boiler and related operators	1	0	0	0
Building and other property caretakers	21	0	0	0
Bus and heavy vehicle drivers	39	0	6	15

Table 12.5.2 Annual turnover rates by critical occupation, 1 April 2022 to 31 March 2023

Critical occupation	Number of employees at beginning of period - 1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Cartographers and surveyors	7	4	4	57
Cartographic surveying and related technicians	2	0	1	50
Chemical and physical science technicians	19	2	3	16
Civil engineering technicians	3	0	0	0
Cleaners in offices, workshops, hospitals etc.	236	44	19	8
Client inform clerks (switchboard, reception, info clerks)	11	0	0	0
Communication and information related	2	0	0	0
Compositors, typesetters & related printing workers	2	0	0	0
Computer system designers and analysts	1	0	0	0
Electrical and electronics engineering technicians	3	0	0	0
Engineering sciences related	7	4	1	14
Engineers and related professionals	5	3	4	80
Farm hands and labourers	55	39	74	135
Finance and economics related	8	2	1	13
Financial and related professionals	29	1	1	3
Financial clerks and credit controllers	73	0	12	16
Fire-fighting and related workers	1	0	0	0
Food services aids and waiters	2	0	1	50
General legal administration & rel. Professionals	5	0	1	20
Head of department/chief executive officer	1	0	0	0
Household and laundry workers	2	0	0	0
Human resources & org development & relate professions	18	4	3	17
Human resources clerks	35	7	5	14
Human resources related	6	0	0	0
Information technology related	3	0	0	0
Inspectors of apprentices works and vehicles	94	0	8	9
Librarians and related professionals	1	0	0	0
Library mail and related clerks	16	1	1	6
Light vehicle drivers	11	0	1	9
Material-recording and transport clerks	42	0	1	2
Mechanical engineering technicians	2	2	2	100
Messengers, porters and deliverers	10	1	0	0
Motor vehicle drivers	100	0	7	7

Table 12.5.2 Annual turnover rates by critical occupation, 1 April 2022 to 31 March 2023

Critical occupation	Number of employees at beginning of period - 1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Motorized farm and forestry plant operators	5	0	0	0
Other admin & related clerks and organizers	236	101	48	20
Other administrative, policy and related officers	78	1	5	6
Other information technology personnel.	5	0	2	40
Other occupations	190	1053	259	136
Printing and related machine operators	3	0	0	0
Production advisers: factories	28	1	0	0
Road superintendents	12	1	0	0
Road trade workers.	30	0	0	0
Road workers	450	0	33	7
Safety, health and quality inspectors	1	0	0	0
Secretaries & other keyboard operating clerks	30	4	2	7
Security guards	18	0	0	0
Security officers	5	0	1	20
Senior managers	17	6	1	6
Social sciences related	1	0	1	100
Social work and related professionals	3	0	0	0
Trade labourers	12836	598	751	6
Trade related	1	0	0	0
Trade trainers	2	0	0	0
Trade/industry advisers & other related professions	1	0	0	0
Total	15233	1893	1293	9

Table 12.5.3 Reasons why staff left the Department for the period 1 April 2022 - 31 March 2023

Termination Type	Number	% of total resignations
Death	23	2
Resignation	102	8
Expiry of contract	1082	84
Dismissal – operational changes		0
Dismissal – misconduct	1	0
Dismissal – inefficiency		0
Discharged due to ill-health	3	0
Retirement	75	6
Transfer to other Public Service Departments	7	1
Other		0
Total	1293	10
Total number of employees who left as a % of total employment		9

Table 12.5.4 Promotions by critical occupation for the period 1 April 2022 - 31 March 2023

Occupation	Employees as at 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	96	2	2	51	53
All artisans in the building metal machinery etc.	247		0	194	79
Architects, town and traffic planners	3		0		0
Artisan project and related superintendents	14		0	10	71
Auxiliary and related workers	48		0	31	65
Boiler and related operators	1		0	1	100
Building and other property caretakers	21		0	14	67
Bus and heavy vehicle drivers	39		0	13	33
Cartographers and surveyors	7		0	1	14
Cartographic surveying and related technicians	2		0	1	50
Chemical and physical science technicians	19		0	13	68
Civil engineering technicians	3		0	2	67
Cleaners in offices workshops hospitals etc.	236		0	168	71
Client information clerks (switchboard, reception, info clerks)	11		0	10	91
Communication and information related	2		0	2	100
Compositors typesetters & related printing workers	2		0		0
Computer system designers and analysts.	1		0	1	100
Electrical and electronics engineering technicians	3		0		0
Engineering sciences related	7		0	1	14

Table 12.5.4 Promotions by critical occupation for the period 1 April 2022 - 31 March 2023

Occupation	Employees as at 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Engineers and related professionals	5		0		0
Farm hands and labourers	55		0	4	7
Finance and economics related	8		0	6	75
Financial and related professionals	29		0	17	59
Financial clerks and credit controllers	73		0	43	59
Fire-fighting and related workers	1		0	1	100
Food services aids and waiters	2		0	2	100
General legal administration & related professionals	5		0	4	80
Head of department/chief executive officer	1	1	100		0
Household and laundry workers	2		0	2	100
Human resources, organizational development & relate professionals	18		0	9	50
Human resources clerks	35		0	26	74
Human resources related	6	1	17	4	67
Information technology related	3		0	2	67
Inspectors of apprentices, works and vehicles	94	1	1	45	48
Librarians and related professionals	1		0	1	100
Library mail and related clerks	16		0	10	63
Light vehicle drivers	11		0	5	46
Material-recording and transport clerks	42		0	30	71
Mechanical engineering technicians	2		0		0
Messengers, porters and deliverers	10		0	6	60
Motor vehicle drivers	100		0	69	69
Motorized farm and forestry plant operators	5		0	1	20
Other admin & related clerks and organizers	236	2	1	155	66
Other administrative policy and related officers	78		0	33	42
Other information technology personnel.	5		0	3	60
Other occupations	190		0	22	12
Printing and related machine operators	3		0	3	100
Production advisers : factories	28		0	24	86
Road superintendents	12		0	4	33
Road trade workers.	30		0	22	73
Road workers	450	1	0	342	76

Table 12.5.4 Promotions by critical occupation for the period 1 April 2022 - 31 March 2023

Occupation	Employees as at 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Safety health and quality inspectors	1		0		0
Secretaries & other keyboard operating clerks	30	1	3	17	57
Security guards	18		0	17	94
Security officers	5		0	5	100
Senior managers	17		0	3	18
Social sciences related	1		0	1	100
Social work and related professionals	3		0	2	67
Trade labourers	12836		0	264	2
Trade related	1		0	1	100
Trade trainers	2		0	2	100
Trade/industry advisers & other related professions	1		0	1	100
Total	15233	9	0	1721	11

Table 12.5.5 Promotions by salary band, 1 April 2022 - 31 March 2023

Salary band	Employees as at 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Lower skilled (Levels 1 - 2)	311		0	163	52
Skilled (Levels 3-5)	1405	3	0	1085	77
Highly skilled production (Levels 6 - 8)	563		0	340	60
Highly skilled supervision (Levels 9 -12)	223	5	2	128	57
Senior management (Levels 13 -16)	23	1	4	5	22
Non-permanent	12708		0		0
Total	15233	9	0	1721	11

12.6 EMPLOYMENT EQUITY

Table 12.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	0	0	0	5	1	0	2	24
Professionals	48	1	1	1	53	2	0	1	107
Technicians and associate professionals	125	1	0	2	105	3	1	6	243
Clerks	128	2	20	4	245	4	0	12	394
Service and sales workers	22	0	0	0	1	0	0	0	23
Craft and related trades workers	345	2	0	10	52	1	0	0	410
Plant and machine operators and assemblers	137	0	0	2	6	0	0	0	145
Elementary occupations	699	2	0	5	362	3	0	1	1072
Total	1506	8	21	24	829	14	1	22	2425
Non-permanent Workers (developmental programme)	4053	4	0	0	8333	5	0	0	12395
Total	5559	12	21	24	9162	19	1	22	2531
Employees with disabilities	26	1		1	3				31

Table 12.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2								2
Senior Management	16				7	1		2	26
Professionally qualified and experienced specialists and mid-management	89		1	3	53	3	1	3	153
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	347	3	1	12	233	2		16	614
Semi-skilled and discretionary decision making	964	4	1	9	383	5		2	1368
Unskilled and defined decision making	141	2			223	2			368
Non-permanent workers									
Total	1559	9	3	24	899	13	1	23	2531
Employees with disabilities	26	1		1	3				31

Table 12.6.3 Recruitment for the period 1 April 2022 - 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1								1
Senior Management	3				2				5
Professionally qualified and experienced specialists and mid-management	10				5				15
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	15				9				24
Semi-skilled and discretionary decision-making	7				5				12
Unskilled and defined decision making	40	1			100				141
EPWP beneficiaries	423				628				1051
Non-permanent workers	232				405				637
Non-permanent workers (developmental programme)									
Total	731	1	0	0	1154	0	0	0	1886
Transfers to the Department	2				3		1	1	7
Total including transfers to Department	733	1	0	0	1157	0	1	1	1893
Employees with disabilities	1				1				2

Table 12.6.4 Promotions for the period 1 April 2022 - 31 March 2023

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	1								1
Professionally qualified and experienced specialists and mid-management	2								2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2				1				3
Semi-skilled and discretionary decision making	2				1				3
Unskilled and defined decision making									
Total	7	0	0	0	2	0	0	0	9
Employees with disabilities	1								1

Table 12.6.5 Terminations for the period 1 April 2022 - 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	1								1
Professionally qualified and experienced specialists and mid-management	13				8				21
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	32			5	21				58
Semi-skilled and discretionary decision making	85	1		1	33				120
Unskilled and defined decision making	11				8				19
EPWP beneficiaries	345	1			416	2			764
Non-permanent workers	96				207				303
Non-permanent workers (developmental programme)									
Total	583	2	0	6	693	2	0	0	1286
Transfers out of the Department	5				2				7
Total including transfers out of the Department	588	2	0	6	695	2	0	0	1293
Employees with disabilities	1				3				4

Table 12.6.6 Disciplinary action for the period 1 April 2022 - March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	29	0	0	0	3	1	0	0	33
Total	29	0	0	0	3	1	0	0	33

Table 12.6.7 Skills development for the period 1 April 2022 - 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	0	0	0	11	0	0	1	20
Professionals	32	0	0	0	22	0	0	0	54
Technicians and associate professionals	5	0	0	0	1	0	0	0	6
Clerks	32	0	0	0	66	1	0	0	99
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	55	0	0	0	11	0	0	0	66
Plant and machine operators and assemblers	7	0	0	0	1	0	0	0	8
Elementary occupations	11	0	0	0	45	0	0	0	56
Total	150	0	0	0	157	1	0	1	309
Employees with disabilities	1	0	0	0	0	0	0	0	1

12.7 PERFORMANCE AGREEMENTS – SMS

Table 12.7.1 Signing of performance agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts on 30 April 2022	Total number of SMS members on 30 April 2022	Total number of signed performance agreements	Signed performance agreements as a % of total number of SMS members
Salary Level 16	1	1	0	0
Salary Level 15	1	0	0	0
Salary Level 14	6	2	2	0.1
Salary Level 13	20	19	17	0.7
Total	28	21	19	0.8

Table 12.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 May 2022

Only one SMS member did not submit on time due to ill health.

Table 12.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2022

All Performance agreements for 2022/2023 were submitted except for two SMS members. One is on precautionary suspension and another on ill health. No disciplinary actions were taken.

12.8 PERFORMANCE REWARDS

Table 12.8.1 Performance rewards by race, gender and disability, 1 April 2022 - 31 March 2023						
Race	Gender	Beneficiary Profile			Cost	
		Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
African	Female	9	888	2	R 41,601,96	R 4,622.40
	Male		1543	5	R 24,501,00	R 4,900.20
Coloured	Female		13	40	0	0
	Male		9	21	0	0
Indian	Female		1	0	0	0
	Male		3	0	0	0
White	Female		23	41	0	0
	Male		23	31	0	0
Total		14	2503	3	R 66,102.96	R 4,721.60

Table 12.8.2 Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2022 - 31 March 2023						
Salary bands	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees as at 31 March 2023	% of total within salary bands	Total Cost	Average cost per employee	
Lower Skilled (Levels 1 - 2)	10	504	2	R 44,622.60	R 4,462.30	0
Skilled (level 3 - 5)	4	1296	0	R 21,480.36	R5,370.10	0
Highly skilled production (level 6 - 8)		466	0	0	0	0
Highly skilled supervision (level 9 - 12)		207	0	0	0	0
Total	14	2475	1	R 66102.93	R 4,721.60	0

Table 12.8.3 Performance rewards by critical occupations, 1 April 2022 - 31 March 2023

Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees as at 31 March 2023	% of total within occupation	Total cost	Average cost per employee
Administrative related		132	0		R 0.00
All artisans in the building metal machinery etc.		114	0		R 0.00
Architects town and traffic planners		4	0		R 0.00
Artisan project and related superintendents		9	0		R 0.00
Auxiliary and related workers		35	0		R 0.00
Boiler and related operators		1	0		R 0.00
Building and other property caretakers		18	0		R 0.00
Bus and heavy vehicle drivers		5	0		R 0.00
Cartographers and surveyors		9	0		R 0.00
Chemical and physical science technicians		13	0		R 0.00
Cleaners in offices workshops hospitals etc.	7	248	3	R 31,854.72	R 4,550.70
Client inform clerks (switchboard, reception info)		9	0		R 0.00
Computer system designers and analysts.		2	0		R 0.00
Electrical and electronics engineering technicians		2	0		R 0.00
Engineering sciences related		13	0		R 0.00
Engineers and related professionals		6	0		R 0.00
Farm hands and labourers		37	0		R 0.00
Finance and economics related		1	0		R 0.00
Financial and related professionals		29	0		R 0.00
Financial clerks and credit controllers	2	18	11	R 10,904.16	R 5,452.10
General legal administration & rel. Professionals		4	0		R 0.00
Human resources & org development & related professions		10	0		R 0.00
Human resources clerks		44	0		R 0.00
Human resources related		1	0		R 0.00
Inspectors of apprentices works and vehicles		101	0		R 0.00
Librarians and related professionals		1	0		R 0.00
Library, mail and related clerks		19	0		R 0.00
Light vehicle drivers		99	0		R 0.00
Logistical support personnel		1	0		R 0.00
Material-recording and transport clerks		9	0		R 0.00
Mechanical engineering technicians		2	0		R 0.00
Messengers porters and deliverers		11	0		R 0.00
Motor vehicle drivers		97	0		R 0.00

Table 12.8.3 Performance rewards by critical occupations, 1 April 2022 - 31 March 2023

Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees as at 31 March 2023	% of total within occupation	Total cost	Average cost per employee
Motorized farm and forestry plant operators		5	0		R 0.00
Other administrative & related clerks and organizers		347	0		R 0.00
Other administrative policy and related officers		74	0		R 0.00
Other information technology personnel.		2	0		R 0.00
Other occupations		1	0		R 0.00
Printing and related machine operators	1	18	6	R 4,289.04	R 4,289.00
Production advisers: factories		105	0		R 0.00
Road superintendents		15	0		R 0.00
Road trade workers.		36	0		R 0.00
Road workers	1	458	0	R 5,523.96	R 5,524.00
Safety, health and quality inspectors		18	0		R 0.00
Secretaries & other keyboard operating clerks		17	0		R 0.00
Security officers		1	0		R 0.00
Senior managers		27	0		R 0.00
Social work and related professionals		3	0		R 0.00
Trade labourers	3	272	1	R 13,531.08	R 4,510.40
Total	14	2503	1	R 66,102.96	R 4,721.60

Table 12.8.4 Performance related rewards (cash bonus) by salary bands for Senior Management Service, 1 April 2022 - 31 March 2023

Salary bands	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees as at 31 March 2023	% of total within salary bands	Total cost	Average cost per employee	
Senior Management Service Band A (Level 13)	0	20	0	R 0.00	R 0.00	R 0.00
Senior Management Service Band B (Level 14)	0	6	0	R 0.00	R 0.00	R 0.00
Senior Management Service Band C (Level 15)	0	1	0	R 0.00	R 0.00	R 0.00
Senior Management Service Band D (Level 16)	0	1	0	R 0.00	R 0.00	R 0.00
Total	0	28	0	R 0.00	R 0.00	R 0.00

12.9 FOREIGN WORKERS

Table 12.9.1 Foreign workers by salary band, 1 April 2022 - 31 March 2023

Salary bands	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% of total
Lower skilled (Levels 1 -2)	0	0	0	0	0	0
Skilled (Levels 3 - 5)	0	0	0	0	0	0
Highly skilled production (Levels 6 - 8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9 -12)	1	50	1	50	0	0
Senior Management (Level 13 -16)	0	0	0	0	0	0
Non-permanent	1	50	1	50	0	0
Total	2	100	2	100	0	0

Table 12.9.2 Foreign workers by major occupation, 1 April 2022 - 31 March 2023

Occupation	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% of total
Architects town and traffic planners	0	0	0	0	0	0
Engineers and related professionals	1	100	1	100	0	0
Senior managers	0	0	0	0	0	0
Trade labourers	0	0	0	0	0	0
Total	1	100	1	100	0	0

12.10 LEAVE UTILIZATION

Table 12.10.1 Disability leave (temporary and permanent), 1 January 2022 - 31 December 2022

Salary bands	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using sick leave	Average days per employee	Estimated cost
Lower skilled (Levels 1 - 2)	273	100	5	14	55	R 169,749.34
Skilled (Levels 3 - 5)	1187	100	23	62	52	R 927,808.84
Highly skilled production (Levels 6 - 8)	302	100	7	19	43	R 457,155.24
Highly skilled supervision (Levels 9 -12)	4	100	1	3	4	R 9,186.32
Senior management (Levels 13 -16)	37	100	1	3	37	R156,908.86
Total	1803	100	37	100	49	R 1,720,808.60

Table 12.10.2 Annual leave, 1 January 2022 - 31 December 2022

Salary bands	Total days	Number of employees using annual leave	Average days per employee
Lower skilled (Levels 1 - 2)	7146	405	18
Skilled (Levels 3 - 5)	34919.57	1420	25
Highly skilled production (Levels 6 - 8)	15198.25	574	26
Highly skilled supervision (Levels 9 -12)	5503.92	230	24
Senior management (Levels 13 -16)	523	25	21
Total	63290.74	2654	24

Table 12.10.3 Capped leave, 1 January 2022 - 31 December 2022

Salary bands	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 2023
Lower skilled (Levels 1 - 2)	0	0	0	0
Skilled (Levels 3 - 5)	233.385	20	12	15
Highly skilled production (Levels 6 - 8)	197	7	28	30
Highly skilled supervision (Levels 9 -12)	11	2	6	29
Senior management (Levels 13 -16)	0	0	0	16
Total	441.38	29	15	17

Table 12.10.4 Leave payouts, 1 April 2022 - 31 March 2023

Reason	Total amount	Number of employees	Average payment per employee
Leave payout for 2022/23 due to non-utilization of leave for the previous cycle	R25,310.23	2	R12,665.00
Capped leave payouts on termination of service for 2022/23	R0.00	0	R0.00
Current leave payout on termination of service for 2022/23	R7,432,498.83	143	R51,976.00
Total	R7,457,809.06	145	R51,433.00

12.11 HIV / AIDS AND HEALTH PROMOTION PROGRAMMES

Table 12.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2022 - 31 March 2023

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (If any)	Key steps taken to reduce the risk
Employees working at road camps	<ul style="list-style-type: none"> ✓ Conducted awareness and educational programmes are being conducted. ✓ Distributed HIV / AIDS pamphlets ✓ Distributed condoms

Table 12.11.2 Details of Health Promotion and HIV/AIDS Programmes, 1 April 2022 – 31 March 2023

Question	Yes	No	Details, if yes
1. Does the Department have a designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Director: Human Resource Management Ms V Matlapeng
2. Does the Department have a dedicated unit or has it designated staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Sub-directorate: Integrated Employee Health and Wellness (IEHW) Acting Deputy Director IEHW: Mr M Seitsang Assistant Director Wellness: Mr. M Seitsang Assistant Director SHERQ: Vacant Assistant Director HIV/AIDS and Tuberculosis: Vacant 4 Personnel Practitioners Budget: 0.5% of personnel costs
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for its employees? If so, indicate the key elements/services of this Programme.	Yes		Budget: constitutes 0.5% of personnel costs Condom distribution Health screenings HIV Counseling and Testing services Regular inspections and risk assessments at offices and workstations. Prevention programmes. Psychosocial counseling for employees. Bereavement counseling for employees.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The Department has established an Occupational Health and Safety Committee. The re-election of a new committee was in progress at year-end.
5. Has the Department reviewed the employment policies and practices of your department 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 department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		HIV /AIDS and Tuberculosis Policy Occupational Health and Safety Management Policy Sport and Recreation Policy Wellness Management Policy Health and Productivity Management Policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Awareness programmes to prevent stigma and discrimination. Workshops on dissemination of the HIV / AIDS and Tuberculosis Policy. Support programs for employees and their families who are affected by, and infected with HIV.

Table 12.11.2 Details of Health Promotion and HIV/AIDS Programmes, 1 April 2022 – 31 March 2023

7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes	<p>HIV counseling and testing were conducted by GEMS medical aid.</p> <p>73 100 Male condoms were distributed during the 2022/23 financial year.</p> <p>4626 Female condoms were distributed during the 2022/23 financial year.</p> <p>Awareness programmes were conducted on HIV, STI's and tuberculosis - 1,043 employees participated in this regard.</p> <p>122 employees were tested for HIV; 63 were male employees and 59 were female employees.</p>
8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes	<p>Statistics is being provided by GEMS medical aid, which gives an indication on how many employees tested for HIV and AIDS.</p> <p>HIV and tuberculosis-related stigma and discrimination, health education sessions are conducted.</p> <p>Tuberculosis awareness workshops are conducted at departmental road camps.</p> <p>Monthly, quarterly and annual reports are being prepared and submitted to departmental management, the Office of the Premier and the Department of Public Service and Administration.</p> <p>The officials who have disclosed their status are receiving continuous counseling, support, care and being referred to relevant stakeholders for specialized services through this office.</p>

12.12 LABOUR RELATIONS

Table 12.12.1 Collective agreements, 1 April 2022 - 31 March 2023

Subject matter	Date
None	

Table 12.12.2 Misconduct and disciplinary hearings finalised, 1 April 2022 - 31 March 2023

Outcome of disciplinary hearing	Number	% of Total
Corrective Counseling	0	0
Verbal Warning	0	0
Written Warning	0	0
Final Written Warning	6	37.6%
Suspended without pay	4	25.4%
Fine	0	0
Demotion	0	0
Dismissal	1	6%
Not guilty	0	0
Case withdrawn	5	31%
Total	16	

Table 12.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2022 – 31 March 2023

Types of misconduct	Number	% of Total
Insubordination	1	3%
Absenteeism	9	27%
Theft	7	21%
Misuse of state property	2	6%
Negligence	1	3%
Drinking on duty	0	0
Dereliction of duty	0	0
Abscondment	1	3%
Transgression of PFMA	7	21%
Assault	1	3%
Threat	4	12%
Dishonesty	0	0
Total	33	

Table 12.12.4 Grievances lodged, 1 April 2022 - 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	36	78%
Number of grievance not resolved	10	21%
Total	46	

Table 12.12.5 Disputes lodged with Councils, 1 April 2022 - 31 March 2023

Disputes	Number	% of Total
Number of disputes in favour of applicant	4	30%
Number of disputes dismissed	0	0
Number of dispute in favour of employer	4	30.7%
Total number of disputes lodged	8	

Table 12.12.6 Strike actions for the period 1 April 2022 - 31 March 2023

Total number of person working days lost	61
Total cost (R'000) of working days lost	R24,814.83
Amount (R'000) recovered as a result of no work no pay	R533,778.43

Table 12.12.7 Precautionary suspensions for the period 1 April 2022 - 31 March 2023

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	248 days
Cost of suspension	R1 128 499.37

12.13 SKILLS DEVELOPMENT

Table 12.13.1 Training needs identified, 1 April 2022 - 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of Training	Total
Legislators, senior officials and managers	Female	6	0	0	0	0
	Male	13	0	2	0	2
Professionals	Female	57	0	2	0	2
	Male	48	0	3	0	3
Technicians and associate professionals	Female	115	0	2	0	2
	Male	137	0	2	0	2
Clerks	Female	288	18	20	0	38
	Male	155	4	16	0	20
Service and sales workers	Female	1	0	0	0	0
	Male	23	0	0	0	0
Craft and related trades workers	Female	54	0	0	11	11
	Male	376	0	0	55	55
Plant and machine operators and assemblers	Female	7	0	0	0	0
	Male	152	0	75	0	75
Elementary occupations	Female	343	0	22	0	22
	Male	750	0	36	0	36
EPWP beneficiaries	Female	1009	0	0	0	0
	Male	399	0	0	0	0
Non-permanent workers	Female	7459	0	0	0	0
	Male	3841	0	0	0	0
Sub Total	Female	9339	18	64	11	75
	Male	5894	4	138	55	193
Total		15233	22	202	66	268

Table 12.13.2 Training provided, 1 April 2022 - 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of Training	
Legislators, senior officials and managers	Female	12	0	12	0	12
	Male	8	0	8	0	8
Professionals	Female	22	0	22	0	22
	Male	32	0	32	0	32
Technicians and associate professionals	Female	1	0	1	0	1
	Male	5	0	5	0	5
Clerks	Female	67	0	67	0	67
	Male	32	0	32	0	32
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	11	0	11	0	11
	Male	55	0	55	0	55
Plant & machine operators and assemblers	Female	1	0	1	0	1
	Male	7	0	7	0	7
Elementary occupations	Female	45	0	45	0	45
	Male	11	0	11	0	11
Sub Total	Female	159	0	159	0	159
	Male	150	0	150	0	150
Total		309	0	309	0	309

12.14 INJURY ON DUTY

Table 12.14.1 Injury on duty, 1 April 2022 - 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	15	0.7
Temporary Total Disablement	5	0.2
Permanent Disablement	1	0
Fatal	2	0.1
Total	23	1.0

12.15 UTILIZATION OF CONSULTANTS

12.15.1 Report on consultants appointments using appropriated funds, 1 April 2022 - 31 March 2022						
Total No. of Projects	Project Description	Name of Consultants/ Professional Service Provider	Total number of consultants that worked on the project	Duration: Work days	Financial Year	Contract value in R'000
1	Preparation of the Annual Financial Statements for the year ended 31 March 2022 and related support	Manone Consulting (Pty) Ltd	1	8 months	2022/23	R662 400
1	Movable assets verification - comprehensive	Lopham Consulting	20	6 months	2022/23 - 2023/24	Gazetted rates

12.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 – 31 March 2023			
Project Description	Percentage ownership by HDI groups	Percentage management HDI groups	Number of consultants from HDI groups that work on the project
Preparation of the Annual Financial Statements for the year ended 31 March 2022 and related support			1
Movable assets verification - comprehensive			20

12.15.3 Report on consultant appointments using donor funds for the period 1 April 2022 – 31 March 2023			
Project Description	Total number of consultants that worked on the project	Duration (work days)	Donor and contract value in Rad
None			

12.16 SEVERANCE PACKAGES**Table 12.16.1 Granting of employee-initiated severance packages, 1 April 2022 - 31 March 2023**

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

ANNUAL REPORT

2022/23

PART

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**PFMA
COMPLIANCE
REPORTING**

Department of Public Works & Roads

13. DISCLOSURE ON IRREGULAR EXPENDITURE

13.1 RECONCILIATION OF IRREGULAR EXPENDITURE

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Opening balance	5 272 032	4 823 513
Prior Period Errors	180 689	-
As Restated	5 452 721	4 823 513
Add: Irregular expenditure confirmed	689 359	448 519
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	6 142 080	5 272 032

13.2 RECONCILING NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The reconciling notes to the annual financial statements are set out below:

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment in 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	689 359	448 519
Total	689 359	448 519

13.3 DETAILS OF CURRENT AND PREVIOUS YEARS' IRREGULAR EXPENDITURE

13.3.1 Details of current and previous years' irregular expenditure (under assessment, determination, and investigation)

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	408 065,27	974 042,04
Total	408 065,27	974 042,04

13.3.2 Irregular expenditure condoned

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

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

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure not condoned and removed	-	-
Total	-	-

13.3.4 Current and previous year irregular expenditure recoverable

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

13.3.5 Current and previous year irregular expenditure not recoverable and written off (irrecoverable)

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

13.3.6 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)

None.

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

None.

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

None.

14. DISCLOSURE ON FRUITLESS AND WASTEFUL EXPENDITURE

14.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Opening balance	18 016	17 658
Add: Fruitless and wasteful expenditure confirmed	537	358
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	18 554	18 016

14.2 FRUITLESS AND WASTEFUL EXPENDITURE UNDER ASSESSMENT

DESCRIPTION	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/2023	537	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	537	358
Closing balance	537	358

PART

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**FINANCIAL
INFORMATION**



Report of the auditor-general to the North West Provincial Legislature on vote no. 11: Department of Public Works and Roads

Report on the audit of the financial statements

Qualified

1. I have audited the financial statements of the Department of Public Works set out on pages 127 to 232, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works and Roads as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified

Consultants: Business and advisory services

3. The department did not have adequate systems to ensure that goods and services as disclosed in note 6 to the financial statements are correctly classified, which resulted in consulting fees being overstated by R38 341 782, while expenditure for contractors was understated by R9 240 370 and expenditure for capital assets as disclosed in note 10 to the financial statements was understated by R28 776 048.

Fleet services

4. The department did not have adequate systems to ensure that expenditure was correctly classified, which resulted in expenses relating to fleet services being incorrectly classified as expenditure for capital assets and inventory. Consequently, fleet services and inventories as disclosed in note 6 to the financial statements were understated by R83 617 903 and overstated by R38 826 906 respectively, while expenditure for capital assets as disclosed in note 10 to the financial statements was overstated by R49 819 001.

Capital commitments

5. Capital commitments were not recorded as required by Chapter 14 of the MCS, *Provisions and Contingencies*, which resulted in capital commitments disclosed in note 25 to the financial statements being understated by R2 549 187 286 (2022: R1 410 020 365).

Unauthorised expenditure

6. Unauthorised expenditure was not recorded in accordance with paragraph 7.6 of National Treasury *Instruction Note No. 4 of 2022-23 – PFMA Compliance and Reporting Framework*. The department incorrectly calculated unauthorised expenditure in the current year relating to the spending of the PRMG grant, resulting in the current year unauthorised expenditure as disclosed in note 30 to the financial statements being understated by R72 244 106.

Accruals and payables not recognised

7. Accruals and payables not recognised for goods and services received but not yet paid for were not recorded as required by Chapter 9 of the MCS, *General departmental assets and liabilities*, which resulted in accruals and payables not recognised as disclosed in note 26 to the financial statements, being understated by R39 305 563.

Immovable tangible capital assets

8. Immovable intangible capital assets were not recorded as required by Chapter 11 of the MCS, *Capital assets* which resulted in immovable tangible capital assets as disclosed in note 39 to the financial statements, being understated by R444 892 802 (2022: R267 971 868) and capital work in progress as disclosed in note 39.2 to the financial statements, being understated by R1 474 072 851 (2022: R772 361 529).

Context for opinion

9. 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.
10. 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.
11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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



Irregular and fruitless and wasteful expenditure

13. As disclosed in note 30 to the financial statements, irregular expenditure and fruitless and wasteful expenditure of R689 359 000 and R537 000 respectively were incurred in the current year.

Underspending of the budget

14. As disclosed in the appropriation statement, the department has materially underspent the budget on Programme 3: Transport Infrastructure with R204 988 000 due to inadequate planning and project management.

Restatement of corresponding figures

15. As disclosed in note 42 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2023.

Other matters

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

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

17. On 23 December 2022 National Treasury issued *Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23* in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 30 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Department of Public Works and Roads. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Unaudited supplementary schedules

18. The supplementary information set out on pages 233 to 265 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

19. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA and the Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
20. 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

21. 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.
22. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

23. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
24. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Public Works Infrastructure	34 - 38	To avail land and provide building infrastructure and facilities for Provincial Government Departments that is accessible, safe, fit-for-purpose and environmentally sensitive.



Programme	Page numbers	Purpose
Transport Infrastructure	39 – 45	To promote accessibility and the safe and affordable movement of people through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive and which supports and facilitates social empowerment and economic growth.
Community-based Programme	45 - 49	To manage and coordinate the implementation of the Expanded Public Works Programme, both departmentally and provincially.

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

26. I performed procedures to test whether:

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

27. I performed the procedures for the purpose of reporting material findings only and not to express an assurance opinion.

28. I did not identify any material findings on the reported performance information of Public Works infrastructure programme.

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

Transport Infrastructure

Number of square meters of blacktop patching

30. An achievement of 151 353.21 square meters was reported against a target of 52 470 square meters. I could not determine if the reported achievement was correct, as adequate supporting evidence provided for auditing did not detail the variables used in the formula to calculate the square meters. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Community-based programme

Various indicators

31. Based on audit evidence, the actual achievements for 3 indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially more. The targets were still achieved.

Indicator	Target	Reported achievement
Number of EPWP work opportunities created - Transport infrastructure Sector	13000	13019
Number of youth (18-35) employed - Transport Infrastructure Sector	7150	7227
Number of persons with disabilities employed - Transport Infrastructure Sector	260	65

Other matters

32. I draw attention to the matter below.

Achievement of planned targets

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

34. The department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
Public Works infrastructure <i>Targets achieved: 33.3%</i> <i>Budget spent: 96.8%</i>		
Number of new construction projects completed - DPW&R	0	0



Key service delivery indicators not achieved	Planned target	Reported achievement
Number of new construction projects completed – Client Depts.	8	2
Number of maintenance projects completed - DPW&R	33	13
Number of maintenance projects completed – Client Depts.	15	7
Number of facilities provided	230	230
Number of utilization inspections conducted for office accommodation	65	67
Transport infrastructure		
<i>Targets achieved: 28.6%</i>		
<i>Budget spent: 88.2%</i>		
Number of consolidated infrastructure plans developed	1	1
Number of bridges repaired	1	0
Number of km of gravel roads upgraded to surfaced standard	65	31.2
Number of square metres of surfaced roads rehabilitated	1 000 000	282 385
Number of square metres of surfaced roads resealed	530 000	12 284
Number of km of gravel roads re-gravelled	250	100.6
Number of square metres blacktop patching	52 470	151 353.21

35. Reasons for the underachievement of targets are included in the annual performance report on pages 34 to 49.

Material misstatements

36. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Transport infrastructure and Community-based programme. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

37. 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 is responsible for the department's compliance with legislation.

38. 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.

39. 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.
40. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Financial statements

41. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements on legal fees, contractor fees, expenditure for capital assets and irregular expenditure identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Expenditure management

42. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. As reported in the basis for qualified opinion the value as disclosed in note 30 of the financial statements does not reflect the full extent of the irregular expenditure incurred.
43. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 30 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by legal action taken against the department as a result of damages incurred by the public from potholes.

Procurement and contract management

44. Some of the goods and services of a transaction value of R2 000 but not exceeding R1 000 000 were procured without following quotation process, as required by Treasury Regulation 16A6.1 and paragraph 3.2.1 of NTI 02 of 2021/22.
45. Some of the goods and services of a transaction value above R1 000 000 were procured without inviting competitive bids and deviations were approved by the National Treasury but conditions prescribed in the deviation were not complied with, as required by Treasury Regulation 16A6.1, paragraph 3.3.1 of NTI 02 of 2021/22, paragraph 4.1 of NTI 03 of 2021/22 and TR 16A6.4.
46. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and Preferential Procurement Regulation 2017 and 2022.

Consequence management

47. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular, fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular, fruitless and wasteful expenditure were not performed.

Utilisation of conditional grant

48. The PRMG was not spent for the purposes stipulated in the Schedule 4, Part A, as required by section 16(1) of the Dora.

Other information in the annual report

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

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

51. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

52. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

53. 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.

54. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.



55. Leadership did not exercise adequate oversight over reporting and compliance with laws and regulations and internal controls, as evidenced by the material findings on both the financial statements and compliance with legislation. Leadership did not adequately monitor the action plan to address weaknesses in internal controls, as some of the findings from the previous years' remain unresolved. The slow implementation of consequence management also contributed negatively to the unchanged audit outcome.
56. Since management made material adjustments to the annual financial statements, management did not implement adequate preventative controls to ensure reliable and accurate financial and performance reporting as well as compliance with laws and regulations. In addition, management failed to implement a system to monitor compliance with legislation. This resulted in similar compliance findings from prior years being raised in the current year.

Material irregularities

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

Status of previously reported material irregularities

Contractor not paid within 30 days

58. The department awarded a contract of R106 549 114 to a contractor for the upgrading of a 10km gravel road in September 2017. The department did not ensure that they honoured the contractual obligation by paying the contractor timeously which resulted in standing time and interest being charged on late payments in contravention with Treasury Regulation 8.2.3 which requires that unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice. This non-compliance resulted in material loss of R3 485 673 by 31 March 2022 for the Northwest Department of Public Works and Roads being the total standby time and interest paid.
59. The accounting officer was notified of this material irregularity on 30 September 2020 and invited to make written submission on the actions that have been or will be taken to address this matter. An independent service provider was appointed to conduct a preliminary investigation into the matter, which was completed on 5 May 2021. The investigation confirmed that the contractor cannot claim the standing time on plant and labour as the approval was granted by the department without costs. Because the contract allows for any overpayment to be made good before the final approval certificate, the recovery of the standing time of R3 254 928 from the contractor commenced on 20 August 2021 to recover the amount from the contractor's retention monies. However, the contractor challenged this process, and the department has instructed the state attorney to defend the matter. A settlement agreement with the service provider was finalized in March 2023 which resulted in the financial loss of R3 485 763 being deducted from the retention money. I will follow up on the status of the consequence management process during my next audit.

Supplier with highest points not appointed

60. The department appointed a contractor for the patching and resealing of a road in 2020. However, the contract was not awarded to the bidder that scored the highest points in terms of PPPFA section 2(1)(f). Another bid was unfairly disqualified for not meeting the CIBD grading requirement and not being registered on the department's database despite exceeding the requirement of the invitation to bid. The difference between the contract value of the awarded bidder and the bidder that could have won was R3 327 654. The non-compliance is likely to result in a material financial loss for the department.
61. The accounting officer was notified of this material irregularity on 26 August 2021 and invited to make written submission on the actions that have been or will be taken to address this matter. A service provider was appointed on 26 July 2022 to investigate the matter that was completed in June 2023. At the date of this report, I was still assessing the outcome of the investigation in order to determine the appropriate action to take.

Prepayment made to contractor for addressing flood damaged road infrastructure

62. The department entered into a service level agreement with a contractor in March 2017 for work to be done on various projects to address the flood damaged roads and bridges in the province. On 27 March 2017 a payment of R103 million was made to the contractor prior to any goods being received or services being rendered to the department whilst the department did not put in place measures to ensure that all the services were delivered subsequent to the prepayment. As a result, the department did not comply with the requirements of Treasury Regulation 15.10.1.2(c) which requires that the accounting officer should avoid prepayments for goods or services, unless required by contractual arrangements with the supplier. The accounting officer had already appointed independent consultants to confirm the work done by the contractor and the investigation into the matter, which was completed during August 2020, concluded that the value of services not rendered in relation to the prepayment amounted to R46 367 340. The non-compliance is likely to result in a loss of R46 367 340 as disclosed in note 14.5 to the financial statements if the department does not recover the money paid to the contractor for which services have still not been received.
63. The accounting officer was notified of this material irregularity on 26 August 2021 and invited to make written submission on the actions that have been or will be taken to address this matter. By August 2020, an investigation was already completed which confirmed the loss of R46 367 340. The former Head of Department was suspended on 26 September 2018 and finally dismissed on 4 June 2021 after conclusion of a disciplinary process. The Special Investigations Unit (SIU) has completed the investigation into the appointment of this contractor as per Proclamation R210 of 2021, gazetted on 12 March 2021 and is in the process of recovering the loss. I issued the determination letter on 20 July 2023 where I concluded that appropriate actions have been taken to address the material irregularity.

Other reports

64. In addition to the investigations relating to material irregularities, 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.

Investigations

65. The special investigations unit (SIU) finalised an investigation into procurement irregularities identified at the department as per proclamation R.27 of 2015. The report was submitted to the Office of the Presidency at the date of this report.

66. The SIU is performing an investigation into procurement irregularities identified at the department as per proclamation no. R.2 of 2018 published in government gazette 41387 on 19 January 2018. The investigation was in progress at the date of this report.

67. The SIU is performing an investigation into procurement irregularities identified at the department as per proclamation no. R.31 of 2018 published in government gazette 42562 of 5 July 2019. The investigation was in progress at the date of this report.

68. The SIU is performing an investigation into irregularities identified at the department as per proclamation R210 of 2021. The investigation was in progress at the date of this report.

69. The Public Protector is performing an investigation into alleged maladministration at the department. The investigation was in progress at the date of this report.

Auditor General

Potchefstroom

31 July 2023



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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	<p>Section 1</p> <p>Section 38(1)(a)(iv); 38(1)(b);38(1)(c);38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii);</p> <p>Section 39(1)(a); 39(2)(a);</p> <p>Section 40(1)(a); 40(1)(b); 40(1)(c)(i)</p> <p>Section 43(4); 44; 44 (1) and (2) ; 45(b);</p> <p>Section 50(3); 50(3)(a)</p>
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	<p>Treasury Regulation 4.1.1; 4.1.3</p> <p>Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1</p> <p>Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b)</p> <p>Treasury Regulation 7.2.1</p> <p>Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1</p> <p>Treasury Regulation 9.1.1; 9.1.4</p> <p>Treasury Regulation 10.1.1(a); 10.1.2</p> <p>Treasury Regulation 11.4.1; 11.4.2; 11.5.1</p> <p>Treasury Regulation 12.5.1</p> <p>Treasury Regulation 15.10.1.2(c')</p> <p>Treasury Regulation 16A3.1 ; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 16A 6.3(a)(i);16A 6.3(b); 16A 6.3(c);16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b)(ii);16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f).</p> <p>Treasury Regulation 17.1.1</p> <p>Treasury Regulation 18.2</p> <p>Treasury Regulation 19.8.4</p>
Division of Revenue Act No. 5 of 2022	<p>DoRA 11(6)(a)</p> <p>DoRA 12(5)</p> <p>DoRA 16(1)</p> <p>DoRA 16(3)</p> <p>DoRA 16(3)(a)(i)</p> <p>DoRA 16(3)(a)(ii)(bb)</p>
Public service regulation	<p>Public service regulation 13(c);18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)</p>

Legislation	Sections or regulations
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 29 Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
SITA ACT	Section 7(3) Section 7(6)(b) Section 20(1)(a)(l)
SITA regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a);4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7

Legislation	Sections or regulations
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2; 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)
Employment of Educators Act	Section 33 (1)

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

Summary of significant accounting policies

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

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

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

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

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

7.	Revenue
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>Appropriated funds are measured at the amounts receivable.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Departmental revenue is measured at the cash amount received.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
8.	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> <p>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9.	<p>Aid assistance</p>
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>CARA Funds are recognised when receivable and measured at the amounts receivable.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>

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10.	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11.	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><i><Indicate when prepayments and advances are expensed and under what circumstances></i></p>
12.	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13.	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14.	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15.	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16.	<p>Capital assets</p>
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p>

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	<p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. <i>[Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date]</i></p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible capital assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>

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17.	Provisions and contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18.	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • 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. <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of</p> <ul style="list-style-type: none"> • 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 incurred in the current year.
19.	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p>

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	<p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of</p> <ul style="list-style-type: none"> • fruitless and wasteful expenditure 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.
20.	<p>Irregular expenditure</p> <p>Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none"> • 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.
21.	<p>Changes in accounting estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22.	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23.	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for <i>[include details here]</i>. In terms of the arrangement the department is the <i>[principal / agent]</i> and is responsible for <i>[include details here]</i>. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24.	<p>Departures from the MCS requirements</p> <p><i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</i></p>

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25.	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26.	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27.	<p>Related party transactions</p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
28.	<p>Inventories (Effective from date determined by the Accountant-General)</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29.	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30.	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.</p> <p>Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.</p> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>

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31.	Transfer of functions Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
32.	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.

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APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per Programme

	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	[Appropriation Statement par .14(a)]				[par .14(b)]	[par .14(c)]		[par .19]	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROGRAMME									
1. ADMINISTRATION	222 347	-	(3 300)	219 047	205 807	13 240	94.0%	213 556	200 989
2. PUBLIC WORKS INFRASTRUCTURE	1 155 467	-	8 300	1 163 767	1 101 982	61 785	94.7%	1 008 838	960 186
3. TRANSPORT INFRASTRUCTURE	2 016 007	-	-	2 016 007	1 811 019	204 988	89.8%	1 796 120	1 329 864
4. COMMUNITY- BASED PROGRAMME	364 025	-	(5 000)	359 025	352 323	6 702	98.1%	348 635	329 859
Subtotal	3 757 846	-	-	3 757 846	3 471 131	286 715	92.4%	3 367 149	2 820 898
Statutory Appropriation									
President and Deputy President salary	-	-	-	-	-	-	-	-	-
Members' remuneration	-	-	-	-	-	-	-	-	-
Debt service costs	-	-	-	-	-	-	-	-	-
Provincial equitable share	-	-	-	-	-	-	-	-	-
General fuel levy sharing with metropolitan municipalities	-	-	-	-	-	-	-	-	-
National Revenue Fund payments	-	-	-	-	-	-	-	-	-
Skills levy and sector education and training authorities	-	-	-	-	-	-	-	-	-

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Auditor-General of South Africa	-	-	-	-	-	-	-	-	-
Land Bank	-	-	-	-	-	-	-	-	-
International Oil Pollution Compensation Fund	-	-	-	-	-	-	-	-	-
South African Express Airways	-	-	-	-	-	-	-	-	-
South African Airways	-	-	-	-	-	-	-	-	-
Denel	-	-	-	-	-	-	-	-	-
National Skills Fund	-	-	-	-	-	-	-	-	-
Judges' and magistrates' salaries	-	-	-	-	-	-	-	-	-
TOTAL	3 757 846	-	-	3 757 846	3 471 131	286 715	92.4%	3 367 149	2 820 898

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APPROPRIATION STATEMENT
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	2022/23				2021/22	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	-	-			-	-
NRF Receipts	-	-			-	-
Aid assistance	-	-			-	-
					-	-
Actual amounts per statement of financial performance (total revenue)	3 757 846				3 367 149	
ADD						
Aid assistance		-				-
Prior year unauthorised expenditure approved without funding						
Actual amounts per statement of financial performance (total expenditure)		3 471 131				2 820 898

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Appropriation per economic classification									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	2 804 843	-	-	2 804 843	2 584 023	220 820	92.1%	2 600 015	2 157 133
Compensation of employees	883 188	4 000	5 000	892 188	877 336	14 852	98.3%	898 564	891 806
Goods and services	1 921 655	(4 000)	(5 000)	1 912 655	1 261 334	651 321	65,9%	1 701 451	1 265 327
Interest and rent on land	-	-	-	-	4 424	(4 424)	-	-	-
Transfers and subsidies	433 262	-	-	433 262	406 311	26 951	92.1%	404 200	369 335
Provinces and municipalities	416 782	-	-	416 782	389 492	27 290	93.5%	390 000	356 421
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	16 480	-	-	16 480	16 819	(339)	102.1%	14 200	12 914
Payments for capital assets	519 741	-	-	519 741	921 726	(401 985)	177,3%	362 934	294 430
Buildings and other fixed structures	479 547	-	-	479 547	905 889	(426 342)	188,9%	341 161	273 293
Machinery and equipment	40 194	-	-	40 194	15 837	24 357	39.4%	21 773	21 137

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Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
				-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 757 846	-	-	3 757 846	3 471 131	286 715	92.4%	3 367 149	2 820 898

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APPROPRIATION STATEMENT
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Statutory appropriation per economic classification									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

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Programme 1: ADMINISTRATION									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. OFFICE OF THE MEC	12 800	-	-	12 800	12 079	721	94.4%	10 806	9 619
2. OFFICE OF THE HOD	40 138	-	-	40 138	30 593	9 545	76.2%	32 557	29 490
3. CORPORATE SUPPORT	160 302	-	(2 800)	157 502	155 720	1 782	98.9%	162 067	154 954
4. DEPARTMENTAL STRATEGY	9 107	-	(500)	8 607	7 415	1 192	86.2%	8 126	6 926
Total for sub programmes	222 347	-	(3 300)	219 047	205 807	13 240	94.0%	213 556	200 989
Economic classification									
Current payments	210 195	-	(3 300)	206 895	202 077	4 818	97.7%	208 783	196 595
Compensation of employees	146 564	-	(3 300)	143 264	142 205	1 059	99.3%	151 056	148 823
Goods and services	63 631	-	-	63 631	59 872	3 759	94.1%	57 727	47 772
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 079	-	-	2 079	1 373	706	66.0%	1 712	1 448
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 079			2 079	1 373	706	66.0%	1 712	1 448

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Payments for capital assets	10 073	-	-	10 073	2 357	7 716	23.4%	3 061	2 946
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 073	-	-	10 073	2 357	7 716	23.4%	3 061	2 964
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	222 347	-	(3 300)	219 047	205 807	13 240	94.0%	213 556	200 989

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Programme 2: PUBLIC WORKS INFRASTRUCTURE									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PROGRAMME SUPPORT	6 360	-	-	6 360	5 264	1 096	82.8%	4 968	4 620
2. PLANNING	7 554	3 020	2 800	13 374	12 990	384	97.1%	5 804	5 563
3. DESIGN	1 754	-	-	1 754	1 517	237	86.5%	-	-
4. CONSTRUCTION	84 791	(410)	-	84 381	74 839	9 542	88.7%	65 119	57 904
5. MAINTENANCE	460 236	(9 800)	-	450 436	432 583	17 853	96.0%	392 377	388 020
6. IMMOVABLE ASSET MANAGEMENT	16 773	990	500	18 263	17 434	829	95.5%	16 485	15 506
7. FACILITY MANAGEMENT	577 999	6 200	5 000	589 199	557 355	31 884	94.6%	524 085	488 573
Total for sub programmes	1 155 467	-	8 300	1 163 767	1 101 982	61 785	94.7%	1 008 838	960 186
Economic classification									
Current payments	680 914	-	8 300	689 214	659 023	30 191	95.6%	577 327	566 924
Compensation of employees	406 599	3 000	8 300	417 899	406 312	11 587	97.2%	403 320	401 558
Goods and services	274 315	(3 000)	-	271 315	251 732	19 583	92.8%	174 007	165 366
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	422 996	-	-	422 996	399 550	23 446	94.5%	396 130	362 333
Provinces and municipalities	416 782	-	-	416 782	389 492	27 290	93.5%	390 000	356 421
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 214	-	-	6 214	10 058	(3 844)	161,9%	6 130	5 912
Payments for capital assets	51 557	-	-	51 557	43 409	8 148	84.2%	35 381	30 929
Buildings and other fixed structures	49 035	-	-	49 035	41 969	7 066	85.6%	32 625	27 963
Machinery and equipment	2 522	-	-	2 522	1 440	1 082	57.1%	2 756	2 966
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
Total	1 155 467	-	8 300	1 163 767	1 101 982	61 785	94.7%	1 008 838	960 186

PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 3: TRANSPORT INFRASTRUCTURE									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PROGRAMME SUPPORT: ROADS	77 679	-	-	77 679	53 833	23 846	69.3%	53 952	52 513
2. INFRASTRUCTURE PLANNING : ROADS	1 562			1 562	1 232	330	78.9%	2 422	236
3. INFRASTRUCTURE DESIGN: ROADS	652	-	-	652	60	592	9.2%	9 510	6 580
4. CONSTRUCTION: ROADS	1 541 468			1 541 468	1 364 103	177 365	88,5%	1 259 158	830 857
5. MAINTENANCE: ROADS	394 646	-	-	394 646	391 791	2 855	99.3%	47 078	439 678
Total for sub programmes	2 016 007	-	-	2 016 007	1 811 019	204 988	89.8%	1 796 120	1 329 864
Economic classification									
Current payments	1 549 874	-	-	1 549 874	929 724	620 150	60.0%	1 465 409	1 063 803
Compensation of employees	324 558	-	-	324 558	322 423	2 135	99.3%	338 545	335 904
Goods and services	1 225 316	-	-	1 225 316	603 856	621 460	49.3%	1 126 864	727 899
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	8 159	-	-	8 159	5 388	2 771	66.0%	6 331	5 554
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8 159	-	-	8 159	5 388	2 771	66.0%	6 331	5 554
Payments for capital assets	457 974	-	-	457 974	875 907	(417 933)	191.3%	324 380	260 507
Buildings and other fixed structures	430 512	-	-	430 512	863 867	(433 355)	200.7%	308 536	245 330
Machinery and equipment	27 462	-	-	27 462	12 040	15 422	43.8%	15 844	15 177
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 016 007	-	-	2 016 007	1 811 019	204 988	89.8%	1 796 120	1 329 864

PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 4:COMMUNITY-BASED PROGRAMME									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PROGRAMME SUPPORT	6 528	1 000	-	7 528	7 125	403	94.6%	6 329	5 975
2. COMMUNITY DEVELOPMENT	350 685	(1 000)	(2 000)	347 685	342 903	4 782	98.6%	337 047	323 665
3. INNOVATION AND EMPOWERMENT	6 442	-	(3 000)	3 442	2 046	1 396	59.4%	4 906	-
4. EPWP CO-ORDINATION AND MONITORING	370	-	-	370	249	121	67.3%	353	219
Total for sub programmes	364 025	-	(5 000)	359 025	352 323	6 702	98.1%	348 635	329 859
Economic classification									
Current payments	363 860	-	(5 000)	358 860	352 270	6 590	98,2%	348 496	329 811
Compensation of employees	5 467	1 000	-	6 467	6 396	71	98.9%	5 643	5 521
Goods and services	358 393	(1 000)	(5 000)	352 393	345 874	6 519	98.2%	342 853	324 290
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	28	-	-	28	-	28	-	27	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	28	-	-	28	-	28	-	27	-
Payments for capital assets	137	-	-	137	53	84	38.7%	112	48
Buildings and other fixed structures	-	-	-	-	53	(53)			
Machinery and equipment	137	-	-						
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
59									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	364 025	-	(5 000)	359 025	352 323	6 702	98.1%	348 635	329 859

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programmej

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
ADMINISTRATION	219 047	205 807	13 240	94%
PUBLIC WORKS INFRASTRUCTURE	1 163 767	1 101 982	61 785	96%
TRANSPORT INFRASTRUCTURE	2 016 077	1 811 019	204 988	88%
COMMUNITY-BASED PROGRAMME	359 025	352 323	6 702	98%
Total	3 757 846	3 471 131	286 715	92%

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments	2 804 843	2 143 094	661 749	76%
Compensation of employees	892 188	877 336	14 852	98%
Goods and services	1 912 655	1 261 334	651 321	65%
Interest and rent on land	-	4 424	(4 424)	100%
Transfers and subsidies	433 262	406 311	26 951	93%
Provinces and municipalities	416 782	389 492	27 290	93%
Departmental agencies and accounts	-	-	-	-
Higher education institutions	-	-	-	-
Public corporations and private	-	-	-	-

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

enterprises				
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	16 480	16 819	(339)	57.%
Payments for capital assets	519 741	921 726	(401 985)	177,3%
Buildings and other fixed structures	479 547	905 889	(426 342)	188.9%
Machinery and equipment	40 194	15 837	24 357	39.4%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	-	-	-	-
Payments for financial assets				
Total	3 757 846	3 471 131	286 715	92.4%

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
PROVINCIAL ROADS MAINTENANCE PROGRAMME	1 290 374	1 084 066	206 308	84%
EXPANDED PUBLIC WORKS PROGRAMME	27 949	27 035	914	97%
Total	1 318 323	1 111 101	207 222	

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023**

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	3 757 846	3 367 149
Statutory appropriation	2	-	-
Departmental revenue	3	-	-
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		3 757 846	3 367 149
EXPENDITURE			
Current expenditure			
Compensation of employees	5	877 337	885 817
Goods and services	6	1 257 922	1 078 878
Interest and rent on land	7	4 424	358
Aid assistance	4	-	-
		2 139 683	1 965 053
Transfers and subsidies			
Transfers and subsidies	9	406 313	369 335
Aid assistance	4	-	-
		406 313	369 335
Expenditure for capital assets			
Tangible assets	10	925 135	470 668
Intangible assets	10	-	-
		925 135	470 668
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	8	-	15 842
TOTAL EXPENDITURE		3 471 131	2 820 898
SURPLUS/(DEFICIT) FOR THE YEAR		286 715	546 251
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		286 715	546 251
Annual appropriation		79 493	172 453
Statutory appropriation		-	-
Conditional grants		207 222	373 797
Departmental revenue and NRF receipts	18	-	-
Aid assistance	4	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		286 715	546 251

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2023**

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		247 510	144 496
Cash and cash equivalents	11	230 898	87 439
Other financial assets	12	-	-
Prepayments and advances	13	-	-
Receivables	14	16 612	57 057
Loans	16	-	-
Aid assistance prepayments	4	-	-
Aid assistance receivable	4	-	-
Non-current assets		48 062	-
Investments	15	-	-
Prepayments and advances	13	-	-
Receivables	14	48 062	-
Loans	16	-	-
Other financial assets	12	-	-
TOTAL ASSETS		295 572	144 496
LIABILITIES			
Current liabilities		295 204	144 213
Voted funds to be surrendered to the Revenue Fund	17	286 715	131 403
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	18	7 413	10 203
Bank overdraft	19	-	-
Payables	20	1 076	2 607
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	-	-
Non-current liabilities			
Payables	21	-	-
TOTAL LIABILITIES		295 204	144 213
NET ASSETS		368	283

PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
Represented by:			
Capitalisation reserve			
Recoverable revenue		368	283
Retained funds		-	-
Revaluation reserves		-	-
Unauthorised expenditure		-	-
TOTAL		368	283

PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
Capitalisation reserves			
Opening balance		-	-
Transfers			
Movement in equity		-	-
Movement in operational funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		283	4 925
Transfers:		85	-4 642
Irrecoverable amounts written off	8.3	-	-
Debts revised		-	-
Debts recovered (included in departmental revenue)		-	-
Debts raised		85	-4 642
Closing balance		368	283
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
Revaluation reserve			
Opening balance		-	-
Revaluation adjustment (Human Settlements departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
Unauthorised expenditure			
Opening balance		-	-
Unauthorised expenditure - current year		-	-
Relating to overspending of the vote or main division within the vote		-	-
Incurred not in accordance with the purpose of the vote or main division		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Current		-	-
Capital		-	-
Transfers and subsidies		-	-

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2023**

Less: Amounts recoverable		
Less: Amounts written off	-	-
Closing Balance	-	-
TOTAL	368	283

PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11CASH FLOW STATEMENT
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 783 795	2 983 232
Annual appropriation funds received	1.1	3 757 846	2 952 299
Statutory appropriation funds received	2	-	-
Departmental revenue received	3	25 947	28 591
Interest received	3.3	2	2 342
NRF receipts		-	-
Aid assistance received	4	-	-
Net (increase)/decrease in net working capital		38 914	-6 924
Surrendered to Revenue Fund		-161 137	-178 627
Surrendered to RDP Fund/Donor		-	-
Current payments		-2 135 259	-2 141 294
Interest paid	7	-4 424	-
Payments for financial assets		-	-15 842
Transfers and subsidies paid		-406 313	-369 335
Net cash flow available from operating activities	22	1 115 576	271 210
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	10	-925 135	-294 427
Proceeds from sale of capital assets	3.4	995	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	14	-48 062	13 207
Net cash flow available from investing activities		-972 202	-281 220
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		85	-4 642
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		85	-4 642
Net increase/(decrease) in cash and cash equivalents		143 459	-14 652
Cash and cash equivalents at beginning of period		87 439	102 091
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	23	230 898	87 439

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

1. Annual Appropriation

1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
1.ADMINISTRATION	219 047	219 047	-	213 556	176 071	37 485
2.PUBLIC WORKS INFRASTRUCTURE	1 163 767	1 163 767	-	1 008 838	802 700	206 138
3.TRANSPORT INFRASTRUCTURE	2 016 007	2 016 007	-	1 796 120	1 632 736	163 384
4.COMMUNITY-BASED PROGRAMME	359 025	359 025	-	348 635	340 792	7 843
Total	3 757 846	3 757 846	-	3 367 149	2 952 299	414 850

1.2. Conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total grants received	45	1 318 323	977 299
Provincial grants included in total grants received			

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

2. Statutory Appropriation

	<i>Note</i>	2022/23 R'000	2021/22 R'000
President and Deputy President salaries		-	-
Members' remuneration		-	-
Debt service costs		-	-
Provincial equitable share		-	-
General fuel levy sharing with metropolitan municipalities		-	-
National Revenue Fund payments		-	-
Skills levy and sector education and training authorities		-	-
Auditor-General of South Africa		-	-
Land Bank		-	-
International Oil Pollution Compensation Fund		-	-
South African Express Airways		-	-
South African Airways		-	-
Denel		-	-
National Skills Fund		-	-
Magistrates salaries		-	-
Judges salaries		-	-
Total		-	-
Actual Statutory Appropriation received		-	-

3. Departmental revenue

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tax revenue			
Sales of goods and services other than capital assets	3.1	21 635	21 549
Fines, penalties and forfeits	3.2	-	-
Interest, dividends and rent on land	3.3	2	2 342
Sales of capital assets	3.4	995	-
Transactions in financial assets and liabilities	3.5	4 312	7 042
Transfer received	3.6	-	-
Total revenue collected		-	-
Less: Own revenue included in appropriation	18	26 944	30 933
Total		-	-

**PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

3.1. Sales of goods and services other than capital assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department		21 571	21 549
Sales by market establishment		7 093	6 196
Administrative fees			
Other sales		14 478	15 353
Sales of scrap, waste and other used current goods		64	-
Total	3	21 635	21 549

3.2. Fines, penalties and forfeits

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Fines		-	-
Penalties		-	-
Forfeits		-	-
Total	3	-	-

3.3. Interest, dividends and rent on land

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Interest		-	-
Dividends		2	2 342
Rent on land		-	-
Total	3	2	2 242

PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

3.4. Sales of capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		995	-
Buildings and other fixed structures		995	-
Machinery and equipment		-	-
Heritage assets		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible capital assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names and trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total	3	995	-

3.5. Transactions in financial assets and liabilities

	Note	2022/23 R'000	2021/22 R'000
Loans and advances			
Receivables			
Forex gain			
Other receipts including Recoverable Revenue		4 312	7 042
Gains on GFECRA			
Total	3	4 312	7 042

3.6. Transfers received

	Note	2022/23 R'000	2021/22 R'000
Other governmental units		-	-
Higher education institutions		-	-
Foreign governments		-	-
International organisations		-	-
Public corporations and private enterprises		-	-
Households and non-profit institutions		-	-
Total	3	-	-

PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

3.6.1. Donations received in-kind (not included in the main note or sub note)

	Note	2022/23 R'000	2021/22 R'000
None		-	-
Total		-	-

3.7. Cash received not recognised (not included in the main note)

Name of entity	2022/23		
	Amount received R'000	Amount paid to the revenue fund R'000	Balance R'000
None	-	-	-
Total	-	-	-

4. Aid assistance

[Revenue par .14(f)]

	Note	2022/23 R'000	2021/22 R'000
Opening balance		-	-
Prior period error		-	-
As restated		-	-
Transferred from statement of financial performance		-	-
Transfers to or from retained funds		-	-
Paid during the year		-	-
Closing balance		-	-

4.1. Analysis of balance by source

	Note	2022/23 R'000	2021/22 R'000
Aid assistance from RDP		-	-
Aid assistance from other sources		-	-
CARA Funds		-	-
Closing balance	4	-	-

PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

4.2. Analysis of balance

	Note	2022/23 R'000	2021/22 R'000
Aid assistance receivable		-	-
Aid assistance prepayments (not expensed)		-	-
Aid assistance unutilised		-	-
Aid assistance repayable		-	-
Closing balance	4	-	-
Aid assistance not requested/not received		-	-

4.2.1. Aid assistance prepayments (expensed) (*"prepayments expensed" not permitted from 1 April 2023*)

Name of entity	2022/23				Amount as at 31 March 2022 R'000
	Amount as at 1 April 2021 R'000	Less: Received in the current year R'000	Add / Less: Other R'000	Add Current year prepay- ments R'000	
Goods and services	-	-	-	-	-
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
Capital assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

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4.3. Prior period error

Nature of prior period error	Note	2021/22 R'000
None		-
Total prior period errors		-

4.4. Aid assistance expenditure per economic classification

	Note	2022/23 R'000	2021/22 R'000
Current		-	-
Capital	10	-	-
Transfers and subsidies		-	-
Total aid assistance expenditure		-	-

4.5. Donations received in kind (not included in the main note)

	Note	2022/23 R'000	2021/22 R'000
None		-	-
Total		-	-

5. Compensation of employees

5.1. Analysis of balance

	Note	2022/23 R'000	2021/22 R'000
Basic salary		561 965	560 249
Performance award		66	5 520
Service based		2 033	4 365
Compensative/circumstantial		20 294	14 693
Periodic payments		279	1 076
Other non-pensionable allowances		146 871	148 490
Total		731 508	734 393

The amount of R66 on performance awards related to performance awards that was paid to lit of employees, this was subsequent to the dispute they lodged against their previous year's performance awards.

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5.2. Social contributions

Employer contributions	<i>Note</i>	2022/23 R'000	2021/22 R'000
Pension		72 107	71 822
Medical		72 326	73 533
UIF		-	
Bargaining council		426	-545
Official unions and associations			
Insurance		970	6 614
Total		145 829	151 424
Total compensation of employees		877 337	885 817
Average number of employees		2 524	2 764

Average number of employees is adjusted. The Persal report included EPWP workers and a reconciliation was performed to get the accurate average number of employees. The months affected were April to August.

6. Goods and services

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Administrative fees		52	56
Advertising		1 217	1 780
Minor assets	6.1	620	869
Bursaries (employees)		1 522	1 541
Catering		2 720	774
Communication		7 105	6 853
Computer services	6.2	3 637	269
Consultants: Business and advisory services	6.9	62 904	39 724
Infrastructure and planning services		444	236
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		17 033	17 184
Contractors		611 150	400 922
Agency and support / outsourced services		198 557	321 632
Entertainment		-	-

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Audit cost – external	6.3	12 902	12 807
Fleet services		11 820	8 277
Inventories	6.4	68 168	48 276
Consumables	6.5	20 342	17 524
Housing		-	-
Operating leases		1 402	850
Property payments	6.6	200 121	178 773
Rental and hiring		24	120
Transport provided as part of the departmental activities		375	15
Travel and subsistence	6.7	26 947	15 555
Venues and facilities		2 135	461
Training and development		3 002	1 255
Other operating expenditure	6.8	3 723	3 125
Total		1 257 922	1 078 878

The Department has experienced a vast increase due to Departmental Management Meetings and travelling through the province. Utilisation of Consultants on Financial Reporting, Material irregularities, irregular Expenditure investigations and Movable assets has contributed to the increase on consultants spending. Computer Services increased due to settlement of accruals relating to the Micro Soft Office licence. Legal Services increased due to high litigation that the Department faced during the financial year. Increase in the expenditure for operating leases was due to the acquisition of new photocopier machines and this resulted in the increase in expenditure and also prior year accruals that were paid in this financial year.

6.1. Minor assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		620	869
Buildings and other fixed structures		-	-
Machinery and equipment		620	869
Heritage assets		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible capital assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names and trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total	6	620	869

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6.2. services

	Note	2022/23 R'000	2021/22 R'000
SITA computer services		288	256
External computer service providers		3 349	13
Total	6	3 637	269

6.3. Audit cost - external

	Note	2022/23 R'000	2021/22 R'000
Regularity audits		12 902	12 807
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total	6	12 902	12 807

6.4. Inventories

	Note	2022/23 R'000	2021/22 R'000
Clothing material and accessories		-	-
Farming supplies		-	-
Food and food supplies		-	-
Fuel, oil and gas		42 892	11 070
Learning, teaching and support material		-	-
Materials and supplies		25 258	37 206
Medical supplies		18	-
Medicine		-	-
Medsas inventory interface		-	-
Other supplies	6.4.1	-	-
Total	6	68 168	48 276

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6.4.1. Other supplies

	Note	2022/23 R'000	2021/22 R'000
Ammunition and security supplies		-	-
Assets for distribution		-	-
Machinery and equipment		-	-
School furniture		-	-
Sports and recreation		-	-
Library material		-	-
Other assets for distribution		-	-
Other		-	-
Total	6.4	-	-

6.5. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		13 244	11 292
Uniform and clothing		9 643	8 496
Household supplies		3 028	2 213
Building material and supplies		-	-
Communication accessories		253	-
IT consumables		223	-
Other consumables		97	583
Stationery, printing and office supplies		7 098	6 232
Total	6	20 342	17 524

6.6. Property payments

	Note	2022/23 R'000	2021/22 R'000
Municipal services		58 552	55 248
Property management fees		-	-
Property maintenance and repairs		35 002	24 633
Other		106 567	98 892
Total	6	200 121	178 773

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6.7. Travel and subsistence

	Note	2022/23 R'000	2021/22 R'000
Local		-	-
Foreign		26 947	15 555
Total	6	26 947	15 555

6.8. Other operating expenditure

	Note	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		77	114
Resettlement costs		248	240
Other		3 398	2 771
Total	6	3 723	3 125

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

Name of Commission / Committee of Inquiry	Note	2022/23 R'000	2021/22 R'000
Risk Management Committee	6	60	-
		-	-
		-	-
Total		60	-

The Department appointed Mr. Mkhabela as chairperson of the Risk Management Committee effective from 31 January 2022 for a three-year term.

7. Interest and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest paid		4 424	358
Rent on land		-	-
Total		4 424	358

Interest paid relates to fruitless and wasteful expenditure. It is interest paid on Eskom, municipal utilities and Telkom. The interest has been journalised to interest paid item.

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8. Payments for financial assets

	Note	2022/23 R'000	2021/22 R'000
Material losses through criminal conduct		-	-
Theft	8.4	-	-
Other material losses	8.1	-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
Other material losses written off	8.2	-	-
Debts written off	8.3	-	15 842
Forex losses	8.5	-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		-	15 842

During the Financial Year 2022/23 the department did not have any write-off.

8.1. Other material losses

Nature of other material losses	Note	2022/23 R'000	2021/22 R'000
<i>Group major categories, but list material items</i>		-	-
		-	-
		-	-
		-	-
Total	8	-	-

Information on any criminal or disciplinary steps taken as a result of such losses is included in the annual report under PFMA Compliance Report.

8.2. Other material losses written off

Nature of losses	Note	2022/23 R'000	2021/22 R'000
<i>Group major categories, but list material items</i>		-	-
Total	8	-	-

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8.3. Debts written off

Nature of debts written off	Note	2022/23 R'000	2021/22 R'000
<i>Group major categories, but list material items</i>			
		-	-
Irregular expenditure written off		-	-
Total		-	-
Recoverable revenue written off		-	15 842
Debt Written off		-	-
Total		-	15 842
Other debt written off		-	-
Total		-	-
Total debt written off	8	-	15 842

8.4. Details of theft

Nature of theft	Note	2022/23 R'000	2021/22 R'000
None		-	-
Total	8	-	-

8.5. Forex losses

Nature of losses	Note	2022/23 R'000	2021/22 R'000
None		-	-
Total	8	-	-

9. Transfers and subsidies

	Note	2022/23 R'000	2021/22 R'000
Provinces and municipalities	46,47	389 492	356 421
Departmental agencies and accounts	Annex 1B	-	-
Higher education institutions	Annex 1C	-	-
Foreign governments and international organisations	Annex 1E	-	-
Public corporations and private enterprises	Annex 1D	-	-
Non-profit institutions	Annex 1F	-	-
Households	Annex 1G	16 821	12 914
Total		406 313	369 335

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9.1. Donations made in kind (not included in the main note)

	Note	2022/23 R'000	2021/22 R'000
None	Annex 1J	-	-
Total		-	-

10. Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		925 135	470 668
Buildings and other fixed structures	39	905 837	449 534
Machinery and equipment	37	19 298	21 134
Heritage assets	37,39	-	-
Specialised military assets	37	-	-
Land and subsoil assets	39	-	-
Biological assets	37	-	-
Intangible capital assets		-	-
Software	38	-	-
Mastheads and publishing titles	38	-	-
Patents, licences, copyright, brand names and trademarks	38	-	-
Recipes, formulae, prototypes, designs, models	38	-	-
Services and operating rights	38	-	-
Total		925 135	470 668

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

Name of entity	2022/23		
	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible capital assets	925 135	-	925 135
Buildings and other fixed structures	905 837	-	905 837
Machinery and equipment	19 298	-	19 298
Heritage assets	-	-	-
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible capital assets	-	-	-

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Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names and trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	925 135	-	925 135

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

Name of entity	2022/23		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	470 668	-	470 668
Buildings and other fixed structures	449 534	-	449 534
Machinery and equipment	21 134	-	21 134
Heritage assets	-	-	-
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible capital assets	-	-	-
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names and trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	470 668	-	470 668

10.3. Finance lease expenditure included in Expenditure for capital assets

Note	2022/23	2021/22
	R'000	R'000
Tangible capital assets		
Buildings and other fixed structures	-	-
Machinery and equipment	3 406	3 357
Heritage assets	-	-
Specialised military assets	-	-
Land and subsoil assets	-	-
Biological assets	-	-
Total	3 406	3 357

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11. Cash and cash equivalents

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		-	-
Cash receipts		230 898	87 047
Disbursements		-	392
Cash on hand		-	-
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		230 898	87 439

12. Other financial assets

	Note	2022/23 R'000	2021/22 R'000
Current			
Local			
None		-	-
Total		-	-
Foreign			
None		-	-
Total		-	-
Total Current other financial assets		-	-

13. Prepayments and advances

	Note	2022/23 R'000	2021/22 R'000
Staff advances		-	-
Travel and subsistence		-	-
Prepayments (Not expensed)	13.2	-	-
Advances paid (Not expensed)	13.1	-	-
SOCPEN advances		-	-
Total		-	-
Analysis of Total Prepayments and advances			
Current Prepayments and advances		-	-
Non-current Prepayments and advances		-	-
Total		-	-

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13.1. Advances paid (Not expensed)

		2022/23				
		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	-	-
Provincial departments		-	-	-	-	-
Public entities		-	-	-	-	-
Other entities		-	-	-	-	-
Total	13	-	-	-	-	-

		2021/22				
		Amount as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	-	-
Provincial departments		-	-	-	-	-
Public entities		-	-	-	-	-
Other entities		-	-	-	-	-
Total	13	-	-	-	-	-

13.2. Prepayments (Not expensed)

		2022/23				
		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
Goods and services		-	-	-	-	-
Interest and rent on land		-	-	-	-	-
Transfers and subsidies		-	-	-	-	-
Capital assets		-	-	-	-	-
Other		-	-	-	-	-
Total	13	-	-	-	-	-

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		2021/22				
		Amount as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2022
Note		R'000	R'000	R'000	R'000	R'000
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	13	-	-	-	-	-

13.3. Prepayments (Expensed) ("prepayments expensed" not permitted from 1 April 2023)

		2022/23				
		Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2023
		R'000	R'000	R'000	R'000	R'000
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-

		2021/22				
		Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-

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13.4. Advances paid (Expensed) (*"advances expensed" not permitted from 1 April 2023*)

2022/23

	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
National departments	-	-	-	-	-
Provincial departments	-	-	-	-	-
Public entities	-	-	-	-	-
Other entities	-	-	-	-	-
Total	-	-	-	-	-

2021/22

	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
National departments	-	-	-	-	-
Provincial departments	-	-	-	-	-
Public entities	-	-	-	-	-
Other entities	-	-	-	-	-
Total	-	-	-	-	-

14. Receivables

		2022/23			2021/22		
		Current	Non- current	Total	Current	Non- current	Total
<i>Note</i>		R'000	R'000	R'000	R'000	R'000	R'000
	Claims recoverable	6 424	-	6 242	8 710	-	8 710
	Trade receivables	-	-	-	-	-	-
	Recoverable expenditure	2	-	2	2	2	2
	Staff debt	-	-	-	-	-	-
	Other receivables	10 368	48 062	58 430	48 345	-	48 345
	Total	16 612	48 062	64 674	57 057	-	57 057

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The amount of R46 367 could not be impaired by the Department as the Department's Debt management Policy required the Department to ensure that they exhaust all options before they can impair and write-off, also when the matter is with Legal Services the Department can not impair or write off until the matter is settled.

14.1. Claims recoverable

	Note	2022/23 R'000	2021/22 R'000
National departments		-	-
Provincial departments		6 242	-
Foreign governments		-	-
Public entities		-	8 710
Private enterprises		-	-
Higher education institutions		-	-
Households and non-profit institutions		-	-
Local governments		-	-
Total	14	6 242	8 710

14.2. Trade receivables

	Note	2022/23 R'000	2021/22 R'000
None		-	-
Total	14	-	-

14.3. Recoverable expenditure

	Note	2022/23 R'000	2021/22 R'000
Salary Tax Debt		2	2
Total	14	2	2

14.4. Staff debt

	Note	2022/23 R'000	2021/22 R'000
None		-	-
Total	14	-	-

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14.5. Other receivables

	Note	2022/23 R'000	2021/22 R'000
Statutory Appropriation receivables		-	-
Unauthorised expenditure		-	-
Irregular expenditure		-	-
Debt Account		2 276	1 964
Salary Reversal		43	
Salary Medical Aid		17	14
Disallowance Miscellaneous		9 727	-
Total	14	58 430	48 345

14.6. Impairment of receivables

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of receivables		-	-
Total		-	-

15. Investments

	Note	2022/23 R'000	2021/22 R'000
Non-current			
Shares and other equity			
None		-	-
Total		-	-
Securities other than shares	Annex 2A		
List investments at cost		-	-
Total		-	-
Total non-current investments		-	-

	Note	2022/23 R'000	2021/22 R'000
Analysis of non-current investments			
Opening balance		-	-
Additions in cash		-	-
Disposals for cash		-	-
Non-cash movements		-	-
Closing balance		-	-

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15.1. Impairment of investments

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Estimate of impairment of loans		-	-
Total		-	-

16. Loans

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Public corporations		-	-
Higher education institutions		-	-
Foreign governments		-	-
Private enterprises		-	-
Non-profit institutions		-	-
Staff loans		-	-
Total		-	-

Analysis of balance	<i>Note</i>	2022/23 R'000	2021/22 R'000
Opening balance		-	-
New issues		-	-
Repayments		-	-
Write-offs		-	-
Closing balance		-	-

16.1. Impairment of loans

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Estimate of impairment of loans		-	-
Total		-	-

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17. Voted funds to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		131 403	153 745
Prior period error	17.2		
As restated		131 403	153 745
Transferred from statement of financial performance (as restated)		286 715	546 251
Add: Unauthorised expenditure for the current year			-
Voted funds not requested/not received	1.1	-	-414 850
Transferred to retained revenue to defray excess expenditure (Parliament/Legislatures)	17.1	-	-
Conditional grants surrendered by the provincial department	17.3		
Paid during the year		-131 403	-153 743
Closing balance		286 715	131 403

17.1. Voted funds / (Excess expenditure) transferred to retained funds (Parliament / Legislatures ONLY)

	Note	2022/23 R'000	2021/22 R'000
Opening balance		-	-
Transfer from statement of financial performance		-	-
Transfer from Departmental Revenue to defray excess expenditure	18	-	-
Total	17	-	-

17.2. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2021/22		-
Total prior period errors		-

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17.3. Reconciliation on unspent conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total conditional grants received	1.2	1 318 323	977 299
Total conditional grants spent		-1 111 101	-737 025
Unspent conditional grants to be surrendered		207 222	240 274
Less: Paid to the Provincial Revenue Fund by Provincial department			-240 274
Approved for rollover			-108 871
Not approved for rollover			-131 403
Add: Received from provincial revenue fund by national department	17		-
Due by the Provincial Revenue Fund		207 222	-

18. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		10 203	4 154
Prior period error	18.1		
As restated		10 203	4 154
Transferred from statement of financial performance (as restated)		-	
Own revenue included in appropriation		26 944	30 933
Transfer from aid assistance	4		-
Transferred to voted funds to defray excess expenditure (Parliament/Legislatures)	17.1		-
Paid during the year		-29 734	-24 884
Closing balance		7 413	10 203

An amount of R5m was erroneously paid to Department of Finance instead of Provincial Revenue Fund. A receivable has been raised against Department of Finance.

18.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2021/22		-
Total prior period errors		-

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19. Bank overdraft

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		-	-
Fund requisition account		-	-
Overdraft with commercial banks (Local)		-	-
Overdraft with commercial banks (Foreign)		-	-
Total		-	-

20. Payables - current

	Note	2022/23 R'000	2021/22 R'000
Amounts owing to other entities		268	-
Advances received	20.1	-	-
Clearing accounts	20.2	808	2 607
Other payables	20.3	-	-
Total		1 076	2 607

Included in the payable amount of R268 000 is a refund due to State Attorney for purchase of a house.

20.1. Advances received

	Note	2022/23 R'000	2021/22 R'000
National departments		-	-
Provincial departments		-	-
Public entities		-	-
Other institutions		-	-
Total	20	-	-

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20.2. Clearing accounts

Description	Note	2022/23 R'000	2021/22 R'000
<i>Identify major categories, but list material items</i>			
Salary ACB Recall		109	457
Salary Bargaining Council		-	1
Salary income Tax		102	84
Salary Pension Fund			2
Salary Persal EBT Control		38	1 728
Salary Gehs Refund		559	332
Salary Finance Other Institutions		-	3
			-
Total	20	808	2 607

20.3. Other payables

Description	Note	2022/23 R'000	2021/22 R'000
None			-
Total	20	-	-

21. Payables - non-current

Description	Note	2022/23				2021/22
		One to two years	Two to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Amounts owing to other entities		-	-	-	-	-
Advances received	21.1	-	-	-	-	-
Other payables	21.2	-	-	-	-	-
Total		-	-	-	-	-

21.1. Advances received

Description	Note	2022/23 R'000	2021/22 R'000
National departments		-	-
Provincial departments		-	-
Public entities		-	-
Other institutions		-	-
Total	21	-	-

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21.2. Other payables

Description	Note	2022/23 R'000	2021/22 R'000
None		-	-
Total	21	-	-

22. Net cash flow available from operating activities

	Note	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		286 715	546 251
Add back non-cash/cash movements not deemed operating activities		828 861	-275 041
(Increase)/decrease in receivables		40 445	-7 080
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables - current		-1 531	156
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		925 135	294 427
Surrenders to Revenue Fund		-161 137	-178 627
Surrenders to RDP Fund/Donors		-	-
Voted funds not requested/not received		-	-414 850
Own revenue included in appropriation		25 949	30 933
Other non-cash items			
Net cash flow generating		1 115 576	271 210

23. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2021/22 R'000	2022/23 R'000
Consolidated Paymaster General account		230 898	87 047
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	392
Cash on hand		-	-
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		230 898	87 439

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24. Contingent liabilities and contingent assets

24.1. Contingent liabilities

Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Motor vehicle guarantees	Employees	Annex 3A	-	-
Housing loan guarantees	Employees	Annex 3A	-	-
Other guarantees		Annex 3A	-	-
Claims against the department		Annex 3B	561 161	578 562
Intergovernmental payables		Annex 5	274	13 264
Environmental rehabilitation liability		Annex 3B	-	-
Other		Annex 3B	-	-
Total			561 435	591 826

The Department did not have motor vehicle guarantees, housing guarantees or other guarantees.

24.2. Contingent assets

Nature of contingent asset	Note	2022/23 R'000	2021/22 R'000
Litigation against the state – Construction of Reatlegile Library		233	233
Total		233	233

There is no new contingent assets for the year under review.

25. Capital commitments

	Note	2022/23 R'000	2021/22 R'000
Buildings and other fixed structures		1 539 302	905 154
Heritage assets		-	-
Machinery and equipment		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets		-	-
Total		1 539 302	905 154

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26. Accruals and payables not recognised

26.1. Accruals

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		7 184	2 558	9 742	7 045
Interest and rent on land		-	-	-	-
Transfers and subsidies		-	-	-	-
Capital assets		-	1 474	1 474	-
Other		-	-	-	-
Total		7 184	4 032	11 216	7 045

Listed by programme level	Note	2022/23	2021/22
		R'000	R'000
Administration		1 758	-
Public Works Infrastructure		6 328	5 332
Transport Infrastructure		1 652	1 713
Community Based programme		1 478	-
Total		11 216	7 045

26.2. Payables not recognised

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		67 846	41 239	109 085	17 565
Interest and rent on land		-	-	-	-
Transfers and subsidies		-	-	-	-
Capital assets		-	-	-	-
Other		-	-	-	-
Total		67 846	41 239	109 085	17 565

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Listed by programme level	Note	2022/23 R'000	2021/22 R'000
Administration		2 367	14 972
Public Works Infrastructure		4 452	1 331
Transport Infrastructure		95 308	1 262
Community-Based Programme		6 958	-
Total		109 085	17 565

<i>Included in the above totals are the following:</i>	Note	2022/23 R'000	2021/22 R'000
Confirmed balances with other departments	Annex 5	268	-
Confirmed balances with other government entities	Annex 5	6	2 589
Total		274	2 589

27. Employee benefits

	Note	2022/23 R'000	2021/22 R'000
Leave entitlement		47 027	49 617
Service bonus		23 105	22 932
Performance awards		-	-
Capped leave		47 653	51 399
Other		3 175	2 249
Total		120 960	126 197

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

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28. Lease commitments

28.1. Operating leases

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	-	-

	2021/22				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	-	-

	Note	2022/23 R'000	2021/22 R'000
Rental earned on sub-leased assets	3	-	-
Total		-	-

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28.2. Finance leases

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 345	3 345
Later than 1 year and not later than 5 years	-	-	-	2 760	2 760
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	6 105	6 105

	2021/22				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	913	913
Later than 1 year and not later than 5 years	-	-	-	596	596
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	1 509	1 509

** This note excludes leases relating to public private partnerships as they are separately disclosed in the note on *Public Private Partnerships*.

	Note	2022/23 R'000	2021/22 R'000
Rental earned on sub-leased assets	3	-	-
Total		-	-

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28.3. Operating lease future revenue

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years					
Total operating lease revenue receivable	-	-	-	-	-

	2021/22				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years	-	-	-	-	-
Total operating lease revenue receivable	-	-	-	-	-

29. Accrued departmental revenue

	Note	2022/23	2021/22
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		83 481	68 457
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Other		-	-
Total		83 481	68 457

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29.1. Analysis of accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Opening balance		68 389	61 230
Less: amounts received		11 279	10 188
Less: services received in lieu of cash		-	-
Add: amounts recorded		26 371	17 347
Less: amounts written off/reversed as irrecoverable		-	-
Less: amounts transferred to receivables for recovery		-	-
Other (<i>Specify</i>)		-	-
Closing balance		83 481	68 389

29.2. Accrued departmental revenue written off

Nature of losses	Note	2022/23 R'000	2021/22 R'000
		-	-
		-	-
Total		-	-

Impairment of accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of accrued departmental revenue		-	-
		-	-
Total		-	-

30. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

	Note	2022/23 R'000	2021/22 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		689 359	448 519
Fruitless and wasteful expenditure - current year		537	358
Total		689 896	386 849

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31. Related party transactions

	Note	2022/23 R'000	2021/22 R'000
Revenue received			
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Total		-	-
Payments made	Note	2022/23 R'000	2021/22 R'000
Compensation of employees		-	-
Goods and services		-	-
Interest and rent on land		-	-
Expenditure for capital assets		-	-
Payments for financial assets		-	-
Transfers and subsidies		-	-
Total		-	-
Year end balances arising from revenue/payments	Note	2022/23 R'000	2021/22 R'000
Receivables from related parties		-	-
Payables to related parties		-	-
Total		-	-
Loans to/from related parties	Note	2022/23 R'000	2021/22 R'000
Non-interest bearing loans to/(from)		-	-
Interest bearing loans to/(from)		-	-
Total		-	-
Other	Note	2022/23 R'000	2021/22 R'000
Guarantees issued/received		-	-
List other contingent liabilities between the department and related party		-	-
		-	-
Total		-	-

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In-kind goods and services provided/received	Note	2022/23 R'000	2021/22 R'000
None		-	-
Total		-	-

The Department of Public Works and Roads have related parties as follows: All Provincial Departments in the North West Province, North West Provincial Legislature and National Department of Public Works and Infrastructure. The transactions related to these departments are free of charge.

32. Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers (<i>provide detail below</i>)	2 096	2 000
Officials:	-	-
Head of Department	1 164	375
Chief of Directors	7 192	6 433
Directors	19 781	26 454
Family members of key management personnel		
Total	30 233	35 262

Key management personnel (Parliament/Legislatures)	2022/23 R'000	2021/22 R'000
Speaker to Parliament/Legislature	-	-
Deputy Speaker	-	-
Secretary to Parliament/Legislature	-	-
Deputy Secretary	-	-
Chief Financial Officer	-	-
Legal advisor	-	-
Other	-	-
Total	-	-

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33. Public private partnership

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Concession fee received		-	-
Base fee received		-	-
Variable fee received		-	-
Other fees received (<i>Specify</i>)		-	-
Unitary fee paid		-	-
Fixed component		-	-
Indexed component		-	-
Analysis of indexed component		-	-
Compensation of employees		-	-
Goods and services (excluding lease payments)		-	-
Operating leases		-	-
Interest		-	-
Capital / (Liabilities)		-	-
Tangible rights		-	-
Intangible rights		-	-
Property		-	-
Plant and equipment		-	-
Loans		-	-
Other		-	-
Prepayments and advances		-	-
Pre-production obligations		-	-
Other obligations		-	-

Any guarantees issued by the Department are disclosed in the Note on Contingent liabilities.

34. Impairment (other than receivables, accrued departmental revenue, loans and investments)

	<i>Note</i>	2022/23 R'000	2021/22 R'000
None		-	-
Total		-	-

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35. Provisions

	Note	2022/23 R'000	2021/22 R'000
Retention for Both Roads and Building Infrastructure		114 529	108 997
			30 844
			-53 974
Total		114 529	85 867

35.1. Reconciliation of movement in provisions – 2022/23

	2022/23			
	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	85 866			85 866
Increase in provision	68 357	343		68 700
Settlement of provision	-40 037			-40 037
Unused amount reversed				-
Reimbursement expected from third party				-
Change in provision due to change in estimation of inputs				-
Closing balance	114 186	343	-	114 529

Reconciliation of movement in provisions - Prior year

	2021/22			
	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	108 997	-	-	108 997
Increase in provision	30 844	-	-	30 844
Settlement of provision	-53 974	-	-	-53 974
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	85 867	-	-	85 867

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36. Non-adjusting events after reporting date

Nature of the event	Note	2022/23
		R'000
<i>Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made</i>		-
Total		-

37. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				Closing balance R'000
	Opening balance	Value adjustments	Additions	Disposals	
	R'000	R'000	R'000	R'000	
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	393 468	-	15 890	1 015	408 343
Transport assets	334 368	-	5 512	-	339 880
Computer equipment	37 381	-	2 795	1 015	39 161
Furniture and office equipment	10 418	-	1 232	-	11 650
Other machinery and equipment	11 301	-	6 351	-	17 652
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	393 468	-	15 890	1 015	408 343

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Movable Tangible Capital Assets under investigation

	<i>Note</i>	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Heritage assets		-	-
Machinery and equipment		978	19 799
Specialised military assets		-	-
Biological assets		-	-
Total		978	19 799

37.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-				
MACHINERY AND EQUIPMENT	377 355	-	17 789	1 676	393 468
Transport assets	319 959		14 409	-	334 368
Computer equipment	36 130		2 458	1 207	37 381
Furniture and office equipment	10 079		808	469	10 418
Other machinery and equipment	11 186		114		11 301
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-				
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-				
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	377 355	-	17 789	1 676	393 468

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37.1.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2021/22		-
Total prior period errors		-

37.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					Total R'000
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	
Opening balance	-	-	-	23 343	-	22 343
Value adjustments	-	-	-	-	-	-
Additions				619		619
Disposals				66		66
Total Minor assets	-	-	-	23 896	-	23 896

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				10 153		10 153
Number of minor assets at cost				24 933		24 933
Total number of minor assets	-	-	-	35 086	-	35 086

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Minor capital assets under investigation

	Note	Number	Value R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Specialised military assets		-	-
Intangible assets		-	-
Heritage assets		-	-
Machinery and equipment		3 860	3 308
Biological assets			

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

2021/22

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	22 797	-	22 797
Prior period error	-	-	-	-	-	-
Additions	-	-	-	869	-	869
Disposals	-	-	-	323	-	323
Total Minor assets	-	-	-	23 343	-	23 343

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	-	-	-
Total number of minor assets	-	-	-	-	-	-

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37.2.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2021/22		-
Total prior period errors		-

37.3. Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off						-
Total movable assets written off	-	-	-	-	-	-

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	2021/22					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-
Total movable assets written off	-	-	-	-	-	-

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37.4. Movable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000
<i>Note</i>				
Heritage assets	-	-	-	-
Machinery and equipment	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Total	-	-	-	-

Payables not recognised relating to Capital WIP

	<i>Note</i>	2022/23 R'000	2021/22 R'000
<i>Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress</i>		-	-
Total		-	-

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance 1 April 2022	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 20YY
	R'000	R'000	R'000	R'000	R'000
<i>Note</i>					
Heritage assets	-	-	-	-	-
Machinery and equipment	-	-	-	-	-
Specialised military assets	-	-	-	-	-
Biological assets	-	-	-	-	-
Total	-	-	-	-	-
<i>Annex 7</i>					

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38. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Software	-	-	-	-
Mastheads and publishing titles	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-
Services and operating rights	-	-	-	-
Total intangible capital assets	-	-	-	-

Intangible Capital Assets under investigation

	Note	Number	Value R'000
Included in the above total of the intangible capital assets per the asset register that are under investigation:			
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-

38.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	-	-	-	-	-
Mastheads and publishing titles	-	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
Services and operating rights	-	-	-	-	-
Total intangible capital assets	-	-	-	-	-

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38.1.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2021/22		-
Total prior period errors		-

38.2. Intangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Note	Opening balance 1 April 2022 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2023 R'000
Intangible assets	Annex 7	-	-	-	-
Total		-	-	-	-

Payables not recognised relating to Capital WIP

	Note	2022/23 R'000	2021/22 R'000
<i>Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress</i>		-	-
Total		-	-

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Note	Opening balance 1 April 2022 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2023 R'000
Intangible assets		-	-	-	-	-
Total		-	-	-	-	-

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39. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	37 343 626	79 167	178 934	37 243 859
Dwellings	322 958	1 574	2 039	322 493
Non-residential buildings	3 967 277	51 486	5 154	4 013 609
Other fixed structures	33 053 391	26 107	171 741	32 907 757
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	100 463	-	-	100 463
Land	100 463	-	-	100 463
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	37 444 089	79 167	178 934	37 344 322

Immovable Tangible Capital Assets under investigation

	<i>Note</i>	Number	Value R'000
Included in the above total of the immovable tangible capital assets per the asset register that are under investigation:			
Buildings and other fixed structures		1	14 000
Heritage assets			
Land and subsoil assets			
Total		1	14 000

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39.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	36 819 771		572 253	48 399	37 343 626
Dwellings	323 560			602	322 958
Non-residential buildings	3 970 622		1 699	5 044	3 967 277
Other fixed structures	32 525 590		570 554	42 753	33 053 391
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	100 463				100 463
Land	100 463	-	-	-	100 463
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	36 920 234	-	572 253	48 399	37 444 089

39.1.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2021/22		-
Total prior period errors		-

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39.2. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000
<i>Note Annex 7</i>				
Heritage assets	-	-	-	-
Buildings and other fixed structures	344 148	433 857	-	778 005
Land and subsoil assets	-	-	-	-
Total	344 1248	433 857	-	778 005

Payables not recognised relating to Capital WIP

	<i>Note</i>	2022/23 R'000	2021/22 R'000
<i>Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress</i>		-	-
Total		-	-

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance 1 April 2022	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
<i>Note</i>					
Heritage assets	-	-	-	-	-
Buildings and other fixed structures	580 214		270 533	506 599	344 148
Land and subsoil assets					
Total	580 214		270 533	506 599	344 148

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39.3. Immovable tangible capital assets written off

IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off				
Total Immovable capital assets written off	-	-	-	-

IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	2021/22			
	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-
Total immovable capital assets written off	-	-	-	-

39.4. Immovable capital assets (additional information)

[Capital assets par .100(c)]

	Note	2022/23	2021/22
		Area	Area
a) Unsurveyed land	Annex 9		
		Estimated completion date	
b) Properties deemed vested	Annex 9	Number	Number
Land parcels		300	290
Facilities			
Schools		53	51
Clinics		4	4
Hospitals		12	12
Office buildings		28	27
Dwellings		54	45
Storage facilities		-	-
Other		149	151

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c) Facilities on unsurveyed land	Duration of use	Annex 9	Number	Number
Schools			-	-
Clinics			-	-
Hospitals			-	-
Office buildings			-	-
Dwellings			-	-
Storage facilities			-	-
Other			-	-
d) Facilities on right to use land	Duration of use	Annex 9	Number	Number
Schools			1 824	1 823
Clinics			364	364
Hospitals			16	16
Office buildings			101	24
Dwellings			913	924
Storage facilities			8	8
Other			149	167
e) Agreement of custodianship		Annex 9	Number	Number
Land parcels			-	-
Facilities			-	-
Schools			-	-
Clinics			-	-
Hospitals			-	-
Office buildings			-	-
Dwellings			-	-
Storage facilities			-	-
Other			-	-

40. Principal-agent arrangements

40.1. Department acting as the principal

	Note	2022/23 R'000	2021/22 R'000
<i>Entities acting as agents for the department, the fee paid as compensation to the agent and any other transactions undertaken</i>		-	-
Total		-	-

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40.2. Department acting as the agent

40.2.1. Revenue received for agency activities

	Note	2022/23 R'000	2021/22 R'000
<i>List of the entities for which the department acts as an agent and the amounts received for these agency duties</i>		-	-
		-	-
Total		-	-

40.2.2. Reconciliation of funds and disbursements - Current year

	2022/23	
Category of revenue or expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Total	-	-

Reconciliation of funds and disbursements - Prior year

	2021/22	
Category of revenue or expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Total	-	-

40.2.3. Reconciliation of carrying amount of receivables and payables - current year

Receivables

	2022/23				
Name of principal entity	Opening balance 1 April 2022 R'000	Revenue principal is entitled to R'000	Less: Write offs / settlements / waivers R'000	Cash received on behalf of principal R'000	Closing balance 31 March 2023 R'000
Total	-	-	-	-	-

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Payables

	2021/22			
	Opening balance 1 April 2021	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance 31 March 2022
Name of principal entity	R'000	R'000	R'000	R'000
Total	-	-	-	-

Reconciliation of carrying amount of receivables and payables - prior year

	2021/22				
	Opening balance 1 April 2021	Revenue principal is entitled to	Less: Write offs / settlements / waivers	Cash received on behalf of principal	Closing balance 31 March 2022
Name of principal entity	R'000	R'000	R'000	R'000	R'000
Total	-	-	-	-	-

Payables

	2021/22			
	Opening balance 1 April 2022	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance 31 March 2023
Name of principal entity	R'000	R'000	R'000	R'000
Total	-	-	-	-

41. Changes in accounting estimates

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances

	Value derived using the original estimate	Value derived using the amended estimate	R-value impact of change in estimate
	R'000	R'000	R'000

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42. Prior period errors

42.1. Correction of prior period errors

		2021/22		
		Amount before error correction	Prior period error	Restated
<i>Note</i>		R'000	R'000	R'000
Revenue:		-	-	-

		2021/22		
		Amount before error correction	Prior period error	Restated
<i>Note</i>		R'000	R'000	R'000
Expenditure:				
Goods and services	Note 6	1 255 119	-176 599	1 078 520
Interest and rent in hand	Note 7	-	358	358
Net effect		1 255 119	-176 241	1 078 878

		2021/22		
		Amount before error correction	Prior period error	Restated
<i>Note</i>		R'000	R'000	R'000
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Accrued Departmental Revenue	29	68 457	-68	68 389
Movable Assets	37	2 444	14	2 458
Movable Assets	37			
		455	14	469
Movable assets – Transport Equipment	37	337 024	-2 657	334 367
Movable – Other Machinery	37	11 321	-19	11 302
Movable Assets	37	22 803	-6	22 797
Net effect		442 504	-2 722	439 782

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		2021/22	
		Amount bef error correction	Prior period error
Note		R'000	R'000
	Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)	-	-

		2021/22			
		Amount before error correction	Prior period error	Restated	
Note		R'000	R'000	R'000	
	Other:				
	Fruitless and wasteful Expenditure	30	-	358	358
	Irregular Expenditure	30	267 830	180 689	448 519
	Provision	41	111 589	-2 592	108 997
	Commitment	25	838 815	66 339	905 154
	Net effect		1 218 234	244 794	1 463 028

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for the year ended 31 March 202343. **Inventories** (Effective from date to be determined by the Accountant-General)43.1. **Inventories for the year ended 31 March 2023**

	2022/23	
	Category of inventory	Total
	R'000	R'000
Opening balance	-	-
Add/(Less): Adjustments to prior year balances	-	-
Add: Additions/Purchases – Cash	-	-
Add: Additions/Purchases - Non-cash	-	-
(Less): Disposals	-	-
(Less): Issues	-	-
Add/(Less): Received current, not paid (Paid current year, received)	-	-
Add/(Less): Adjustments	-	-
Closing balance	-	-

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Inventories for the year ended 31 March 2022

	2021/22	
	Category of inventory	Total
	R'000	R'000
Opening balance	-	-
Add/(Less): Adjustments to prior year balances	-	-
Add: Additions/Purchases – Cash	-	-
Add: Additions/Purchases - Non-cash	-	-
(Less): Disposals	-	-
(Less): Issues	-	-
Add/(Less): Received current, not paid (Paid current year, received)	-	-
Add/(Less): Adjustments	-	-
Closing balance	-	-

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43.2. Land parcels held for human settlement

	Note	2022/23 R'000	2021/22 R'000
Opening balance		-	-
Add/(Less): Adjustments to prior year balances		-	-
Add: Additions/Purchases – Cash		-	-
Add: Additions - Non-cash		-	-
(Less): Disposals		-	-
(Less): Issues		-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)		-	-
Add/(Less): Adjustments		-	-
Closing balance		-	-

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43.3. Inventories Work-in-progress

Work-in-progress for the year ended 31 March 2023

	2022/23			
	Opening balance	Additions during the year	(Ready for use / Suspended)	Closing balance
	R'000	R'000	R'000	R'000
Clearing	-	-	-	-
Infrastructure	-	-	-	-
Structure of houses	-	-	-	-
Adjustments	-	-	-	-
Total	-	-	-	-

Accruals/Payables not recognised relating to Inventories WIP

	Note	2022/23 R'000	2021/22 R'000
Certificates/Invoices received not paid		-	-
Clearing		-	-
Infrastructure		-	-
Structure of houses		-	-
Total		-	-

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43.4. Houses ready for use

	Quantity	2022/23	Quantity	2021/22
		R'000		R'000
Opening balance	-	-	-	-
Add/(Less): Adjustment to prior year balances	-	-	-	-
Add: Ready for use in current year	-	-	-	-
Less: Issued to beneficiaries	-	-	-	-
Add/(Less): Adjustments	-	-	-	-
Closing balance	-	-	-	-

44. Transfer of functions and mergers

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44.1. Transfer of functions

44.1.1. Statement of Financial Position

	Balance before transfer date	Functions (transferred) / received	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
		Dept name (Specify)	Dept name (Specify)	Dept name (Specify)	
Note	R'000	R'000	R'000	R'000	R'000
ASSETS					
Current Assets	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
Other financial assets	-	-	-	-	-
Prepayments and advances	-	-	-	-	-
Receivables	-	-	-	-	-
Loans	-	-	-	-	-
Aid assistance prepayments	-	-	-	-	-
Aid assistance receivable	-	-	-	-	-
Non-Current Assets	-	-	-	-	-
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Loans	-	-	-	-	-
Other financial assets	-	-	-	-	-
	-	-	-	-	-

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TOTAL ASSETS	-	-	-	-	-
LIABILITIES	-	-	-	-	-
Current liabilities	-	-	-	-	-
Voted funds to be surrendered to the Revenue Fund	-	-	-	-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	-	-	-	-	-
Bank Overdraft	-	-	-	-	-
Payables	-	-	-	-	-
Aid assistance repayable	-	-	-	-	-
Aid assistance unutilised	-	-	-	-	-
Non-Current liabilities	-	-	-	-	-
Payables	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
NET ASSETS	-	-	-	-	-

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44.1.2. Notes

	Balance before transfer date	Functions (transferred) / received	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
		Dept name (Specify)	Dept name (Specify)	Dept name (Specify)	
Note	R'000	R'000	R'000	R'000	R'000
Contingent liabilities	-	-	-	-	-
Contingent assets	-	-	-	-	-
Accruals	-	-	-	-	-
Payables not recognised	-	-	-	-	-
Employee benefits	-	-	-	-	-
Lease commitments - Operating leases	-	-	-	-	-
Lease commitments - Finance leases	-	-	-	-	-
Lease commitments - Operating lease revenue	-	-	-	-	-
Accrued departmental revenue	-	-	-	-	-
Impairment	-	-	-	-	-
Provisions	-	-	-	-	-
Movable tangible capital assets	-	-	-	-	-
Immovable tangible capital assets	-	-	-	-	-
Intangible capital assets	-	-	-	-	-

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44.2. Mergers

44.2.1. Statement of Financial Position

	Balance before merger date	Balance before merger date	Balance before merger date	Balance before merger date	Balance after transfer date
	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combined Dept (Specify)
Note	R'000	R'000	R'000	R'000	R'000
ASSETS	-	-	-	-	-
Current Assets	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
Other financial assets	-	-	-	-	-
Prepayments and advances	-	-	-	-	-
Receivables	-	-	-	-	-
Loans	-	-	-	-	-
Aid assistance prepayments	-	-	-	-	-
Aid assistance receivable	-	-	-	-	-
Non-Current Assets	-	-	-	-	-
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Loans	-	-	-	-	-
Other financial assets	-	-	-	-	-
TOTAL ASSETS	-	-	-	-	-

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LIABILITIES

Current liabilities

	-	-	-	-	-
Voted funds to be surrendered to the Revenue Fund	-	-	-	-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	-	-	-	-	-
Bank Overdraft	-	-	-	-	-
Payables	-	-	-	-	-
Aid assistance repayable	-	-	-	-	-
Aid assistance unutilised	-	-	-	-	-

Non-Current liabilities

Payables	-	-	-	-	-
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TOTAL LIABILITIES

NET ASSETS

	-	-	-	-	-
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44.2.2. Notes

	Balance before merger date	Balance before merger date	Balance before merger date	Balance before merger date	Balance after transfer date
	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combined Dept (Specify)
Note	R'000	R'000	R'000	R'000	R'000
Contingent liabilities	-	-	-	-	-
Contingent assets	-	-	-	-	-
Accruals	-	-	-	-	-
Payables not recognised	-	-	-	-	-
Employee benefits	-	-	-	-	-
Lease commitments - Operating leases	-	-	-	-	-
Lease commitments - Finance leases	-	-	-	-	-
Lease commitments - Operating lease revenue	-	-	-	-	-
Accrued departmental revenue	-	-	-	-	-
Impairment	-	-	-	-	-
Provisions	-	-	-	-	-
Movable tangible capital assets	-	-	-	-	-
Immovable tangible capital assets	-	-	-	-	-
Intangible capital assets	-	-	-	-	-

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45. Statement of conditional grants received

Name of grant	2022/23									2021/22	
	GRANT ALLOCATION					SPENT				Division of Revenue Act / Provincial grants	Amount spent by department
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under- / (Overspending)	% of available funds spent by department		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
EPWP	27 949	-	-	-	27 949	27 949	27 035	914	97%	20 200	20 200
PRMG	957 028	222 246	-	111 100	1 290 374	1 290 374	1 084 066	206 308	84%	1 090 622	716 825
TOTAL	984 977	222 246	-	111 100	1 318 323	1 111 101	207 222			1 110 822	737 025

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46. Statement of conditional grants paid to the provinces

Name of Province / Grant	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				Division of Revenue Act / Provincial grants	Actual transfers
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Eastern Cape													
Free State													
Gauteng													
Kwazulu-Natal													
Limpopo													
Mpumalanga													
Northern Cape													
North West													
Western Cape													
TOTAL													
Summary by grant													

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TOTAL

1. **[Grant name]**

Eastern Cape
Free State
Gauteng
Kwazulu-Natal
Limpopo
Mpumalanga
Northern Cape
North West
Western Cape

TOTAL

2. **[Grant name]**

Eastern Cape
Free State
Gauteng
Kwazulu-Natal
Limpopo
Mpumalanga
Northern Cape
North West
Western Cape

TOTAL

3. **[Grant name]**

Eastern Cape
Free State
Gauteng



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Kwazulu-Natal
Limpopo
Mpumalanga
Northern Cape
North West
Western Cape
TOTAL

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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47. Statement of conditional grants and other transfers paid to municipalities

Name of municipality	2022/23							2021/22	
	GRANT ALLOCATION				TRANSFER			DORA and other transfers	Actual transfer
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
City of Matlosana	34 091	-	-	34 091	34 660	-	-	19 612	31 138
Ditsobotla Local Municipality	7 880	-	-	7 880	3 082	-	-	6 846	5 690
Greater Taung Local Municipality	21 778	-	-	21 778	17 225	-	-	23 663	18 316
Jb Marks Local Municipality	15 708	-	-	15 708	20 445	-	-	-	15 708
Kgetleng River Local Municipality	4 295	-	-	4 295	1 192	-	-	5 417	2 194
Lekwa-Teemane Local Municipality	6 690	-	-	6 690	1 815	-	-	4 370	4 631
Madibeng Local Municipality	33 589	-	-	33 589	52 560	-	-	52 117	27 581
Mahikeng Local Municipality	133 889	-	-	133 889	151 500	-	-	41 154	127 769
Mamusa Local Municipality	6 559	-	-	6 559	4 706	-	-	3 667	4 526
Maquassi Hill Local Municipality	6 339	-	-	6 339	3 254	-	-	10 579	4 225
Molopo Kagisano Local Municipality	9 778	-	-	9 778	3 327	-	-	42 137	7 673
Moretele Local Municipality	30 689	-	-	30 689	9 063	-	-	81 263	27 189
Moses Kotane Local Municipality	35 550	-	-	35 550	34 355	-	-	17 651	31 495
Naledi Local Municipality	20 890	-	-	20 890	16 338	-	-	4 046	16 304

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Ramotshere Moiloa Local Municipality	4 550	-	-	4 550	2 748	-	-	19 125	2 192
Ratlou Local Municipality	25 055	-	-	25 055	16 703	-	-	31 824	15 056
Rustenburg Local Municipality	3 555	-	-	3 555	2 073	-	-	14 342	2 554
Tswaing Local Municipality	15 897	-	-	15 897	14 446	-	-	12 187	12 180
TOTAL	416 782	-	-	416 782	389 492	-	-	390 000	356 421

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48. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

49. COVID 19 Response expenditure

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Compensation of employees		-	-
Goods and services		-	832
Transfers and subsidies		-	-
Expenditure for capital assets		-	-
Other		-	-
Total	<i>Annex 11</i>	-	832

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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				DORA and other transfers	Actual transfers
	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
				-									
				-									
				-									
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23					2021/22		
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
				-				
				-				
				-				
TOTAL	-	-	-	-	-	-	-	-

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ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

Higher Education Institution	2022/23							2021/22	
	TRANSFER ALLOCATION				TRANSFER			Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustment s	Total Available	Actual transfer	Amount not transferred	% of available funds transferred		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
				-			-		
				-			-		
				-			-		
TOTAL	-	-	-	-	-	-	-	-	-

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ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

Name of public corporation / private enterprise	2022/23							2021/22		
	GRANT ALLOCATION				EXPENDITURE			Final Budget	Actual transfer	
	Adjusted Budget	Roll overs	Adjust- ments	Total Available	Actual transfer	% of Available funds transferred	Capital			Current
R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Public Corporations	-	-	-	-	-	-	-	-	-	-
Transfers										
Total	-	-	-	-	-	-	-	-	-	-
Private Enterprises										
Transfers										
Total										
Subsidies										
Total										

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ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

Foreign government / International organisation	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers				-				
				-				
				-				
Total	-	-	-	-	-	-	-	-
Subsidies								
Total	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

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ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Subsidies								
Total	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

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ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Total	16 480			16 480	16 821		14 200	12 914
Subsidies								
H/H EMPL S/BEN:INJURY ON DUTY								3
H/H EMPL S/BEN:LEAVE GRATUITY	16 480		(1 655)	14 825	8 142	55%	14 200	12 183
H/H CLAIMS AGAINST STATE(CASH)			1 655	1 655	8 679	524%		728
Total								
TOTAL	16 480			16 480	16 821		14 200	12 914

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ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Received in cash		-	-
Subtotal		-	-
Received in kind		-	-
Subtotal		-	-
TOTAL		-	-

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ANNEXURE 11
STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on / by 31 March	Closing balance
		R'000	R'000	R'000	R'000	R'000
Received in cash						
Subtotal		-	-	-	-	-
Received in kind						
Subtotal		-	-	-	-	-
TOTAL		-	-	-	-	-

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ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship <i>(Group major categories but list material items including name of organisation)</i>	2022/23	2021/22
	R'000	R'000
Made in kind		
TOTAL	-	-

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ANNEXURE 1K
STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Old age													
War veterans													
Disability													
Grant in Aid													
Foster care													
Care dependency													
Child Support Grant													
Other													
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-

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ANNEXURE 1L

STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND MUNICIPALITIES

Name of Grant	GRANT ALLOCATION				SPENT
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Amount
	R'000	R'000	R'000	R'000	R'000
TOTAL	-	-	-	-	-
	-	-	-	-	-

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ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State Entities' PFMA Schedule type (state year-end if not 31 March)	% Held 22/23	% Held 21/22	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaranteed Yes/No
				R'000		R'000		R'000		R'000		
				2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
National / Provincial Public entity												
Subtotal												
Other												
Subtotal												
TOTAL												

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ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of entity	Nature of business	Cost of investments		Net Asset value of investments		Amounts owing to entities		Amounts owing by entities	
		R'000		R'000		R'000		R'000	
		2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Controlled entities		-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-
Non-controlled entities									
	Associates	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Joint Ventures	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Other non-controlled entities	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-

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ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2022	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2023	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2023
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Housing	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

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ANNEXURE 3A (Continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 - FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2022	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2023	Revaluation due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2023
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Housing	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

**(PROVINCIAL DEPARTMENT OF PUBLIC WORKS AND ROADS
VOTE 11****ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023****ANNEXURE 3B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023**

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department	578 562	169 860	187 261	-	561 161
Subtotal	578 562	169 860	187 261	-	561 161
Environmental liability					-
Subtotal	-	-	-	-	-
Other					
Subtotal	-	-	-	-	-
TOTAL	578 562	169 860	187 261	-	561 161

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ANNEXURE 3B (continued)

Nature of liabilities recoverable	Details of liability and recoverability	Opening balance 1 April 2022	Movement during the year	Closing balance 31 March 2023
		R'000	R'000	R'000
TOTAL	578 562	169 860	187 261	561 161

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ANNEXURE 4
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Community Safety- Moiloa,Moremong,Khamanyane,Mangope,Matwe,Mokgethi	1 528	-	71	-	1 599	-		-
National Correctional Services	27	-	-	-	27	-		-
Forestry	8	-	-	-	8	-		-
Department of Economic Enterprise	10	-	-	-	10	-		-
Department Health	22	-	-	-	22	-		-
Department Health North West	2	-	2 691	-	2 693	-		-
Gauteng Department of Justice	557	-	-	-	557	-		-
North West Provincial Legislature	44	-	-	-	44	-		-
National Public Works	175	-	-	-	175	-		-
Provincial Treasury	12	-	-	-	12	-		-
Public Service	5 737	-	-	-	5 737	-		-
Public Works Infrastructure	16	-	-	-	16	-		-
Department of Rural Development	49	-	-	-	49	-		-
Department of Social Development	23	-	164	-	187	-		-
Gauteng Department of Water and Sanitation	15	-	1 754	-	1 769	-		-

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Kwazulu Natal Department of Treasury	43	-	-	-	43	-	-
Department of Cooperative Governance	7	-	-	-	7	-	-
Office of the Premiers	-	-	19	-	19	-	-
Department of Education	-	-	29	-	29	-	-
Department of Health	-	-	179	-	179	-	-
	-	-	16	-	16	-	-
Subtotal	8 275	-	4 923	-	13 198	-	-
Other Government Entities	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
TOTAL	8 275	-	4 923	-	13 198	-	-

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ANNEXURE 5
INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current			6		6			
Department of Human Settlement	240				240			
Department of Justice	11				11			
Department Justice –Transfer Costs	17				17			
Sassa-Refund to be paid								
Subtotal	268		6		274			
Non-current	-		-		-			
Subtotal	268		6		274			
Total Departments	268		6		274			

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OTHER GOVERNMENT ENTITIES

Current	-	-	-
Subtotal	-	-	-
Non-current	-	-	-
Subtotal	-	-	-
Total Other Government Entities	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	-	-	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 6
INVENTORIES**

	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
Inventories for the year ended 31 March 2023	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases - Cash	-	-	-	-	-
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-	-	-	-	-
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	-	-	-	-	-

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	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
Inventories for the year ended 31 March 2022	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases - Cash	-	-	-	-	-
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-	-	-	-	-
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	-	-	-	-	-

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ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2023

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS				
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT				
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	-	-	-
SPECIALISED MILITARY ASSETS				
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS				
Biological assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	344 147		478 050	822 197
Dwellings	-	-	-	-
Non-residential buildings	23 660	-	15 937	39 597
Other fixed structures	320 487	-	462 113	782 600
LAND AND SUBSOIL ASSETS				
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
SOFTWARE				
Software	-	-	-	-
MASTHEADS AND PUBLISHING TITLES				
Mastheads and publishing titles	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS				
Patents, licences, copyright, brand names, trademarks	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS				
Recipes, formulae, prototypes, designs, models	-	-	-	-
SERVICES AND OPERATING RIGHTS				
Services and operating rights	-	-	-	-
TOTAL	350 150		478 050	828 200

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Movement in capital work in progress for the year ended 31 March 2022

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT					
Transport assets	-	-	-	-	-
Computer equipment	-	-	-	-	-
Furniture and office equipment	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-
SPECIALISED MILITARY ASSETS					
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	679 979	(93 763)	270 533	(506 599)	344 147
Dwellings					
Non-residential buildings	14 793	(1 842)	10 709		23 660
Other fixed structures	665 186	(97 924)	259 824	(506 599)	320 487
LAND AND SUBSOIL ASSETS					
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
SOFTWARE					
Software	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES					
Mastheads and publishing titles	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS					
Patents, licences, copyright, brand names, trademarks	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS					
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
SERVICES AND OPERATING RIGHTS					
Services and operating rights	-	-	-	-	-
TOTAL	679 979	(99 766)	270 533	(506 599)	344 147

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

ANNEXURE 8A

INTERENTITY ADVANCES PAID (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Subtotal	-	-	-	-	-	-
PROVINCIAL DEPARTMENTS						
Subtotal	-	-	-	-	-	-
PUBLIC ENTITIES						
Subtotal	-	-	-	-	-	-
OTHER ENTITIES						
Subtotal	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

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ANNEXURE 8B

INTERENTITY ADVANCES RECEIVED (Note 20 AND Note 21)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
Subtotal	-	-	-	-	-	-
Non-current						
Subtotal	-	-	-	-	-	-
PROVINCIAL DEPARTMENTS						
Current						
Subtotal	-	-	-	-	-	-
Non-current						
Subtotal	-	-	-	-	-	-
PUBLIC ENTITIES						
Current						
Subtotal	-	-	-	-	-	-
Non-current						
Subtotal	-	-	-	-	-	-

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OTHER ENTITIES

Current

Subtotal

Non-current

Subtotal

TOTAL

Current

Non-current

	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

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ANNEXURE 9

ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

Surveyed but unregistered land parcels

	2022/23	2021/22
Properties Deemed		
Land Parcels	300	290
Schools	53	51
Clinics and Care centres	4	4
Hospitals	12	12
Office buidings	28	27
Dwellings	54	45
Storage Facilities	0	0
Other	149	151

Facilities on land not surveyed

None

Facilities on land not surveyed

	2022/23	2021/22
Properties Deemed		
Schools	1824	1823
Clinics and Care centres	364	364
Hospitals	16	16
Office buidings	24	24
Dwellings	913	924
Storage Facilities	8	8
Other	224	167

Agreement of custodianship reached

	2022/23	2021/22
Land Parcels	-	-
Schools	-	-
Clinics and Care centres	-	-
Hospitals	-	-
Office buidings	-	-
Dwellings	-	-
Storage Facilities	-	-
Other	-	-

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Properties registered in the name of the North West Provincial Government belonging to other custodians

These land parcels are not disclosed in North West Department of Public Works and Roads' immovable asset register as Human Settlement, NWHC and Higher Education properties should be disclosed by the relevant custodians.

Properties of other custodians	2022/23
Human Settlement and Housing Corporation	2008
Higher Education	8
	2021/22
Properties of other custodians	
Human Settlement and Housing Corporation	2010
Higher Education	8

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ANNEXURE 10

DEPARTMENT OF HUMAN SETTLEMENTS HOUSING RELATED EXPENDITURE
CLASSIFICATION*[Human Settlements Departments: Transition Guide on Classification of Expenditure]*

	Note	2022/23 R'000	2021/22 R'000
Inventories			
<i>List the items for correct expenditure</i>			
Subtotal		-	-
Expenditure for capital assets			
<i>List the items for correct expenditure</i>			
Subtotal		-	-
Transfers and subsidies			
<i>List the items for correct expenditure</i>			
Subtotal		-	-
TOTAL		-	-

Capital commitments*[Provisions and Contingents par .64, .65 and .66]*

	Note	2022/23 R'000	2021/22 R'000
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets		-	-
Total		-	-

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ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and services						832
Consumables Supplies – Medical	-	-	-	-	-	635
Property Payments – Pest Control	-	-	-	-	-	197
Transfers and subsidies						
Expenditure for capital assets						
Other expenditure not listed above						
TOTAL COVID 19 RESPONSE EXPENDITURE	-	-	-	-	-	832



PR 186/2023
ISBN 978-0-621-51303-5