

## public works & roads

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

# ANNUAL REPORT 2023/24 VOTE 11



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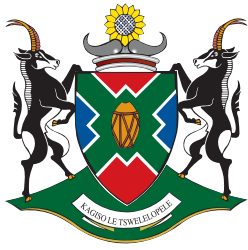
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## public works & roads

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

# PART A: GENERAL INFORMATION



DEPARTMENT OF PUBLIC WORKS & ROADS  
**ANNUAL REPORT 2023/2024**  
**VOTE 11**

# DEPARTMENT - GENERAL INFORMATION

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# LIST OF ABBREVIATIONS

<b>AGSA</b>	Auditor General of South Africa
<b>APP</b>	Annual Performance Plan
<b>C-AMP</b>	Custodian Asset Management Plan
<b>COGTA</b>	Department of Cooperative Governance and Traditional Affairs
<b>CSG</b>	Chief Surveyor General
<b>DALRRD</b>	Department of Agriculture, Land Reform & Rural Development
<b>DDM</b>	District Development Model
<b>DORA</b>	Division of Revenue Act
<b>DPSA</b>	Department of Public Service and Administration
<b>DPW&amp;R</b>	Department of Public Works and Roads (provincial)
<b>EMIS</b>	Education Management Information Systems
<b>EPWP</b>	Expanded Public Works Programme
<b>FIDPM</b>	Framework for Infrastructure Delivery and Procurement Management
<b>GIAMA</b>	Government Immovable Asset Management Act
<b>HOD</b>	Head of Department
<b>ICT</b>	Information and Communication Technology
<b>IEHW</b>	Integrated Employee Health and Wellness (IEHW)
<b>MCS</b>	Modified Cash Standards
<b>MEC</b>	Member of the Executive Council
<b>MMS</b>	Middle Management Service
<b>MPSA</b>	Minister of Public Service and Administration
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>NACH</b>	National Anti-Corruption Hotline
<b>NATMAP</b>	National Transport Master Plan
<b>NDP</b>	National Development Plan
<b>NIP</b>	National Infrastructure Plan
<b>NDPW&amp;I</b>	Department of Public Works & Infrastructure (national)
<b>PFMA</b>	Public Finance Management Act
<b>PICC</b>	Presidential Infrastructure Coordinating Committee
<b>PPAC</b>	Provincial Public Accounts Committee
<b>PPP</b>	Public private partnerships
<b>PRMG</b>	Provincial Road Maintenance Grant
<b>PWD</b>	Persons with disabilities
<b>RAMS</b>	Road Asset Management System
<b>RISFSA</b>	Road Infrastructure Strategic Framework for South Africa
<b>SANDF</b>	South African National Defence Force



<b>SANRAL</b>	South African National Roads Agency SOC Ltd
<b>SARS</b>	South African Revenue Services
<b>SBD</b>	Supplier database
<b>SCM</b>	Supply Chain Management
<b>SDF</b>	State domestic facilities
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SHERQ</b>	Safety, Health, Environment, Risk and Quality
<b>SIP</b>	Strategic integrated projects
<b>SMS</b>	Senior Management Service
<b>SONA</b>	State of the Nation Address
<b>SOPA</b>	State of the Province Address
<b>TMH</b>	Technical Methods for Highways
<b>TRH</b>	Technical recommendation for highways
<b>U-AMP</b>	User Asset Management Plan
<b>UIF</b>	Unauthorized, irregular and fruitless / wasteful expenditure
<b>VCI</b>	Visual Condition Index



# 1. FOREWORD BY THE MEC



The Department of Public Works and Roads registered a significant achievement in the financial year 2023/24, in that it received an unqualified audit outcome. The achievement also marks the attainment of one of the objectives that the Department has set for itself in the Strategic Plan for the period 2020 – 2025. The Department is committed to build on this achievement as it sets a positive environment for the 7th Administration that took office after the general elections in May of 2024.

The Department registered an improvement in its overall spending rate, as it spent 97.8% of its budget allocation for the 2023/24 financial year. However, National Treasury introduced financial austerity measures during the third quarter of the 2023/24 financial year. A budget cut of R154 million was effected subsequently.

The reductions comprised R100 million from the Equitable Share, R51 million from the Provincial Road Maintenance Grant and R3,5 million from the Community-Based Programme. The Department's available financial resources therefore remain under pressure.

The overall performance of the Department against its pre-determined objectives and targets during the 2023/24 financial year was not yet at the desired standards, but efforts in improving project management is starting to bear fruit. The introduction of financial austerity measures did pose challenges due to the budget reductions that were effected. Despite the challenges, the Department achieved and exceeded its targets in relation to regravelling of unpaved roads, as well as in respect of pothole patching on paved roads.

The implementation of the Welisizwe Rural Bridges Programme was also introduced in the Province during the year under review. This Programme is a collaboration between the National Department of Public Works and Infrastructure, the Provincial Department of Public Works and Roads and the South African National Defence Force. The rollout of the programme is in line with the Department's commitment to ensure safe, trafficable transport infrastructure for all communities, especially those who are historically disadvantaged in respect of access.

The Department also implemented building infrastructure projects both for use by the Department and as implementing agent for other Provincial Departments.

The rollout of the recruitment of new beneficiaries participating in the Expanded Public Works Programme also commenced during the year under review. This Programme is one of the key instruments of Government to address the scourge of unemployment in the Province. The recruitment will continue in the new financial year to ensure that the targets that the Department has set for itself, are met.

In conclusion, the Department remains committed to serve its clients and the citizens of the North West Province in a manner that is transparent, progressive and dynamic.

A handwritten signature in black ink, appearing to read 'E Mokuu'.

HONOURABLE E MOKUA  
MEMBER OF THE EXECUTIVE COUNCIL  
DEPARTMENT OF PUBLIC WORKS AND ROADS\_

## 2. REPORT OF THE ACCOUNTING OFFICER



### 2.1 GENERAL OVERVIEW OF PERFORMANCE AND THE STATE OF FINANCIAL AFFAIRS

#### 2.1.1 Overview of the operations of the Department

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, 5 and 6 of the Constitution.

The operations and activities of the Department during the period under review were guided by the above mandates as they pertain to the following:

- Management of the life cycle of the provincial road network.
- Management of the life cycle of provincial building infrastructure.
- Providing in the service delivery and office accommodation requirements of all Provincial Departments.
- Championing the creation of work opportunities for unskilled and semi-skilled beneficiaries through the Expanded Public Works Programme (EPWP).

#### Service delivery - general

National Treasury issued guidelines in August of the 2023/24 financial year that summarized key elements of the fiscal challenges faced by Government in the financial year. It advised accounting officers and accounting authorities on specific cost containment measures required to achieve savings and prevent resource constraints in the latter part of the financial year.

Departmental budgets were also reduced during the 2023/24 budget adjustment process. The Department surrendered R100 million from its equitable share budget to Provincial Treasury. An amount of R64 million was surrendered from Programme 3: Transport Infrastructure and R36 million from Programme 2: Public Works Infrastructure. The Provincial Road Maintenance Grant (PRMG) was reduced by R51 680 million and the EPWP Incentive Grant was reduced by R3 499 million.

These reductions affected the core Programmes and a number of projects could not be implemented while work on others had to be suspended could be completed prior to year-end.

An overview of the operations of the core service delivery Programmes follow below.

#### Service delivery - Building infrastructure and immovable asset management

The Department, as implementing agent for infrastructure needs, planned to complete a number of projects during 2023/24 financial year for our Client Departments. These projects, inter alia, related to the building of schools, repairs to storm-damaged schools and construction of new libraries.

The performance in this regard is outlined in section 4.6.2 and section 8.2 of this report. The finalization of building maintenance projects planned for the Department was impacted mainly by budgetary challenges - funding was reprioritized during the 2023/24 budget adjustment process towards these projects. This factor resulted in projects being implemented later than planned, hence not all projects could be completed prior to year-end.

The Department made progress with the disposal of redundant Government-owned housing and all the planned disposals were actioned, but not all properties reached final registration as at the 31<sup>st</sup> of March 2024.

#### Service delivery – road infrastructure

The annual targets were met and exceeded in relation to pothole patching and re-gravelling. The Departments also completed eighteen (18) flood-damaged roads projects that the MEC announced in the Budget Policy Statement of 2023/24. These projects commenced in quarter 4 of the 2022/23 financial year with the purpose of repairing roads that were severely damaged by floods in 2021 and 2022.

The state of the road network and backlog in maintenance remains one of the major challenges for the Department. To this end, it was agreed that the focus will be on preventative road maintenance activities in the 2024/25 financial year in order to address the backlog and prevent further deterioration of the road network.

Other interventions planned include (i) the transfer of a total of 348.21 kilometres of provincial roads to SANRAL, which will alleviate the need for maintenance on those roads and (ii) the establishment of a Provincial Roads Agency as a special purpose vehicle to leverage additional funding for the upgrading and maintenance of the provincial road network.

#### Service delivery – Provincial performance against EPWP Phase IV targets

The creation of work opportunities through the Expanded Public Works Programme is one of the key mechanisms implemented by Government as a measure to provide poverty relief and transfer skills to unskilled beneficiaries. The challenge of addressing unemployment remains one of the key strategic priorities of Government, given the high unemployment rate in the country.

The challenge is particularly daunting for the Province given the fact that unemployment in the North West Province is estimated at 39% as measured in terms of the official unemployment rate. Compared to other Provinces, the North West Province recorded the highest unemployment rate at 52.2% in terms of the expanded definition of unemployment.

The Department performs two roles in relation to EPWP namely that of provincial coordinator and champion of the programme, but also in relation to creating work opportunities as the main contributor in the Infrastructure Sector.

Overall performance by the Province for the period 2019/20 to 2023/24 against Phase IV targets are outlined in the table below:

SPHERE OF GOVT	PHASE IV TARGETS	TOTAL WORK OPPORTUNITIES REPORTED 2019/20 – 2023/24	WOMEN	YOUTH	PWD
Provincial Departments	125 957	133 463	93 409	57 684	847
Municipalities	72 329	43 891	22 746	21 343	377
<b>TOTAL</b>	<b>198 286</b>	<b>177 354</b>	<b>116 155</b>	<b>79 027</b>	<b>1 224</b>
National Departments	-	147 273	106 837	54 614	1 412
<b>TOTAL</b>	<b>198 286</b>	<b>324 627</b>	<b>222 992</b>	<b>133 641</b>	<b>2 636</b>

<sup>1</sup>Stats SA: Quarterly Labour Force Survey Quarter 4:2023



### Service delivery – DPW&R performance against EPWP Phase IV targets

The Department created 73 767 work opportunities for the period 2019/20 to 2023/24 against the target of 60 000.

In the 2023/24 financial year, the Department created 15 029 work opportunities against the target of 13 800. While the Department performed well, there were challenges as outlined below:

- Refusal of some participants to exit the programme following the expiry of their employment contracts, which resulted in the late commencement of recruitment of new beneficiaries.
- The rollout of the Contractor Development Programme did not proceed as planned due to the selection processes not having been concluded as at year-end.

### Governance

The Department's new organizational structure was finalized in the 2022/23 financial year. The process of filling of vacancies however was negatively impacted by the introduction of cost containment / austerity measures by National Treasury, which was followed by Circular 49 of 2023 that was issued by the Department of Public Service and Administration. This circular outlined control measures for the management of the wage bill, i.e. for the filling of vacancies. The Department then reprioritized its vacancies in order to identify those critical for the operations of the Department. Not all could be filled however given the budgetary constraints.

The attraction and retention of skills in the technical disciplines remains a challenge and was affected by the introduction of these austerity measures pertaining to new appointments. The appointment of a project management unit and the existing Candidacy Development Programme are two interventions aimed at addressing the shortage of skills in the technical disciplines in both the built and transport infrastructure sectors.

The Department did not meet its target of 40% public procurement from women-owned businesses. While operational challenges such as the lack of a database contributed to the under-performance, it also must be acknowledged that concerted interventions need to be implemented to transform the infrastructure disciplines in respect of representation and access.

The rollout of the Contractor Development Programme in the 2024/25 financial year will also assist in eliminating barriers to entry for women participating in the construction industry.



### Audit outcomes

The Department received a qualified audit opinion in the 2022/23 financial year. The overall performance on audit matters for the period 2019/20 to 2022/23 is outlined in the table below:

FINANCIAL YEAR	AUDIT OUTCOME	BASIS FOR OPINION
2019/20	Qualified	Prepayments
		Goods and services
		Irregular expenditure
2020/21	Qualified	Irregular expenditure
2021/22	Qualified	Irregular expenditure
2022/23	Qualified	Consultants
		Fleet services
		Capital commitments
		Unauthorized expenditure
		Accruals and payables
		Immovable tangible capital assets

The audit findings relating to the 2022/23 financial year were largely stemming from the misclassification of road rehabilitation projects, which affected the areas of qualification as outlined in the table below:

AREA OF QUALIFICATION	AUDIT FINDING
<b>Consultants: Business and advisory services</b>	Misclassification of goods and services, 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 was understated by R28 776 048.
<b>Fleet services</b>	Misclassification of expenditure, which resulted in the incorrect classification of expenses for fleet services as expenditure for capital assets and inventory. Consequently, fleet services and inventories were understated by R83 617 903 and overstated by R38 826 906 respectively, while expenditure for capital assets was overstated by R49 819 001.
<b>Capital commitments</b>	Capital commitments were not recorded as required by Chapter 14 of the Modified Cash Standards (MCS), which resulted in capital commitments disclosed being understated by R2 549 187 286.
<b>Unauthorized expenditure</b>	The Department incorrectly calculated unauthorized expenditure in the 2022/23 financial year relating to the spending of the PRMG grant, resulting in unauthorized expenditure being understated by R72 244 106.
<b>Accruals and payables not recognised</b>	Accruals and payables not recognised were understated by R39 305 563.
<b>Immovable tangible capital assets</b>	Immovable intangible capital assets were understated by R444 892 802 and capital work-in-progress was understated by R1 474 072 851.

The Department implemented the following remedial actions during the period under review:

- A Post Audit Action Plan was developed that documented both strategic and operational matters emanating from the audit and action plans were developed to address these matters.

- The Department obtained approval for participation in Contract NWPL 04/22: Provision of Financial Consultancy for a period of two (2) years and a service provider was subsequently appointed to assist in dealing with unauthorized, irregular and fruitless expenditure (UIF) which are mostly historic in nature.
- The Department also appointed a service provider to assist with the preparation of the annual financial statements, as the Auditor General of South Africa (AGSA) has raised findings in respect of the quality thereof in prior audits.

## 2.1.2 Overview of the financial results of the Department

### Departmental receipts

DEPARTMENTAL RECEIPTS	2022/23			2023/24		
	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
	39 284	26 944	12 340	41 012	33 056	7 956

### Departmental expenditure

PROGRAMME	2022/23			2023/24		
	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	219 047	205 807	13 240	266 084	254 516	11 568
Public Works Infrastructure	1 163 767	1 101 982	61 785	1 059 484	1 020 794	38 690
Transport Infrastructure	2 016 007	1 811 019	204 988	2 326 025	2 307 938	18 087
Community-Based Programme	359 025	352 323	6 702	224 054	205 570	18 484
<b>TOTAL</b>	<b>3 757 846</b>	<b>3 471 131</b>	<b>286 715</b>	<b>3 875 647</b>	<b>3 788 818</b>	<b>86 829</b>

### Virements

Virements were requested to address compensation of employees i.e. for social payments.

### 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 R1454 000,00 was incurred during the 2023/24 financial year while an amount of R537000,00 relates to prior years.

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

The Department's Annual Performance Plan (APP) for the 2024/25 financial year outlines the budget and performance targets for the MTEF period.

#### **2.1.4 Public private partnerships (PPP)**

The Department had declared the public private partnerships as captured in the table below in the Annual Report for the year under review. However, during the audit, it was established that the arrangements do not meet the requirements for PPPs as there is no exchange of risks and rewards between the parties to the agreements. The agreements are of a collaborative nature and do not result in PPP rights and obligations for financial reporting purposes.

AGREEMENT	PURPOSE	OUTPUTS	CURRENT VALUE OF THE AGREEMENT	END DATE OF THE AGREEMENT
Memorandum of Agreement between the DPW&R and the Noordwes Koöperasie	To collaborate on road maintenance	Safe and trafficable roads	0	Upon completion of relevant roads
Memorandum of Agreement between the DPW&R and Batlasi Development Trust	To contribute towards the development of roads in the Baphalane community, Ramokokastad	Safe and trafficable roads	R20 million	Upon completion of relevant roads
Memorandum of Agreement with the Ditsobotla Local Municipality	To provide technical support and skills transfer to the municipality in line with the Munimec initiative.	Safe and trafficable roads and skills transfer	0	A period not exceeding 12 months from the commencement of the agreement.
Memorandum of Agreement with Lafarge Cement	To assist with technical support for the donation of a tribal office in the Bodibe village.	Technical support	0	Upon completion of the construction of the tribal office.

#### **2.1.5 Discontinued activities**

None.

#### **2.1.6 New / proposed activities**

None.

#### **2.1.7 Supply Chain Management**

The Department registered significant improvement in the procurement of contractors for the implementation of infrastructure projects. However, the sourcing of office accommodation remains a challenge due to the lack of suitable properties for leasing.

#### **2.1.8 Gifts and donations**

During the year under review, the Department transferred properties known as Montshiwa Guest House and Mmabatho Civic Centre, to the Mahikeng Local Municipality in order to strengthen their service delivery efforts. The combined value of these properties amounts to R39 600 000.00.

#### **2.1.9 Exemptions and deviations received from Treasury**

The Department obtained approval for deviation from the Provincial Treasury requirements in respect of the Special Maintenance of Nelson Mandela Drive Road P28/5 between Danville and Dada Motors in Mahikeng.

### **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.

## **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 2024.



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**MR MI 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, 5 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 5:** functional areas of exclusive provincial legislative competence - provincial roads and traffic.
- **Schedule 6:** transitional arrangements - registration of immovable property owned by the state.

### 2.4.1 Legislative mandates

The Acts, Regulations and Frameworks that underpin the legislative mandate of the Department include, but are not limited to the following:

<b>KEY LEGISLATIVE MANDATES</b>	
<b>Advertising on Roads and Ribbon Development Act, Act 21 of 1940</b>	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.
<b>Road Ordinance, Ordinance 22 of 1957, as amended</b>	The Ordinance provides for the proclamation of roads.
<b>South African National Roads Agency Limited and National Roads Act, Act 7 of 1998</b>	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.
<b>National Building Regulations and Building Standards Act, Act 103 of 1997</b>	The Act provides for the promotion of uniformity in the law relating to the erection of buildings and for the prescribing of building standards.
<b>State Land Disposal Act, Act 48 of 1961</b>	The Act provides for the disposal of certain state land and to prohibit the acquisition of state land by prescription.
<b>Spatial Planning and Land Use Management Act, Act 16 of 2013</b>	The Act provides a framework for developmental, equitable and efficient spatial planning and land use management.
<b>Restitution of Land Rights Act, Act 22 of 1994</b>	The Act provides for the restitution of land rights to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices.
<b>Property Valuers Profession Act, Act 47 of 2000</b>	The Act provides for the establishment of the Council for the property valuers profession and incidental matters.
<b>Property Valuation Act, Act 17 of 2014</b>	The Act provides for the establishment of the Office of the Valuer General whose responsibility will be to provide valuation services to Government.
<b>Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, Act 19 of 1998</b>	The Act provides for the prohibition of unlawful eviction and further provides for procedures for the eviction of unlawful occupiers.
<b>North West Land Administration Act, Act 4 of 2001</b>	The Act regulates the acquisition and disposal of immovable property owned by the Provincial Government within the geographical area of the North West Province.
<b>National Public Works Quantity Surveying Profession Act, Act 49 of 2000</b>	The Act provides for the establishment of the Council for the quantity surveying profession and incidental matters.
<b>Infrastructure Development Act, Act 23 of 2014</b>	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.
<b>Green Building Framework, 2001</b>	The Framework promotes, inter alia, sustainable development, energy efficiency, reduction of greenhouse gas emissions etc.
<b>Government Immovable Asset Management Act, Act 19 of 2007</b>	The Act promotes a uniform, efficient and effective management of state immovable assets.
<b>Construction Industry Development Board Act, Act 38 of 2000</b>	The Act provides for the establishment of the Board to promote the contribution of the construction industry in meeting national construction demand and provides strategic leadership to the construction industry stakeholders to stimulate sustainable growth and reform.

TRANSVERSAL PUBLIC SECTOR ACTS	
<b>Public Finance Management Act, Act 1 of 1999</b>	The Act aims to regulate financial management in the national government and provincial governments, to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively, to provide for the responsibilities of persons entrusted with financial management in those governments, and to provide for matters connected therewith.
<b>Public Service Act, Act 103 of 1994</b>	The Act provides for the organization and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service.
<b>Broad-based Black Economic Empowerment Act, Act 53 of 2000</b>	The Act aims 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.
<b>Skills Development Act, Act 97 of 1998</b>	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.
<b>Preferential Procurement Policy Framework Act, Act 5 of 2000</b>	The Act and related Regulations provide for the use of public procurement as an instrument to promote the development of small, micro and medium enterprises (SMMEs) and to broaden participation in the economy in order to bring about socio-economic transformation.
<b>Basic Conditions of Employment Act, Act 75 of 1997</b>	The Act aims to give effect to the right to fair labour practices referred to in section 23(1) of the Constitution, 1996 by establishing and making provision for the regulation of basic conditions of employment.
<b>Labour Relations Act, Act 66 of 1995</b>	The Act aims to advance economic development, social justice, labour peace and the democratization of the workplace.
<b>Intergovernmental Relations Framework Act, Act 13 of 2005</b>	The Act provides a framework for a coordinated and integrated alignment of developmental priorities and objectives between the three spheres of government.
<b>Employment Equity Act, Act 55 of 1998</b>	The Act aims to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and by implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce.

## 2.4.2 Updates to policies and strategy mandates

NATIONAL PRIORITIES	
DOCUMENT	PRIORITIES
<p><b>National Development Plan (NDP)</b> 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% 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).</p>	<ul style="list-style-type: none"> <li>• Uniting all South Africans around a common programme to achieve prosperity and equity.</li> <li>• Promoting active citizenry to strengthen development, democracy and accountability.</li> <li>• Bring about faster economic growth.</li> <li>• Higher investment and greater labour absorption, focusing on key capabilities of people and the state.</li> <li>• Building a capable and developmental state.</li> <li>• Encouraging strong leadership throughout society to work together to solve problems.</li> </ul>
<p><b>Medium Term Strategic Framework (MTSF)</b> The MTSF 2019 - 2024 is the implementation plan for achieving the goals and priorities of the NDP.</p>	<ul style="list-style-type: none"> <li>• A capable, ethical and developmental state.</li> <li>• Economic transformation and job creation.</li> <li>• Education, skills and health.</li> <li>• Consolidation of the social wage and provision of quality basic services.</li> <li>• Spatial integration, human settlements &amp; local government.</li> <li>• Social cohesion and safe communities.</li> <li>• A better Africa and the world.</li> </ul>
<p><b>National Infrastructure Plan and SIP 4</b> The New Growth Path identified specific structural problems in the economy and pointed to opportunities in specific sectors and markets to create work opportunities, one of which is infrastructure as means of achieving higher growth, inclusivity and job creation. In order to address these challenges and goals, eighteen (18) strategic integrated projects (SIPs) were developed under the guidance of the Presidential Infrastructure Coordinating Commission (PICC). Subsequently, SIP 4 was launched in the North West Province.</p>	<ul style="list-style-type: none"> <li>• Acceleration of investments in road, rail, bulk water, water treatment and transmission infrastructure.</li> <li>• Enabling reliable supply and basic service delivery.</li> <li>• Facilitating the development of mining, agricultural activities and tourism opportunities.</li> <li>• Opening-up of beneficiation opportunities.</li> </ul>
<p><b>District Development Model</b> National Cabinet approved the District Development Model (DDM) in August of 2019 as a means of improving integrated planning and delivery across The three spheres of Government.</p>	<p>The model aims 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 in The development of the "One Plan". It 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.</p>



SECTORAL PRIORITIES	
DOCUMENT	PRIORITIES
<b><i>Public Works sector - National Infrastructure Plan (NIP) 2050</i></b> The plan provides a specific roadmap for the use of critical infrastructure to drive social and economic transformation in the country.	NIP 2050 envisages an initial focus on delivering critical energy, transport, water and digital communications infrastructure in South Africa by 2050. It is linked to the NDP, which is critical for long-term economic and social objectives. NIP identifies four (4) critical network sectors namely energy, freight transport, water and digital communications
<b><i>Transport sector – National Transport Master Plan 2050 (NATMAP) 2050</i></b> NATMAP 2050 constitutes a long-term and sustainable transportation systems framework. It aims at using transport infrastructure in support of Government's economic transformation processes.	<ul style="list-style-type: none"> <li>• Greater mobility options.</li> <li>• A non-motorized transport network.</li> <li>• A transport system that promotes better integration between land use planning and transport planning to encourage densification and sustainable development in supporting high volumes of travel required for public transport.</li> <li>• Better infrastructure, better maintained road and rail networks, with proper management and operations practices that link and provide interchangeable opportunities for different modes of transport.</li> <li>• A transport system that is consistent with the real needs of people living in different parts of South Africa and with differing abilities to afford travel.</li> <li>• A transport system that charges the traveler a fair reflection of the costs of making a journey or transporting a product.</li> <li>• A transport system that supports focused funding of transport priorities.</li> <li>• A transport system that has sufficient human capital to drive the vision of transport.</li> <li>• A transport system that enables and supports rural development.</li> </ul>
<b><i>Provincial priorities</i></b>	<ul style="list-style-type: none"> <li>• Combatting corruption</li> <li>• Unemployment</li> <li>• Health services</li> <li>• Water and sanitation</li> <li>• Houses and rural roads</li> <li>• Safe communities</li> <li>• Economic growth, regional integration</li> </ul>
<b><i>Provincial Programme of Action</i></b>	<ul style="list-style-type: none"> <li>• Effective operationalization of the District Development Model.</li> <li>• Job creation with specific emphasis on the designated groups of women, youth and persons with disabilities.</li> <li>• Massification of public employment programmes.</li> <li>• Implementation of the Road Infrastructure Master Plan.</li> <li>• Repair of flood-damaged roads.</li> <li>• Continued skilling through internships and learnerships.</li> </ul>

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 2023 (as relevant to the Dept)	6 <sup>th</sup> ADMINISTRATION - PROVINCIAL PRIORITIES	PROV PROGRAMME OF ACTION (inclusive of SOPA 2023 & Makgotla resolutions)	SECTOR OUTCOMES	DEPARTMENT'S CONTRIBUTION / RESPONSE	OUTPUT INDICATOR IN APP 2023/24
A capable, ethical & developmental state	Honest and capable state with professional and meritocratic public servants	Chapters 13 & 14		Combating corruption	Good corporate governance		Adherence to the principles of good governance, the Public Service Code of Conduct and regulatory frameworks aimed at combatting fraud and corruption.	1.1.1
Economic transformation and job creation	Creating more decent jobs and Inclusive economic growth	Chapters 3 & 11	Economic Reconstruction & Recovery Plan – job creation and investment in road infrastructure, with specific reference to rural roads	Unemployment reduced Infrastructure investment	Massification of job creation with emphasis on designated groups  Gender-responsive planning, budgeting and reporting	Optimized job opportunities & continued skilling	Champion the EPWP Programme. Develop 160 emerging contractors through participation in the departmental Contractor Development Programme. Targeted public procurement with the focus on women-owned businesses.	4.1.1 – 4.1.8  4.2.1 – 4.2.2  1.2.1
					Investment in road infrastructure	Sustainable infrastructure investment SIP 4 NIP 2050 NATMAP 2050	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.  Road construction activities planned, inclusive of upgrading, rehabilitation, reseal and the maintenance of both the surfaced and gravel road networks.	3.1.1 – 3.3.3
					Strategic social / economic infrastructure implemented to create jobs / reduce poverty		Road infrastructure projects implemented.	3.1.1 – 3.3.3

MTSF / NATIONAL PRIORITIES	OUTCOMES	NDP	SONA 2023 (as relevant to the Dept)	6 <sup>th</sup> ADMINISTRATION - PROVINCIAL PRIORITIES	PROV PROGRAMME OF ACTION (inclusive of SOPA 2023 & Makgotla resolutions)	SECTOR OUTCOMES	DEPARTMENT'S CONTRIBUTION / RESPONSE	OUTPUT INDICATOR IN APP 2023/24
				Continued skilling	Skills development programmes		Construction of youth care centres, schools, health facilities and libraries on behalf of Client Departments, as per requests received.  Learnership and artisan development programmes implemented.  The enrollment of 160 contractors in the Contractor Development Programme.	2.1.1 – 2.2.2   4.1.1 – 4.2.2
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	Built infrastructure projects implemented for Client Departments.  Fit-for-purpose office accommodation is available for Government Departments through construction of new offices and multi-tenancy buildings, leasing of additional required space and maintenance of the existing property portfolio.	2.1.1 – 2.2.2  2.3.1 – 2.3.3

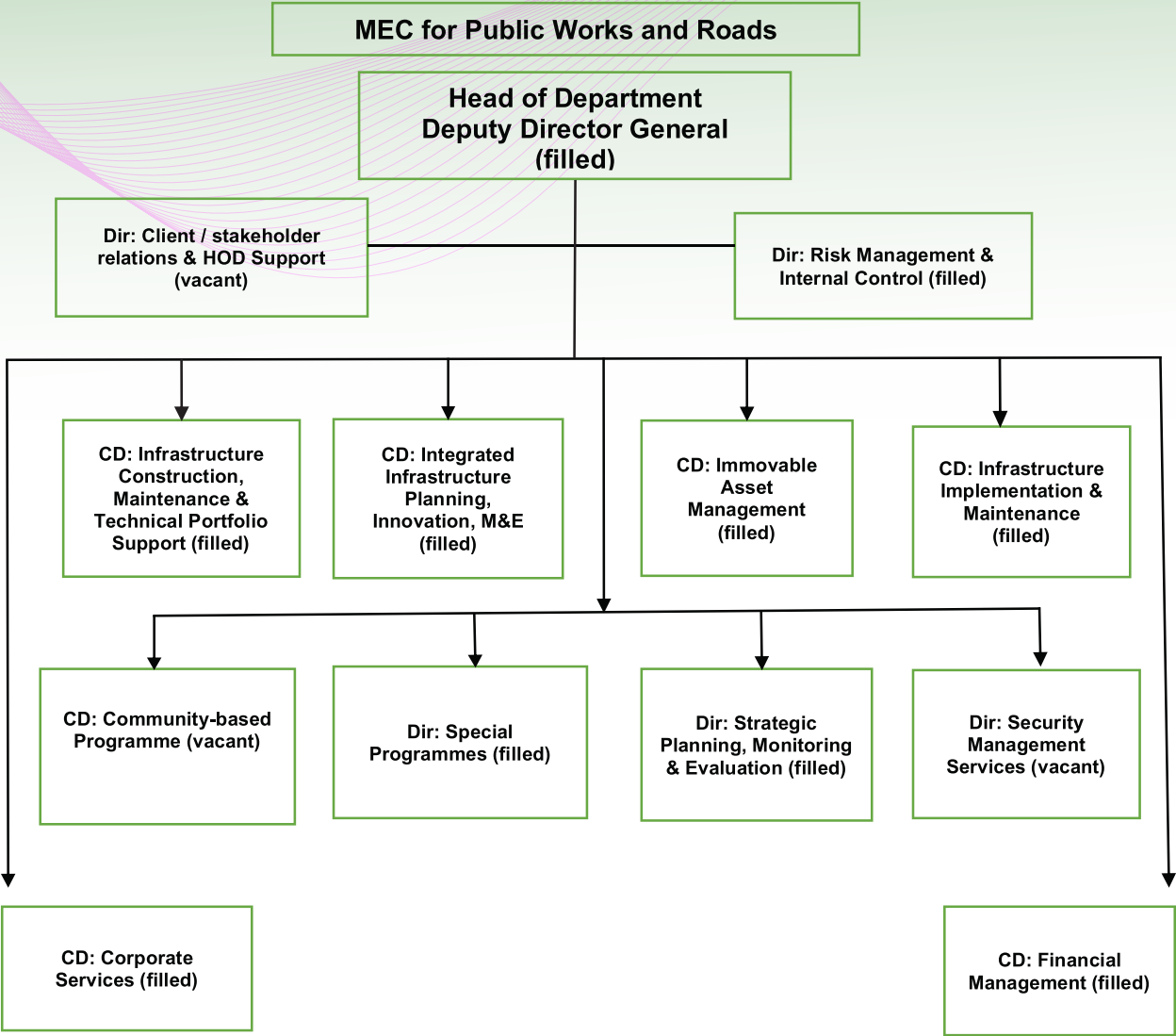
2.4.3 Updates to institutional policies

KEY POLICIES	
<b>Road Infrastructure Strategic Framework for South Africa (RISFSA)</b>	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.
<b>Guidelines on the implementation of the Expanded Public Works Programme (EPWP)</b>	The objective of the EPWP 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 and & Culture, Social and Non-State.
<b>Departmental Policy on the Administration and Management of Assets</b>	The policy provides directives on the administration and management of immovable assets.
<b>Provincial Policy on State Housing</b>	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.
<b>Framework for Infrastructure Delivery and Procurement Management</b>	The framework prescribes minimum requirements for effective governance of infrastructure delivery and procurement management.
<b>Immovable Asset Management Policy</b>	The policy provides guidelines on the management and recording of immovable assets under the custodianship of the Department of Public Works and Roads.
<b>Ministerial Determination: Expanded Public Works Programme and Code of Good Practice for Public Works Programmes</b>	The determination provides for standard terms and conditions for workers employed in the elementary occupations within the Expanded Public Works Programme.
<b>National Space Planning Norms and Standards, Notice 1665 of 2005</b>	The framework provides minimum standards for office accommodation used by organs of state.

2.5 ORGANIZATIONAL STRUCTURE

The Department's fit-for-purpose organizational structure, as signed-off by the Accounting Officer and Executive Authority supports the Department's activities and objectives by creating the capacity required to meet the service delivery mandate.

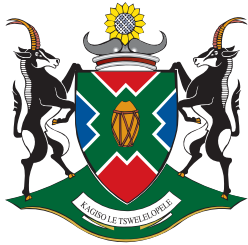
The top-level view of the new structure is as follows:



2.6 ENTITIES REPORTING TO THE MEC

None.





## public works & roads

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

# PART B:

## PERFORMANCE INFORMATION



DEPARTMENT OF PUBLIC WORKS & ROADS  
**ANNUAL REPORT 2023/2024**  
**VOTE 11**

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

Included under Part F of this document.

## 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 unskilled or semi-skilled labour through labour-intensive programmes / projects.

#### Built infrastructure investment

Investment in infrastructure is critical for the successful implementation of the National Development Plan. It creates an enabling environment for economic growth, which in turn encourages overall employment growth across the economy.

The performance against the projects planned are outlined in section 4.6.2 of this document. The following challenges affected 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.
- Delayed payments of contractors by Client Departments.
- Budgetary challenges – inadequate allocations that were subsequently supplemented in the 2023/24 budget adjustments process.

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, where justified, to allow for project completion in accordance with contractual conditions, where
- Enforcement of contractual provisions in the event of poor contractor performance.
- Entering into a Memorandum of Agreement with Client Departments to outline the respective roles, responsibilities and expectations for both the Client Department and the Department of Public Works and Roads as the implementing agent.
- Holding regular meetings with Client Departments to discuss progress and challenges experienced in respect of the implementation of projects.

- Ongoing engagements with communities to address the impact of disruptions on service delivery.
- The new project management unit will also enhance capacity in relation to planning, budgeting, implementation and monitoring of projects.

#### Productive and efficient use of immovable assets

The Department reported in prior years on progress with the disposal of redundant housing stock. This is done in pursuance of a directive in the State of the Province Address of 2019. It also supports the objective of ensuring that state assets are utilized and managed in a manner that is productive and efficient. The disposal of the redundant houses will lessen the financial burden on the Department in relation to payment of rates and taxes for the said houses.

To date, three (3) properties were disposed of in the 2022/23 financial year, and thirteen (13) were disposed of in the 2023/24 financial year. The challenges experienced in this regard during the period under review include the following:

- Of the sixty houses earmarked, seven (7) tenants' rental accounts were in arrears and have to be settled before the sale of houses can proceed.
- Delays as a result of the need to apply for certified copies of title deeds in instances where the original copies of title deeds cannot be located.
- The SARS (South African Revenue Service) documents are outstanding for some of those earmarked disposals.
- Certified item 28(1) vesting certificates (as per Schedule 6 of the Constitution, 1996) are outstanding for some properties.

The Department plans to appoint a property broker to assist, inter alia, with the disposal processes.

The Department undertook a physical verification of vacant urban and rural land (farms and agricultural holdings). This exercise assisted in the identification of redundant or non-core assets to be earmarked for disposal or leasing to interested parties. These actions will result in additional revenue for the Department.

The outcome of the verification is reported in the table below:

DISTRICT	NUMBER OF VACANT URBAN LAND PARCELS
Bojanala	14
Dr Kenneth Kaunda	87
Dr Ruth Segomotsi Mompati	3
Ngaka Modiri Molema	39
<b>TOTAL</b>	<b>143</b>

#### Transport infrastructure

To effectively manage the provincial road network assets of the Province, it is necessary to have a sustainable and appropriate Road Asset Management System (RAMS) in place.

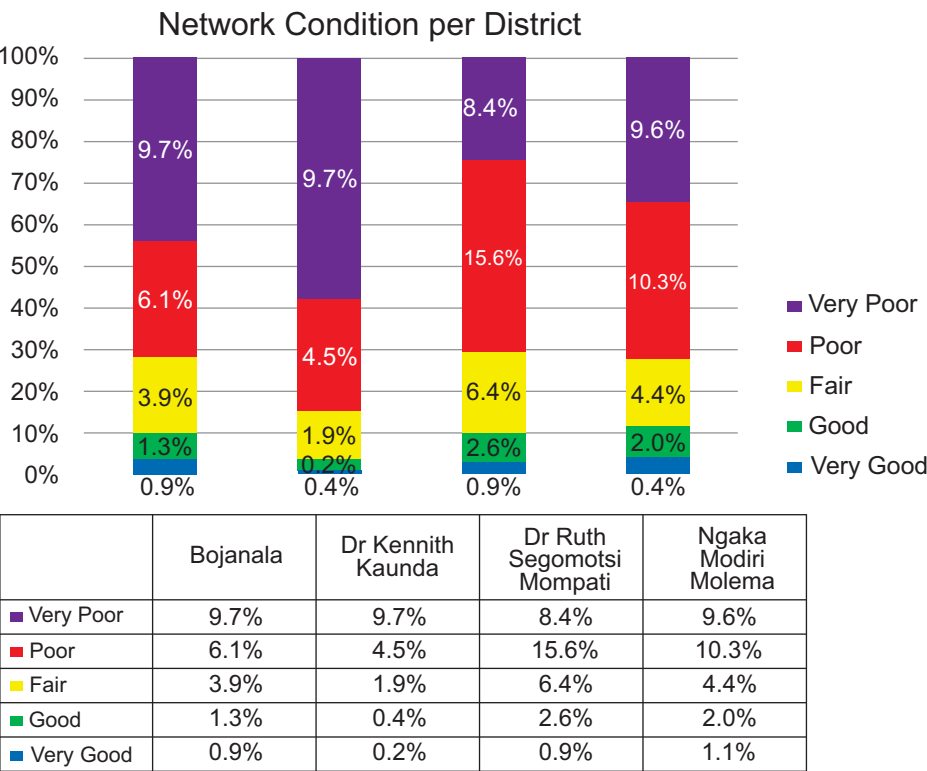
To this end, a visual condition assessment of the provincial road network was undertaken with the view of informing future planning and financial requirements for upgrading and maintenance of the road network.

The North West Province's road network is approximately 19 684.08 kilometres in length, of which 5 556.85 km are paved (surfaced) while 14 127.23 km are unpaved (gravel). Dr. Ruth Segomotsi Mompati District has the largest unpaved network, while the Bojanala District has the largest paved network.

The condition of the road network, as measured through visual condition assessments and expressed in terms of the visual condition index (VCI) is categorized as follows:

VCI Category	Index
Very Good	85 - 100
Good	70 - 85
Fair	50 - 70
Poor	30 - 50
Very Poor	0 - 30

The road network condition (in kilometers) is outlined in the table and graph below:



Source: Visual Condition Assessment report: 2023

The costs associated with the maintenance needs for surfaced roads was estimated at R16 995 860 131,00 and R3 797 113 888,00 for the gravel road network. The annual equitable share allocations are not adequate to address the needs to the extent required.

Interventions planned in this regard include the establishment of a Provincial Roads Agency, which will be a special purpose vehicle used to leverage funding or external partnerships related to the road construction and maintenance needs of the provincial road network.

The transfer of additional roads to SANRAL will also lessen the maintenance requirements. The roads earmarked for transfer are as follows:

ROADS EARMARKED FOR IMMEDIATE TRANSFER			
Local Municipality	Road number	Road Description	Total (km)
JB Marks	P20/4 P20/5	Potchefstroom (Louis Le Grange Str) to Ventersdorp / Potchefstroom (Parys Ave) to Parys	5.47
JB Marks	P89/1 P89/2	Potchefstroom (Thabo Mbeki Way) to Carletonville / Potchefstroom (Thabo Mbeki Way) to Parys (Parys Ave)	8.59
Ramotshere Moiloa	P48/1	Welbedacht (N4) to Swartkopfontein (SA-Botswana) border	75.08
Rustenburg	P115/1	Phokeng – Sun City Road	18.02
<b>Sub-total</b>			<b>136.20</b>
ROADS EARMARKED FOR FUTURE TRANSFER			
Mamusa / Maquassi Hills	P23/1	Schweizer-Reneke (Schweizer Str) to Wolmaransstad (Kruger Str)	69.68
Ditsobotla / Kgetleng River	P34/2	Koster (Duister Eloff Road) to Lichtenburg (Gerrit Maritz Str)	86.07
Ditsobotla / Mahikeng	P28/4	Mahikeng (Nelson Mandela Drive) to Lichtenburg (Swart Str)	77.99
Mahikeng	P28/5	Mahikeng (Nelson Mandela Drive) to Ramatlabama	14.27
<b>Sub-total</b>			<b>248.01</b>
<b>TOTAL</b>			<b>348.21</b>

The Department's performance was impacted by the following factors:

- Budget reductions effected following the implementation of cost containment measures.
- Poor contractor performance.
- Community disruptions.
- Operational and budgetary challenges regarding the coordination with National Departments on the rollout of the Welisizwe Rural Bridges Programme.
- An ageing yellow fleet that is subject to 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:

- Enforcement of contractual provisions in the event of poor contractor performance.
- Ongoing engagements with communities to address the impact of disruptions of service delivery.
- Ongoing engagements with the National Department of Public Works and Infrastructure, National Department of Transport and the South African National Defence Force (SANDF) on coordination in relation to funding and operational rollout of the Welisizwe Rural Bridges Programme.

#### Community-Based Programme – creation of work opportunities

According to the Quarterly Labour Force Survey report<sup>2</sup> for the fourth quarter of 2023 as released by Statistics South Africa, the total number of unemployed persons was estimated at R7,9 million. These statistics constitute an unemployment rate of 32.1% as at the end of the fourth quarter of 2023.

<sup>2</sup>Stats SA: Quarterly Labour Force Survey Quarter 4:2023



Of the nine Provinces, the North West Province recorded the highest unemployment rate at 52.2% in terms of the expanded definition of unemployment.

The EPWP is one of Government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. This is done through the re-alignment of work and budgets to incorporate labour-intensive work methods and technologies in the various service areas. The EPWP creates work opportunities in four sectors namely infrastructure, non-state, environment and culture & social. The Department of Public Works and Roads is the champion for the EPWP provincially. The Department is the key driver for job creation in the infrastructure sector as well - this entails that all infrastructure and maintenance projects must have EPWP targets attached.

The 2023/24 targets for Provincial Departments were as follows:

- Infrastructure sector: 13 069
- Environment and culture sector: 3 622
- Social Sector: 9 920

The targets for Local Municipalities were as follows:

- Infrastructure sector: 9 524
- Environment and culture sector: 4 643
- Social sector: 2591

Overall performance by the Province against the 2023/24 targets are outlined in the table below:

SPHERE OF GOVT	TARGETS	TOTAL WORK OPPORTUNITIES REPORTED 2023/24	DEMOGRAPHICS					
			WOMEN	%	YOUTH	%	PWD	%
Provincial Departments	26 611	27 496	19 133	72%	10 541	40%	138	1%
Municipalities	14 685	11 571	6 129	42%	5 157	35%	85	1%
<b>TOTAL</b>	<b>41 296</b>	<b>39 067</b>	<b>25 262</b>	<b>65%</b>	<b>15 698</b>	<b>40%</b>	<b>223</b>	<b>1%</b>
National Departments	-	24 856	18 078	-	8 235	-	250	-
<b>TOTAL</b>	<b>41 296</b>	<b>63 923</b>	<b>43 340</b>	<b>105%</b>	<b>23 933</b>	<b>58%</b>	<b>473</b>	<b>1%</b>

The Province under-performed by 2 229 against the target of 41 296 work opportunities for the 2023/24 financial year. The under-performance is the result of Local Municipalities not meeting their targets.

However, it should be noted that 30 June is the annual financial year-end for Municipalities and that these performance statistics may change.

The challenges relating to under-performance by Municipalities include but are not limited to the following:

- Late procurement and commencement of projects.
- Natural attrition.
- Under-utilization of infrastructure grants for creation of projects.
- External interference in proper execution of recruitment processes.
- Difficulties in attracting persons with disabilities to participate in the EPWP.

Whilst Provincial Departments met and exceeded their targets, the following challenges were experienced:

- Natural attrition.
- Some infrastructure implementing Departments did not create and report on infrastructure projects.
- Underreporting on other grant-funded projects.

#### **4.2 SERVICE DELIVERY IMPROVEMENT PLAN 2023/24 – 2027/28**

##### **Problem statement:**

The mandate of the Department is to provide and manage the life cycle of building and transport infrastructure required for service delivery and to champion the creation of work opportunities.

In relation to building infrastructure, the Department is responsible for the provision of office accommodation for all Provincial Departments in order to locate public servants in adequate, fit-for-purpose offices. The demand for the services rendered by the Department in this regard is driven by the following:

- Condition of buildings as per building condition assessments.
- Office accommodation that meet space norms and standards as assessed by means of utilization inspections.
- Office accommodation requirements of Provincial Government Departments.

The Department is required to conduct technical condition assessments every five (5) years for all provincially-owned office buildings and state domestic facilities (clinics, hospitals, schools, early learning centres etc.). These assessments inform the maintenance needs and prioritization for maintenance-related interventions.

The Department has not been performing well in providing adequate building infrastructure, with specific reference to poor performance against the targets set in the Annual Performance Plans of the past years with specific reference to maintenance of Government-owned buildings.

Challenges experienced include the following:

- integrity of the Immovable Asset Register;
- capacity in relation to technical skills in the built environment;
- inadequate budget to fully address the provincial needs and priorities in relation to construction and maintenance of building infrastructure;
- inadequate financial resources to complete condition assessments for the entire immovable asset portfolio;
- lack of an integrated provincial building maintenance plan that is funded;
- maintenance budgets are located with Client Departments and not with the DPW&R;
- inadequate planning (late submission by Client Departments of U-AMPs and / or incomplete U-AMPs);
- lack of adequate capacity to implement and complete projects on time.

The objective of the Service Delivery Improvement Plan is to establish a sustained improvement in ensuring that all Provincial Departments are adequately accommodated and that office accommodation, whether state-owned or leased is habitable and fit-for-purpose.

MAIN SERVICES	BENEFICIARIES	CURRENT / ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT YEAR 1
Provision of fit-for purpose state-owned and leased office accommodation throughout the North West Province.	A total of thirteen (13) Provincial Departments (as per budget votes)  Political office bearers  Government employees	10% of office accommodation meet norms and standards	25% of office accommodation meet norms and standards.	The process of rolling out of the new lease dispensation commenced
Condition of infrastructure should improve / be maintained.		47% of properties assessed were in a fair condition	75% of properties assessed are in a fair condition	Condition assessments were conducted on state-owned accommodation and 72 reports were received by year-end.
		Technical condition assessments conducted in order to inform maintenance plans = 2772 of 4 045 assessed	4 045 properties assessed	Condition assessments were conducted on state-owned accommodation and 72 reports were received by year-end.
Call centre facility that is computerized and which enables logging of complaints and follow-ups.		Call centre is planned and piloted operationalized	Complaints are responded to in time.	The development of a computerized complaints and monitoring system is still in planning.
Facilitate the leasing of office accommodation where the state-owned accommodation is not adequate.		New lease dispensation approved but not fully implemented.	All leases renewed and a costed building infrastructure plan in place.	The rollout of the new lease dispensation commenced but was not completed. Extension was granted by Provincial Treasury.
Technical condition assessment outcomes are not used by Client Departments to inform their maintenance activities (each Department has its own maintenance budget as opposed to it being allocated to the DPW&R as the preferred implementing agent.		Technical condition assessments conducted in order to inform maintenance plans = 2772 of 4 045 assessed	Technical condition assessments conducted in order to inform maintenance plans = 4 045 assessed	Condition assessments were conducted on state-owned accommodation and 72 reports were received by year-end.
Planning documents are submitted as per stipulated deadlines in June and March annually, which includes the U-AMPs, IPMP, Table B5 project lists and C-AMP		User Departments submit planning documents late.	Treasury deadlines are met.	Not all Departments had submitted their planning documents by the 31 <sup>st</sup> of March 2023.

SERVICE DELIVERY INFORMATION TOOL		
Current / actual information tools	Desired information tools	Actual achievement
Share information through: ✓ One-on-one sessions with Client Departments ✓ GIAMA Forum meetings	Share information through: ✓ Quarterly newsletters. ✓ One-on-one sessions with Client Departments. ✓ GIAMA Forum meetings feedback / service assessment questionnaire.	The one-on-one engagements and GIAMA meetings are taking place.  The rollout of the newsletter is in planning stage.

SERVICE DELIVERY COMPLAINTS MECHANISM		
Current / actual complaints mechanism	Desired complaints mechanism Year 1	Actual achievement Year 1
No computerized system in place.	✓ Service Charter ✓ Integrated complaints and monitoring system	The Service Charter is in place.  The development of a computerized complaints and monitoring system is still in planning. The Department is in the process of procuring systems that would support these functions.  Consultations do take place in the form of one-on-one meetings and engagements through GIAMA Forum engagements.  The Department also introduced Service Level Agreements to be entered into with Client Departments as pertaining to state-owned office accommodation.

BATHO PELE ARRANGEMENTS WITH BENEFICIARIES				
Batho standard	Pele	Current / Actual arrangements	Desired arrangements Year 1	Actual Achievement Year 1
Professional standards by public servants		Public Service Code of Conduct	Public Service Code of Conduct	In place.
Working environment standards		Public Service Code of Conduct  Service Delivery charter	Public Service Code of Conduct  Service Delivery Charter	In place.
Access standards		Access service, facilities and information in a manner which meet the requirements  Be responsive to the needs of persons with disabilities.	Access service, facilities and information in a manner which meet the requirements  Be responsive to the needs of persons with disabilities.	Utilization inspections conducted for 93 of 117 state-owned accommodation to monitor compliance and identify remedial actions required.  The remainder will be assessed in the 2024/25 financial year.
Information standards		All strategic documents, e.g. Strategic Plan, Annual Performance Plan, Annual Report and Service Charter are uploaded onto the departmental website.	All strategic documents, e.g. Strategic Plan, Annual Performance Plan, Annual Report and Service Charter are uploaded onto the departmental website	In place.
Redress standards		No system is in place for managing complaints.	Call centre concept implemented.  Reports analyzed.  Response times monitored.	The development of a computerized complaints and monitoring system is still in planning.
Consultation standards		Planning documents of Client Departments are assessed.  Planning documents of Clients and DPW&R are discussed.  Maintenance requirements are communicated.	Planning documents of Client Departments are assessed.  Planning documents of Clients and DPW&R are discussed.  Maintenance requirements are communicated.	Documents are assessed.  However, not all Departments submit their User Asset Management Plans and Table B5 project lists on time.
Openness & transparency standards		Information in respect of building infrastructure provision and maintenance is available.  Expectations in terms of occupation and leasing is shared.  GIAMA meetings are held quarterly.	Information in respect of building infrastructure provision and maintenance is available.  Planning documents are availed to Client Departments.  Expectations in terms of occupation and leasing is shared.  GIAMA meetings are held quarterly.	Achieved with the exception of the rollout of the new lease dispensation for leased buildings - extension was granted by Provincial Treasury.  The rollout of Service Level Agreements commenced but not all Departments responded.  GIAMA meetings were held.



BATHO PELE ARRANGEMENTS WITH BENEFICIARIES				
Batho standard	Pele	Current / Actual arrangements	Desired arrangements Year 1	Actual Achievement Year 1
Service standards		<p>Client Departments' requests for implementation of maintenance projects confirmed.</p> <p>Office and residential accommodation for the Provincial Government will be acquired, leased and managed within the agreed timeframes as per regulations and guidelines.</p> <p>A call centre will be introduced to deal with ad-hoc requests for routine maintenance.</p>	<p>Client Departments' requests for implementation of maintenance projects confirmed.</p> <p>Office and residential accommodation for the Provincial Government will be acquired, leased and managed within the agreed timeframes as per regulations and guidelines.</p> <p>The call centre will be operational.</p>	<p>Done.</p> <p>Achieved with the exception of the rollout of the new lease dispensation for leased buildings – an extension was granted by Provincial Treasury. The rollout of Service Level Agreements commenced.</p> <p>The development of a computerized complaints and monitoring system is still in planning.</p>

### 4.3 ORGANIZATIONAL ENVIRONMENT

#### Filling of critical vacancies

During the period under review, the Department prioritized 315 critical vacant posts to be filled. To date, 85 vacant posts have been filled. This is inclusive of the appointment of the Director: Roads (capital project implementation). The remaining prioritized critical vacancies, of which 80% are related to the technical disciplines, will be considered for filling in the 2024/25 financial year.

The appointment process was guided by the guidelines received from National Treasury and the Department of Public Service and Administration following the introduction of cost containment measures.

Two management positions became vacant during the financial year, namely that of Chief Director: Community-Based Programme and Director Security Management Services. The process of filling these positions has commenced.

#### Gender and employment equity

The Department has a number of programmes that focus on transformation and gender equity. Activities in this regard during the year under review included the following:

- Men's Forum: the purpose of the structure is to advocate for issues affecting men and to afford them a platform to engage towards the identified issues and their roles as men. One (1) commemoration event was held. Other outreach activities focussed on:
  - ✓ Sexual harassment
  - ✓ Substance abuse
  - ✓ Wellness programmes (e.g. mental health issues)

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  - ✓ Sexual harassment
  - ✓ Substance abuse
  - ✓ Wellness programmes (e.g. mental health issues)
- Gender-based Programme: the purpose of the programme is to advocate for the promotion of the Charter of Positive Values. Twenty-four (24) engagements were implemented during the year, addressing the following issues:
  - ✓ Domestic violence
  - ✓ Family values
  - ✓ Sexual harassment
  - ✓ Substance abuse
- Strengthening the raising of the boy-child campaign: the purpose of this programme is to empower the boy-child as envisaged in the Children's Act, Act 38 of 2005. Five (5) engagements were implemented during the year, addressing the following issues:
  - ✓ Career guidance
  - ✓ Positive values
  - ✓ Assisting with online applications for Grade 12 learners
- Moral regeneration & social cohesion: the purpose of this programme is advocate for the implementation of the Charter of Positive Values. Nine (9) engagements were implemented during the year, addressing the following issues:
  - ✓ Family values
  - ✓ Domestic violence
  - ✓ Substance abuse
  - ✓ Sexual harassment
- Gender Mainstreaming: the purpose of this programme is to advocate for empowerment of women and gender equality. Four (4) engagements were held during the year, addressing the following issues:
  - ✓ Women empowerment and gender equality
  - ✓ Implementation of the HOD's 8 Principles Action Plan
  - ✓ Gender-based violence
  - ✓ Sexual harassment
- Disability Mainstreaming: the purpose of this programme is to achieve equality and non-discrimination or persons with disabilities. Nine (9) engagements were held during the year that focussed on awareness of issues affecting persons with disabilities and the highlighting the contents of the legislative framework.

- Youth Empowerment Programme: the purpose of this programme is to advocate for the implementation of legislation that promote the empowerment of young people. Twelve (12) engagements were held during the year, addressing the following issues:
  - ✓ Personal development focussing on bursaries, constitutional values and entrepreneurial skills
  - ✓ Gender-based violence
  - ✓ Mental and sexual health
  - ✓ Financial management
- Rights of Older Persons: the purpose of this programme is to advocate for the implementation of the Older Persons Act, Act 13 of 2016. Ten (10) engagements were held during the year, addressing the following issues:
  - ✓ Wills and testaments
  - ✓ Financial management
  - ✓ Pension readiness and debt management
  - ✓ Active ageing
  - ✓ Mental health
  - ✓ Health promotion and gender-based violence
  - ✓ Financial management
  - ✓ SARS returns and compliance
  - ✓ Family values

#### Mainstreaming of economic empowerment of women-owned businesses

The Department introduced an indicator in the Annual Performance Plan to measure how public procurement is advancing the mainstreaming of participation by women in the economy. This was done also in compliance with provincial and national priorities on advancement and social transformation as pertaining to women, as guided by the Framework on Gender-responsive Planning, Budgeting, Monitoring, Evaluation and Auditing of 2018. A target of 40% was set for procurement from women-owned business during the 2023/24 financial year.

Upon review of the under-performance in this regard, the Department reduced the target for the 2024/25 financial year in order to set a more realistic baseline and to provide a basis for the introduction of a policy framework and departmental guidelines, with the aim of progressing over the MTEF in order to ultimately achieve the target of 40%.

#### **4.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES**

National Treasury issued guidelines in the 2023/24 financial year that outlined cost containment measures aimed at managing fiscal sustainability given the challenges faced by Government. As a result, departmental budgets were reduced during the 2023/24 budget adjustment process.

The Department surrendered funding from the budget allocations for Programme 2: Building Infrastructure, Programme 3: Transport Infrastructure and the EPWP Integrated Grant (Programme 4: Community-based Programme). These reductions negatively impacted the service delivery programmes.

Following the issuing of these guidelines, the Department of Public Service and Administration issued Circular 49 of 2023 in October 2023. This circular outlined control measures for the management of the wage bill, i.e. for the filling of vacancies. This impacted on the Department's ability to fill critical vacant positions.

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 4 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 4 2023/24	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.  In the audit of the 2022/23 financial year, the number of qualification areas increased to six (6).	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.	✓ 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	3.1% of the road network is in a very good condition.	✓ 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	73 767	✓ Job creation	Champion the EPWP Programme provincially and departmentally.



## 4.6 PROGRAMME PERFORMANCE INFORMATION

The performance against the targets as set out in the 2023/24 Annual Performance Plan is 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 sub-programme 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.

##### Management of the Department

The sub-programme provides strategic advice and administrative support services to the Accounting Officer.

##### Corporate Support

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



**Contribution to institutional priorities and outcomes**

The outcome and outputs 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.

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

PROGRAMME 1: ADMINISTRATION									
OUTCOME: GOOD CORPORATE GOVERNANCE ENSURED									
Output	APP Ref number	Output indicator	Audited performance 2021/22	Audited performance 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation from planned vs actual achievement	Reasons for / comment on deviations	
SUB-PROGRAMME: FINANCIAL MANAGEMENT									
Unqualified audit report	1.1.1	Number of qualified audit findings reduced	1	1	1	6	5	Target not achieved as pertaining to the audit outcomes of the 2022/23 financial year.  Reasons for deviation include the following: ✓ Misclassification of expenditure on road rehabilitation projects resulted in an increase in qualification areas from 1 to 6, as follows: <ul style="list-style-type: none"><li>▪ Consultants: Business and advisory services</li><li>▪ Fleet services</li><li>▪ Capital commitments</li><li>▪ Unauthorised expenditure</li><li>▪ Accruals and payables not recognized</li><li>▪ Immovable tangible capital assets</li></ul>	
SUB-PROGRAMME: SUPPLY CHAIN MANAGEMENT									
Growth in procurement from women-owned businesses	1.2.1	Percentage of public procurement from women-owned businesses	New indicator	New indicator	40%	9%	31%	Target not achieved.  Reasons for deviation include the following: ✓ Limited number of women-owned companies registered in the departmental database. ✓ Target was found to be unrealistic.	

**Strategies to overcome areas of under-performance**

OUTPUT INDICATOR	COMMENT ON DEVIATIONS	STRATEGIES TO OVERCOME AREAS OF UNDER PERFORMANCE
1.1.1	The areas of qualification was the result of a misclassification of expenditure on road rehabilitation projects, which affected six (6) areas of disclosure.	A post audit action plan was developed to address the areas of qualification.  Service providers were appointed to assist the Department with (i) preparation of annual financial statements and (ii) investigating of historic unauthorized and irregular expenditure with the purpose of developing a submission for write-off / condonement for consideration by Provincial Treasury.
1.2.1	The target was not met in relation to procurement from women-owned businesses due to the limited number of women-owned businesses that are registered on the Department's database.  Following a review of performance, the target was also found to be unrealistic.	The Department developed an implementation plan which, inter alia will deal with expanding of the database and deliberate sourcing during procurement processes.  The target set for the 2024/25 financial year was also adjusted to allow for incremental target setting towards the 40% goal.

**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 are 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 as well as their operational expenditure related to financial, procurement and administrative support.

### 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 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 Users Departments throughout the life cycle of respective properties / assets.

### Facility Operations

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 outcome and outputs support the creation, management and maintenance of the building infrastructure required by Provincial Government Departments to deliver services e.g. office accommodation, schools, libraries, sanitation facilities at schools, health facilities etc.

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

- National Development Plan: Indirectly to Chapter 9 (Improving Education, Training and Innovation) and Chapter 10 (Health Care for All) 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) through the provision of building infrastructure, the development of contractors and job creation by means of implementation of projects with EPWP targets attached.
- Provincial priorities: Unemployment and Health.

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

PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE							
OUTCOME: PROVINCIAL BUILDING INFRASTRUCTURE CONDITION IMPROVED							
Output	APP Ref number	Output indicator	Audited performance 2021/22	Audited performance 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation from planned vs actual achievement
REASONS FOR DEVIATIONS							
SUB-PROGRAMME: CONSTRUCTION							
Service delivery infrastructure projects delivered	2.1.1	Number of new construction projects completed-DPW&R	New indicator	0	24	14	10
							Target not achieved. Reasons for deviation include the following: ✓ Poor contractor performance. ✓ Budgetary challenges. ✓ Change in scope. ✓ Contractors experienced challenges with procurement / delivery of materials and cash flow.
						4	N/A
	2.1.2	Number of new construction projects completed-Client Depts	New indicator	2	12	5	7
							Target not achieved. Reasons for deviation include the following: ✓ Poor contractor performance. ✓ Contractors experienced cash flow constraints, in part due to late payments vby Client Departments. ✓ Community disruptions
							Four (4) projects were completed in addition to the target - these projects were these projects were expected to have been completed by the end of the 2022/23 financial year but only reached completion in April 2023/24 financial year.

PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE							
OUTCOME: PROVINCIAL BUILDING INFRASTRUCTURE CONDITION IMPROVED							
Output	APP Ref number	Output indicator	Audited performance 2021/22	Audited performance 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation from planned vs actual achievement
						1	N/A
							One (1) project was completed in addition to the target – the project was at 99% completion in quarter 4 of the 2022/23 financial year but reached practical completion stage only in the 2023/24 financial year.
SUB-PROGRAMME: MAINTENANCE							
Service delivery infrastructure sustained through maintenance projects completed	2.2.1	Number of maintenance projects completed - DPW&R	New indicator	13	18	10	8
							Target not achieved.  Reasons for non-achievement include the following: ✓ Budgetary challenges. ✓ Contractor experienced cash flow constraints. ✓ Poor contractor performance.
	2.2.2	Number of maintenance projects completed - Client Depts	New indicator	7	46	26	20
							Target not achieved.  Reasons for deviation include the following: ✓ Poor contractor performance. ✓ Non-responsive bidders, i.e. three (3) projects to be re-advertised upon confirmation of budget by the Client Department. ✓ Community disruptions. ✓ Restricted access to storm-damaged schools in order not to disrupt teaching and learning. ✓ Contractors experienced cash flow constraints, in part due to late payment by the Client Department.



PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE							
OUTCOME: PROVINCIAL BUILDING INFRASTRUCTURE CONDITION IMPROVED							
Output	APP Ref number	Output indicator	Audited performance 2021/22	Audited performance 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation from planned vs actual achievement
REASONS FOR DEVIATIONS							
SUB-PROGRAMME: IMMOVABLE ASSET MANAGEMENT							
Facilities required by Government are provided	2.3.1	Number of facilities provided	230	230	230	223	7
							Target not achieved.  The overall target comprise office accommodation that is state-owned or leased. The deviation relates to office accommodation leased (the target was 113). Reasons for deviation include the following:  ✓ A number of Departments have vacated leased buildings without proper notification of the DPW&R. ✓ Reconfiguration of Departments in prior years resulted in changes to the number of leases on record.
Inspections are conducted for optimal utilization of space	2.3.2	Number of utilization inspections conducted for office accommodation	9	67	90	93	+3
							Target achieved and exceeded – three (3) additional facilities were inspected.
Non-core / redundant assets are disposed of	2.3.3	Number of properties disposed of	New indicator	3	60	13	47
							Target not achieved.  Reasons for deviation include the following: ✓ Delays as a result of the need to apply for certified copies of title deeds in instances where the original copies of title deeds cannot be located. ✓ SARS documents still outstanding for a number of purchasers. ✓ There are a few properties (7) in respect of which outstanding rentals still have to be settled. ✓ Certified item 28(1) vesting certificates (as per Schedule 6 of the Constitution, 1996) are outstanding for some properties.

### Strategies to overcome areas of under-performance

OUTPUT INDICATOR	COMMENT ON DEVIATIONS	STRATEGIES TO OVERCOME AREAS OF UNDER PERFORMANCE
2.1.1	<p>Poor contractor performance remains a challenge, mainly due to cash flow constraints.</p> <p>Project implementation was also impacted by budgetary constraints due to challenges with regard to planning documents vs final budget allocations. While funding was subsequently reprioritized towards affected projects, not all could be completed by the 31<sup>st</sup> of March 2024 as planned.</p>	<p>Poor performance is dealt with in terms of application of contractual stipulations.</p> <p>Projects planned for 2023/24 but not achieved were carried over to the 2024/25 financial year. The appointment of a project management unit will strengthen capacity with regards to integrated planning, budgeting and project implementation.</p>
2.1.2	<p>Poor contractor performance remains a challenge, mainly due to cash flow constraints.</p> <p>Community disruptions also affected performance in respect of some of the planned projects.</p>	<p>Poor performance is dealt with in terms of application of contractual stipulations. The Department also holds regular meetings with Client Departments where issues such as late payment of contractors are discussed.</p> <p>The Department is engaging with communities and social facilitators are appointed on projects to assist with community liaison.</p>
2.2.1	<p>Poor contractor performance remains a challenge, mainly due to cash flow constraints.</p> <p>Project implementation was also impacted by budgetary challenges, and while funding was reprioritized towards affected projects, not all could be completed by the 31<sup>st</sup> of March 2024 as planned.</p>	<p>Poor performance is dealt with in terms of application of contractual stipulations.</p> <p>Projects planned for 2023/24 but not achieved were carried over to the 2024/25 financial year. The appointment of a project management unit will strengthen capacity with regards to integrated planning, budgeting and project implementation.</p>
2.2.2	<p>Poor contractor performance remains a challenge, mainly due to cash flow constraints which were exacerbated by late payments made by Client Departments.</p> <p>A number of renovation and repair projects were undertaken at storm-damaged schools – work however had to be scheduled in such a manner that it did not disrupt teaching and learning, which resulted in some projects not being completed in time.</p> <p>Project completion was also impacted by non-responsive bidders.</p>	<p>Poor performance is dealt with in terms of application of contractual stipulations. The Department also holds regular meetings with Client Departments where issues such as late payment of contractors are discussed.</p> <p>Projects not completed due to this challenge were carried over to the 2024/25 financial year.</p> <p>Projects will be re-advertised and will be carried over to the 2024/25 financial year.</p>

OUTPUT INDICATOR	COMMENT ON DEVIATIONS	STRATEGIES TO OVERCOME AREAS OF UNDER PERFORMANCE
2.3.1	<p>The list of leases was based on prior configurations of Departments, where some Departments / functions have merged while others were reconfigured differently.</p> <p>Verification has also determined that Departments have vacated leased buildings without proper notification of the Department of Public Works and Roads.</p>	The implementation of the new lease dispensation will result in an updated register / database of office accommodation leased by Provincial Departments.
2.3.3	<p>The disposal process is underway, but the administrative processes related to obtaining of documents from SARS, the Deeds Office, Office of the State Attorney etc. contributed to the fact that properties did not reach the registration stage.</p> <p>Seven (7) prospective buyers' rental accounts were in arrears.</p>	<p>The Department is monitoring the processes and continues to coordinate same with the Deeds Office, the Office of the State Attorney and the Department of Agriculture, Land Reform and Rural Development.</p> <p>The accounts will be handed over for collection if not settled.</p>

**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 Infrastructure**

The purpose of the sub-programme is to provide general operational support to the Programme, which includes programme management and support personnel as well as their operational expenditure related to procurement, financial and administrative support (inclusive of RAMS components).



### Infrastructure 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.

### Infrastructure 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 road 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 outcome and outputs support the improvement, management and maintenance of the provincial road network as a precondition for economic growth. The road network supports access by residents and communities of socio-economic opportunities by providing a safe and integrated means of movement and travel. 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 and Housing (rural roads) and Unemployment.

#### 4.6.3.1 Outcome, outputs, output indicators, targets and actual achievements of Programme 3: Transport Infrastructure

PROGRAMME 3: TRANSPORT INFRASTRUCTURE									
OUTCOME: PROVINCIAL ROAD NETWORK CONDITION IMPROVED									
Outputs	APP Ref number	Output indicator	Audited performance 2021/22	Audited performance 2022/23	Planned target 2023/24	Actual achievement 2023/4	Deviation from planned vs actual achievement	Reason for / comment on deviations	
SUB-PROGRAMME: PLANNING AND DESIGN									
Infrastructure Plans are developed	3.1.1	Number of consolidated infrastructure plans developed	New indicator	1	1	1	0	Target achieved.	
Condition of surfaced roads are assessed	3.1.2	Number of km of surfaced roads visually assessed as per the applicable TMH Manual	5 366	0	5 471	5 476.32	+5.32	Target achieved and exceeded.	
Condition of gravel roads are assessed	3.1.3	Number of km of gravel roads visually assessed as per the applicable TMH Manual	13 265	0	14 197	13 155.86	1 041.14	Target not achieved.	Reasons for deviation include the following: ✓ Challenges with regard to accessing of roads due to construction activities. ✓ Inaccessible roads and closed gates. ✓ Some roads were track roads or surface type was incorrect.
Integrated response to emergencies and disasters	3.1.4	Number of reports on the implementation of the disaster management plan	New indicator	New indicator	4	4	0	Target achieved.	
SUB-PROGRAMME: CONSTRUCTION									
Bridge infrastructure is constructed	3.2.1	Number of bridges constructed	1	0	2	2	0	Target achieved.	
Bridge infrastructure is maintained	3.2.2	Number of bridges repaired	4	0	13	0	13	Target not achieved.	Reasons for deviation include the following: ✓ Operational challenges in relation to resources and coordination between the SANDF, the National Department of Public Works and Infrastructure and the DPW&R.



PROGRAMME 3: TRANSPORT INFRASTRUCTURE								
OUTCOME: PROVINCIAL ROAD NETWORK CONDITION IMPROVED								
Outputs	APP Ref number	Output Indicator	Audited performance 2021/22	Audited performance 2022/23	Planned target 2023/24	Actual achievement 2023/4	Deviation from planned vs actual achievement	Reason for / comment on deviations
Gravel roads upgraded to surfaced roads	3.2.3	Number of km of gravel roads upgraded to surfaced roads	29	31.20	90	65.45	24.55	Target not achieved.  Reasons for deviation include the following: ✓ Works on two (2) roads were suspended due to budgetary challenges. ✓ Poor contractor performance.
Surfaced roads rehabilitated	3.2.4	Number of square metres of surfaced roads rehabilitated	761 296	394 000	1 300 000	930 046.40	369 953.60	Target not achieved.  Reasons for deviation include the following: ✓ Poor contractor performance. ✓ Community disruptions.
Surfaced roads resealed	3.2.5	Number of square metres of surfaced roads resealed	351 100	12 284	950 000	573 037	376 963	Target not achieved.  Reasons for deviation include the following: ✓ Community disruptions. ✓ Poor contractor performance. ✓ Ten (10) projects were cancelled as a result of the reduction of departmental budget during the 2023/24 budget adjustment process (following the introduction of cost containment measures by National Treasury).
SUB-PROGRAMME: MAINTENANCE								
Gravel roads re-gravelled	3.3.1	Number of km of gravel roads re-gravelled	78.88	100.6	268	468.03	+200.03	Target achieved and exceeded. Additional output was as a result of the completion of flood damaged road projects that were awarded in 2022/23.

PROGRAMME 3: TRANSPORT INFRASTRUCTURE							
OUTCOME: PROVINCIAL ROAD NETWORK CONDITION IMPROVED							
Outputs	APP Ref number	Output indicator	Audited performance 2021/22	Audited performance 2022/23	Planned target 2023/24	Actual achievement 2023/4	Deviation from planned vs actual achievement
Gravel roads bladed	3.3.2	Number of km of gravel roads bladed	36 147.78	31 903.61	34 900	15 570.41	19 329.59
			Reasons for deviation include the following: ✓ Unavailability of sufficient yellow fleet due to the fact that the yellow fleet is ageing and breakdowns occur frequently.				
Blacktop patching on surfaced roads	3.3.3	Number of square metres blacktop patching	90 087.11	151 353.21	60 000	138 014.74	+78 014.74
			Target achieved and exceeded as a result of additional work completed as part of Phase 1 and 2 of the Accelerated Service Delivery Campaigns (Thuntsha Lerole) and the National Vala Zonke War on Potholes Programme.				

Strategies to overcome areas of under-performance

OUTPUT INDICATOR	COMMENT ON DEVIATIONS	STRATEGIES TO OVERCOME AREAS OF UNDER PERFORMANCE
3.1.3	The expected performance against this indicator is based on the projected network length, taking into consideration the outcomes of previous assessments. However, unforeseen events may prevent the assessment of the entire gravel network. These events may include lack of access to all roads e.g. due to road construction or maintenance activities taking place, gates are locked, surface type was incorrect etc.	The events that may block access to portions of the road network cannot be predicted or prevented.
3.2.2	The first rollout of the Welisizwe Rural Bridges Programme in the Province posed operational and funding challenges.	Ongoing engagements with the relevant National Departments and the SANDF.
3.2.3	Work was suspended on roads due to budgetary challenges.	The Department also assisted with procurement of the necessary equipment.
	Works on one (1) road was suspended following the termination of the contract due to poor contractor performance.	Projects will be implemented in the 2024/25 MTEF period, subject to the budget allocations. Project was re-advertised.

OUTPUT INDICATOR	COMMENT ON DEVIATIONS	STRATEGIES TO OVERCOME AREAS OF UNDER PERFORMANCE
3.2.4	Poor contractor performance.	Poor performance is dealt with in terms of the application of contractual stipulations.
	Community disruptions	The Department is engaging with communities and social facilitators appointed per project also assist in this regard.
3.2.5	Community disruptions	As above.
	Poor contractor performance	As above.
	Budgetary challenges as a result of budget reductions effected during the 2023/24 budget adjustment process.	Projects will be implemented in the 2024/25 MTEF period, subject to the budget allocations.
3.3.2	The yellow fleet is ageing, resulting in regular breakdowns that in turn impacts on performance.	The Department leases yellow fleet to augment the current fleet capacity. Projects are also outsourced when required.

### 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 and contractors.

##### List of sub-programmes and their purpose

###### Programme Support: Community-Based

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

###### Community Development

The purpose of the sub-programme is to measure the creation of work opportunities, develop and assist emerging contractors with guidance and support to ensure that they develop into sustainable enterprises.

### Innovation and Empowerment

The purpose of the sub-programme is to develop new training programmes and identify new opportunities for job creation and skills development.

### EPWP Coordination and Monitoring

The purpose of the sub-programme is to 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 outcome and outputs support the creation of work opportunities and poverty reduction. The planned activities relate to the implementation of public employment programmes and use of labour-intensive methods in project implementation (as is feasible) with the purpose of creating work opportunities and skills transfer.

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 of 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 2021/22	Audited performance 2022/23	Planned target 2023/24	Actual performance 2023/24	Deviation between planned vs actual achievement	Reason for / comment on deviations
<b>SUB-PROGRAMME: COMMUNITY DEVELOPMENT</b>								
Paid work opportunities created	4.1.1	Number of EPWP work opportunities created – Transport Infrastructure Sector	New indicator	13 019	13 000	14 339	+1 339	Target achieved and exceeded.  Recruitment of new beneficiaries was accelerated to compensate for delays resulting from the disruptions / protest actions of those beneficiaries whose contracts expired during the year under review.
	4.1.2	Number of EPWP work opportunities created – Public Works Infrastructure Sector	New indicator	763	800	690	110	Target not achieved.  Reasons for deviation include the following: ✓ The processes of recruitment and screening of new participants are not yet concluded.
	4.1.3	Number of youth employed (18 – 35) – Transport Infrastructure Sector	New indicator	7 227	7 150	3 384	3 766	Target not achieved.  Reasons for deviation include the following: ✓ The processes of recruitment and screening of new participants were not yet concluded by year-end.
	4.1.4	Number of youth employed (18 – 35) – Public Works Infrastructure Sector	New indicator	459	440	364	76	Target not achieved.  Reasons for deviation include the following: ✓ The processes of recruitment and screening of new participants were not yet concluded by year-end.
	4.1.5	Number of women employed – Transport Infrastructure Sector	New indicator	8 549	7 800	8 457	+657	Target achieved and exceeded as a result of the ongoing recruitment processes.
	4.1.6	Number of women employed – Public Works Infrastructure Sector	New indicator	451	480	377	103	Target not achieved.  Reasons for deviation include the following: ✓ The processes of recruitment and screening of new participants were not yet concluded by year-end.



PROGRAMME 4: COMMUNITY-BASED PROGRAMME								
OUTCOME: POVERTY ALLEVIATION THROUGH OPTIMIZED WORK OPPORTUNITIES								
Output	APP Ref number	Output indicator	Audited performance 2021/22	Audited performance 2022/23	Planned target 2023/24	Actual performance 2023/24	Deviation between planned vs actual achievement	Reason for / comment on deviations
<b>SUB-PROGRAMME: COMMUNITY DEVELOPMENT</b>								
	4.1.7	Number of persons with disabilities employed - Transport Infrastructure Sector	New indicator	65	260	59	201	Target not achieved. Reasons for deviation include the following: ✓ The processes of recruitment and screening of new participants were not yet concluded by year-end.
	4.1.8	Number of persons with disabilities employed - Public Works Infrastructure Sector	New indicator	4	16	6	10	Target not achieved. Reasons for deviation include the following: ✓ The processes of recruitment and screening of new participants were not yet concluded by year-end.
<b>SUB-PROGRAMME: INNOVATION AND EMPOWERMENT</b>								
Departmental contractor development programme implemented	4.2.1	Number of contractors participating in the contractor development programme – Transport Infrastructure Sector	New indicator	0	120	0	120	Target not achieved. Reason for deviation include the following: ✓ The evaluation processes were not yet concluded by year-end.
	4.2.2	Number of contractors participating in the contractor development programme – Public Works Infrastructure Sector	New indicator	0	40	0	40	Target not achieved. Reasons for deviation include the following: ✓ The evaluation processes were not yet concluded by year-end.
<b>SUB-PROGRAMME: EPWP COORDINATION AND MONITORING</b>								
Participation by public bodies in the EPWP	4.3.1	Number of public bodies reporting on EPWP targets in the Province	36	35	36	35	1	Target not achieved. Reasons for deviation include the following: ✓ SANRAL did not report outputs during the year.

OUTPUT INDICATOR	COMMENT ON DEVIATIONS	STRATEGIES TO OVERCOME AREAS OF UNDER PERFORMANCE
4.1.2 – 4.1.8	The process of recruitment of new beneficiaries was not yet concluded as at the end of the 2023/24 financial year.	The recruitment process will be completed in the 2024/25 financial year.
4.2.1 & 4.2.2	A new public invitation was advertised for persons to participate in the Contractor Development Programme. However, the process of evaluating the bids / applications was not yet concluded at the end of the financial year.	The evaluation process will be concluded in the first quarter of the 2024/25 financial year.
4.3.1	Non-reporting of outputs by SANRAL.	Matters related to under-reporting are discussed at intergovernmental meetings held both provincially and nationally.

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 4 for the period under review.

#### 4.7 LINKING PERFORMANCE WITH BUDGETS

##### 4.7.1 Expenditure for the financial year 2023/24, Programme 1: Administration

Sub-programmes	2023/24				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	14,056	13,035	1,021	92.7%	12,800	12,079	721	94.4%
Office of the HOD	34,121	32,733	1,388	95.9%	40,138	30,593	9,545	76.2%
Corporate Support	208,961	201,105	7,856	96.2%	157,502	155,720	1,782	98.9%
Departmental Strategy	8,946	7,643	1,303	85.4%	8,607	7,415	1,192	86.2%
TOTAL	266,084	254,516	11,568	95.7%	219,047	205,807	13,240	94.0%

4.7.2 Expenditure for the financial year 2023/24, Programme 2: Public Works Infrastructure

Sub-programmes	2023/24				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	12,641	8,542	4,099	67.6%	6,360	5,264	1,096	82.8%
Planning	14,387	7,009	7,378	48.7%	13,374	12,990	384	97.1%
Design	3,966	3,314	652	83.6%	1,754	1,517	237	86.5%
Construction	59,605	64,270	(4,665)	107.8%	84,381	74,839	9,542	88.7%
Maintenance	416,297	373,742	42,555	89.8%	450,436	432,583	17,853	96.0%
Immovable Asset Management	15,962	78,698	(62,736)	493.0%	18,263	17,434	829	95.5%
Facilities Management	536,626	485,219	51,407	90.4%	589,199	557,355	31,844	94.6%
TOTAL	1,059,484	1,020,794	38,690	96.3%	1,163,767	1,101,982	61,785	94.7%

4.7.3 Expenditure for the financial year 2023/24, Programme 3: Transport Infrastructure

Sub-programmes	2023/24				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	69,149	61,996	7,153	89.7%	77,679	53,833	23,846	69.3%
Planning	2,012	940	1,072	46.7%	1,562	1,232	330	78.9%
Design	2,676	1,207	1,469	45.1%	652	60	592	9.2%
Construction	1,861,673	1,844,418	17,255	99.1%	1,541,468	1,364,103	177,365	88.5%
Maintenance	390,515	399,377	(8,862)	102.3%	394,646	391,791	2,855	99.3%
TOTAL	2,326,025	2,307,938	18,087	99.2%	2,016,007	1,811,019	204,988	89.8%

4.7.4 Expenditure for the financial year 2023/24, Programme 4: Community-Based Programme

Sub-programmes	2023/24				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	9,072	8,791	281	96.9%	7,528	7,125	403	94.6%
Community Development	178,444	173,942	4,502	97.5%	347,685	342,903	4,782	98.6%
Innovation and Empowerment	4,768	2,796	1,972	58.6%	3,442	2,046	1,396	59.4%
EPWP Coordination and Monitoring	31,770	20,041	11,729	63.1%	370	249	121	67.3%
TOTAL	224,054	205,570	18,484	91.8%	359,025	352,323	6,702	98.1%

## 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 1 April 2023 to 31 March 2024:

### 6.1 EXPANDED PUBLIC WORKS PROGRAMME INCENTIVE 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"><li>✓ Road maintenance and maintenance of buildings</li><li>✓ Low traffic volume roads and rural roads</li><li>✓ Other economic and social infrastructure</li><li>✓ Tourism and cultural industries</li><li>✓ Sustainable land-based livelihood</li><li>✓ Waste management</li></ul>
Expected output of the grant	13 800 work opportunities created.
Actual output achieved	15 029 work opportunities created .
Amount per amended DORA (R'000)	R32 384
Amount Received (R'000)	R32 384
Reasons if amount as per DORA was not received	The entire amount was received.
Amount spent by the Department (R'000)	R19 695
Reasons for the funds unspent by the entity	Recruitment of new beneficiaries was delayed.
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	<p>Support road infrastructure activities as follows:</p> <ul style="list-style-type: none"> <li>✓ To supplement provincial investment for routine, periodic and special maintenance.</li> <li>✓ To ensure all roads are classified as per RISFSA and the technical recommendation for highways (TRH 26), and road classification and access management guidelines.</li> <li>✓ To implement and maintain road asset management systems (RAMS) as per technical methods for highways (TMH 22).</li> <li>✓ To supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters.</li> <li>✓ To improve the state of the broad network serving electricity generation infrastructure.</li> <li>✓ To improve road safety with special focus on pedestrian safety in rural areas.</li> </ul>
Expected output of the grant	<ul style="list-style-type: none"> <li>✓ Fully functional RAMS in line with minimum requirements for a provincial road authority.</li> <li>✓ Network condition assessment and determination of project list from the RAMS.</li> <li>✓ Submission of updated road condition data (paved and unpaved), traffic data, and bridge condition report.</li> </ul> <p>The following was measured against 2023/24 targets defined in the final Road Asset Management Plan (RAMP) for the Province:</p> <ul style="list-style-type: none"> <li>✓ Number of bridges constructed = 2</li> <li>✓ Number of bridges repaired = 13</li> <li>✓ Number of km of gravel roads upgraded to surfaced standard = 90</li> <li>✓ Number of m<sup>2</sup> of surfaced roads rehabilitated = 1 300 000</li> <li>✓ Number of m<sup>2</sup> of surfaced roads resealed = 950 000</li> <li>✓ Number of km of gravel roads bladed = 34 900</li> <li>✓ Number of km of gravel roads re-gravelled = 268</li> <li>✓ Number of square metres of blacktop patching = 60 000</li> </ul>
Actual output achieved	<ul style="list-style-type: none"> <li>✓ Number of bridges constructed = 2</li> <li>✓ Number of bridges repaired = 0</li> <li>✓ Number of km of gravel roads upgraded to surfaced standard = 65.45</li> <li>✓ Number of m<sup>2</sup> of surfaced roads rehabilitated = 930 046.40</li> <li>✓ Number of m<sup>2</sup> of surfaced roads resealed = 573 037</li> <li>✓ Number of km of gravel roads bladed = 15 570.41</li> <li>✓ Number of km of gravel roads re-gravelled = 468.03</li> <li>✓ Number of square metres of blacktop patching = 138 014.74</li> </ul>
Amount per amended DORA (R'000)	R1 580 673
Amount Received (R'000)	R1 580 673
Reasons if amount as per DORA was not received	The entire amount was received.
Amount spent by the Department (R'000)	R1 555 531
Reasons for the funds unspent by the entity	Performance was affected by poor contractor performance, disruptions by communities and state of the yellow fleet.
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	2022/23			2023/24		
	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	8 050	13 066	-5 016	1 000	500	500
Existing infrastructure assets	12 572	12 473	99	10 400	2 350	8 050
Upgrades and additions	458 926	485 460	-26 534	873 430	746 916	126 514
Maintenance and repairs	1 100 224	488 742	611 482	947 029	1 115 917	-168 888
Non Infrastructure	47 722	46 496	1 226	78 762	21 736	57 026
<b>Total</b>	<b>R1 627 494</b>	<b>R1 046 237</b>	<b>R581 257</b>	<b>R1 910 621</b>	<b>R1 887 419</b>	<b>R23 202</b>

### 8.2 INFRASTRUCTURE PROJECTS COMPLETED DURING THE YEAR

#### Public Works Infrastructure projects:

PROJECT DESCRIPTION
PWR 18/23 Supply, installation and commissioning of a diesel fuel tank with stand and construction of a picket fence at DPW&R offices at 12 Rivier street, Klerksdorp
PWR 15/23 Supply, installation and commissioning of diesel fuel tank with stand and the picket fence at DPW&R offices at 131 Kruis street, Potchefstroom
PWR 16/23 Supply, installation and commissioning of diesel fuel tank with stand and construction of a picket fence at DPW&R offices at 149 Kruis street, Potchefstroom
RSM B05 22/23 Construction of paving at DPW&R stores, Kagisano Molopo
BDPWR 001/2022 Installation of a standby generator at DPW&R sub-district offices, Brits
PWR 19/23 Supply, installation and commissioning of diesel fuel tank with stand and construction of a picket fence at DPW&R offices at 76 Kruger Street, Wolmaransstad
BDPWR 04/22 Installation of a standby generator at DPW&R sub-district offices, Mogwase
PWR 19/22 Supply, delivery and installation of a high mast light at DPW&R sub-district offices, Atamelang
PWR 110/22 Supply, delivery and installation of a standby generator at DPW&R sub-district offices, Atamelang
PWR 14/23 Construction of a perimeter wall (brickfence) at DPW&R offices at 76 Kruger street, Wolmaransstad, Phase 2
PWR13/23 Construction of carports and paving at 147 Kruis Street, Potchefstroom
PWR 12/23 Construction of carports and paving at house "External Works" (office accommodation) at DPW&R offices at 129 Kruis street, Potchefstroom
RSM B03/23 Construction of a perimeter wall at the DPW&R road camp, Christiana
PWR 17/23 Supply, installation and commissioning of a diesel fuel tank with stand and construction of a picket fence at DPW&R offices at 10 Aenmay street, Ventersdorp
PWR 04/22 Supply, installation and commissioning of a high mast light at DPW&R offices, 131 Kruis Street, Potchefstroom
PWR 05/22 Supply, installation and commissioning of a high mast light at DPW&R offices at 149 Kruis Street, Potchefstroom
PWR 03/22 Construction of a perimeter wall (brick fence) at DPW&R offices, 76 Kruger street, Wolmaransstad (Phase 1)
PWR 08/22 Conversion of houses into offices at DPW&R offices at 147 Kruis street, Potchefstroom
PWR 98/14 Construction of Kgabalatsane Primary School

PROJECT DESCRIPTION
PWR 74/21 Construction of a guardhouse, septic tank and carports at the Lichtenburg weighbridge
RFP044/202 / RFP 135/2021 Construction of Kgetleng Primary School
BDPWR 02/22 Construction of a modular library at Mmatau village, Moses Kotane
BDPWR 01/22 Construction of a modular library at Uitkyk village in Moses Kotane
PWRT 103/13C Construction of porta cabins at Pilanesberg airport
RSM B05 22/23 Maintenance of DPW&R Pinagare flats, Taung
PWR 12/22 Maintenance at paint store at DPW&R offices at 149 Kruis street, Potchefstroom
PWR 13/22 Maintenance at registry, DPW&R offices at 131 Kruis street, Potchefstroom
RSM B01 22/23 Maintenance at mechanical workshop, DPW&R sub-district office, Taung
BDPWR 006/22 Minor repairs and renovations at DPW&R road camp, Mantsho
PWR 0043/2022 Rehabilitation of change rooms (Ablution Block) at Moretele Office Park
PWR 100/23 Maintenance of paving and plumbing at Blue and White Flats, Mahikeng (state-owned)
PWR 99/23 Maintenance and repairs of the Molopo sub-district offices (JAWS office)
RSM B06 2023/2024 Maintenance of Mini Garona Offices, Vryburg
RSM B07 23/24 Maintenance of hall at DPW&R offices at 20 Malt Street, Vryburg
RSM B07 23/24 Maintenance of hall at DPW&R offices at 20 Malt Street, Vryburg
PWR 63/22 Borakanelo Secondary School I: Major Renovations and Repairs Part 1
PWR 62/22 Tlokwe Secondary School: Major Renovations & repairs Part 2
PWR 88/22 Kejakile Secondary School: Renovations & repairs
PWR 86/22 Gothata Secondary School: Renovations & repairs
PWR 87/22 Majabe Primary School: Renovations & repairs to storm-damaged schools
PPWR 47/22 Repairs to storm-damaged schools: Solomon Lion Primary School
PWR 60/22 Repairs to storm-damaged schools: Mathopetad Primary School
PWR 46/22 Repairs to storm-damaged schools: Diphetogo Secondary School
PWR 52A/22 Repairs to storm-damaged schools: Kalafi Secondary School Block A
PWR 52B/22 Repairs to storm-damaged schools: Kalafi Secondary School Block B
PWR 53/22 Repairs to storm-damaged schools: Modubanye Primary School
PWR 50/22 Repairs to storm damaged schools: Mahobotle Primary School
PWR 51A/22 Repairs to storm-damaged schools: Letlopi Secondary School Block A
PWR 56A/22 Repairs to storm-damaged schools: Gaotime Secondary School Block A
PWR 56B/22 Repairs to storm-damaged schools: Gaotime Secondary School Block B
PWR 55A/22 Montsamaisa Primary School Block A: Renovations & repairs
PWR 54/22 Poifo Primary School: Renovations & repairs
PWR 49/22 Repairs to storm damaged schools: Mmamarumo Primary School: Renovations
RSM B20 22/23 Repairs to storm-damaged schools: Totonyane Primary School A
RSM B53/22 Repairs to storm-damaged schools: Totonyane Primary School B
RSM B21 22/23 Thutoetsile (Sekhing) Secondary School: Renovations & repairs
RSM B22 22/23 Thagamoso School A: Renovations
RSM B52 22/23 Thagamoso School B: Renovations
RSM B18/22A Monnaphang Primary School A: Renovations & repairs
RSM B51/22B Monnaphang Primary School B: Renovations & repairs
RSM B19 22/23 Renovations & repairs to storm-damaged schools: Tasman Secondary School
PWR 89/22 Renovations and repairs at J.M Mosiane Primary School

## Transport Infrastructure projects:

PROJECT DESCRIPTION
PWR 105/17 Upgrading from gravel to surface standard of Road D415 from Gopane passing the villages of Maphephane, Mmutshweu, Ga-Seane to Lobatleng and D417 from Lobatleng to Motswedi, Phase 2 (including construction of a bridge)
PWRT 120/12 Upgrading from gravel to surface standard of Road D327 from Ganyesa to Vragas to Madinonyane as well as appurtenant works, Phase 2; 3 km of Road D327 from Vragas to the Northern Cape border; 16.5 km of Road Z389 from Road D327 to Madinonyane; the remaining 2 km of Road D327 in Ganyesa village and the intersection with Road R378 in Ganyesa
PWR 75/16 Upgrading from gravel to surface standard of Road Z422 from the intersection of Chief Albert Luthuli road through Lokaleng and Mogosane villages to Tlapeng Phase 1
PWR 58/17 Upgrading from gravel to surface standard of Road Z482 from Madibogo through Madigopan to the intersection at D1727 between Stella and Delareyville
PWRT 99/13 Upgrading from gravel to surface standard of Road D520 from Makolokwe to Bethanie

PROJECT DESCRIPTION
PWR 110/17 Rehabilitation of the road and a bridge on Road P137/1 from the N12 to Orkney including the investigation of the sinkhole in Hartbeesfontein Phase 1 (sinkhole repair and intersection improvement)
PWRT 85/13 Rehabilitation of Road P175/1 from Potchefstroom to the Vanderbijlpark road (Gauteng border)
PWR 124/20D-FA-11 Special Maintenance on sections of Road D414 between Makgobistad through Logagane, Makgori to Tshidilamolomo
PWR 124/20D-FA16 Special Maintenance on Road portion P138/1 between Goedgevonden and the N18
PWR 11124/20A-FA15 Sectional patch & rehabilitation of Road P63/1 from Maboloka to Fafung
PWR 125/20A/20 Re-gravelling of Road Z635 from Klipgat access to Madibeng
PWR 124/20A-FA01 - Regravelling of Road D1643 from Moedwil to Ratsegae
PWR 124/20D-FA2 Regravelling of Road D3545 from Mofine towards Manja
PWR 125/20B Re-gravelling of Road D1018 (Leeufontein to Hartbeesfontein)
PWR 125/20B Re-gravelling of Road D510 from Heuningskraal to Vaalbank
PWR 125/20B-D2415-2023/2024 Spot re-gravelling on Road D2415 from Danielskraal to Doornbult
PWR 125/20B –S459-2023/2024 Spot re-gravelling on Road S459 from Lakensvlei to Delareyville border
PWR 125/20C RSMR 37 2023/24 Spot re-gravelling, culvert installation, bush clearing and grass-cutting on the road reserve of Road D944 between Vryburg and Reivilo
PWR 125/20C RSMR 35 2023/24 Spot re-gravelling, culvert installation, bush clearing and grass-cutting on the road reserve of Road D104 between Louwna and Cassel and Road D3468 between Louwna and the N14
RSMR 36-2023/24 Spot re-gravelling, culvert cleaning, bush clearing and grass cutting on the road reserve of Road D214 from the N18 to Mokasa
PWR 1285/20C RSMR 38 2023/2024 Spot re-gravelling, culvert cleaning, bush clearing and grass cutting on road reserve of Road D208 and D209 from Manthe to Mothanthanyaneng to Longaleng to Molelema and Morokweng villages
RSMR 87 2022/23 Re-gravelling, culvert cleaning, bush clearing and grass cutting on the road reserve of Road D168 from Vryburg to Migdol
RSMR 101-2022/203 Spot re-gravelling and routine maintenance of Road D1189 between Christiana and Hartswater
RSMR 82-2022/23 Spot re-gravelling and routine maintenance of Road P23/3 between Amalia and Myra, and Road Z187 and D3466 between D1196 and Brussels
PWR 125/20C RSMR 95 2022/23 Spot re-gravelling and routine maintenance of Road D3535 between Phaposane and P68/1
RSMR 100-2022/2023 Spot re-gravelling and routine maintenance of Road D3503 & D3504 between the N14 and Armoedsvlakte
PWR 125/20C-RSMR 89 2022/203 Spot re-gravelling and routine maintenance of Road Z313 from Kgokgojane to Itireleng
RSMR 97 2022/23 Spot re-gravelling and routine maintenance of Road D166 between P34/6 and P34/5
RSMR 88 2022/23 Spot re-gravelling and routine maintenance of Road D2218 between D1479 to D163
PWR 125/20C-RSMR 98 2022/23 Spot re-gravelling and routine maintenance of Road D502 between Ipelegeng and D1080
RSMR 84 2022/23 Spot re-gravelling and routine maintenance of Road D3466 between N18 (Brussels) to D1196
RSM R96 2022/2023 Culvert construction, spot re-gravelling and routine maintenance of Road Z304 from Kgokgojane to Oforo
PWR 125/28 Spot re-gravelling of Road D601 from Moirakgoro to Moiletswane
PWR 125/20A/31 Spot re-gravelling on Road D1075 from Rustenburg/ Kgetleng Rivier Border to D324
PWR 125/20A/33 Re-gravelling and culvert installation of Road Z512 from Z570 to D5111
PWR 125/20A/35 Re-gravelling of Road Z555 from D506 to Los my Cherry
PWR 125/20A/36 Re-gravelling of Road D548 from P124/1 to Khayakhulu
PWR 125/20A/37 Spot re-gravelling of Road P172/2 from P47/2 to P47/3
PWR 125/20A/38 Spot re-gravelling of Road D2698 from Road D2697 to P47/1
PWR 125/20A/39 Spot re-gravelling of Road P65/1 from Bollantlokwe to Moretele/ Limpopo Province border
PWR 125/20A/40 Spot re-gravelling of Road D614 from Lebotlwane to Moretele / Limpopo Province border
PWR 125/20A/32 Spot re-gravelling of Road 1236 from Rustenburg / Ventersdorp to P47/1/D324
PWR 125/20A/18 Re-gravelling and installation of culverts on Road D533 from D510 to Swartklip



PROJECT DESCRIPTION
PWR 125/20A/19 Re-gravelling and installation of culverts on Road D990 from R24 to P47/1
PWR 125/20A/21 Re-gravelling of Road D548 from Khayakhulu to Montana
PWR 125/20A/24 Re-gravelling and installation of culverts on Road Z532 (Lethakeng) from P124/1 to D534
PWR 125/20D Re-gravelling on critical areas, culverts and stormwater management of Road D2280 and Z492 from Matlhatse to D2215
11K241019P Spot re-gravelling on Road D406 from Mareetsane to Kopela
11K241678P Spot re-gravelling on Road D404 from Groot Marico to Rietvlei P172/2
11K241651P Sectional repairs and stormwater control on Road D3551 from Gakhunwanwa to Kraaipan and installation of 5 culverts
11K241678P Re-gravelling, culverts / stormwater control on Road D1057 from R507 to Wolmaransstad
11K241614P Re-gravelling, culverts / stormwater control on Road D3544 from Madibogo to the N18

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

The Department is intending to demolish the now defunct Thusong District Hospital at Itsoseng near Lichtenburg.

### **8.4 PROGRESS MADE ON THE MAINTENANCE OF INFRASTRUCTURE**

The Department did not meet all of its planned targets for building and road maintenance due to the following reasons:

- Budgetary challenges, in that the building maintenance projects were not adequately funded in the main appropriation – funding was re-prioritized towards the planned projects during the 2023/24 budget adjustment process. However, the late start did result in some of the planned outputs not being achieved, as discussed under sections 4.6.2 and 4.6.3 of this document.
- Poor contractor performance impacted on the achievement of planned targets of Programme 2: Public Works Infrastructure. The poor performance at times is as a result of cash flow challenges due to the late payment of contractors by Client Departments.
- The reduction in the departmental budget as a result of the implementation of cost containment measures announced by National Treasury impacted road construction and maintenance activities – work on some projects were suspended as a result.
- An ageing yellow fleet results in continuous breakdowns which impedes road maintenance activities – the Department is hiring plant to augment capacity and also outsources projects to mitigate against under performance.
- Community disruptions impacted project implementation.

The details of road maintenance and building maintenance projects completed during the 2023/24 financial year are captured under section 8.2 of this document.

The intervention / remedial plans are outlined under sections 4.6.2 and 4.6.3 of this document.

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

The extension of the cost containment / austerity measures by National Treasury to the 2024/25 financial year may result in further budgetary challenges.



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

### **Building infrastructure**

The Department disposed of thirteen (13) redundant government-owned houses during the period under review.

The reasons for not achieving the target are as follows:

- Delays as a result of the need to apply for certified copies of title deeds in instances where the copies of original title deeds cannot be located.
- SARS documents were still outstanding for a number of purchasers.
- There were seven (7) properties in respect of which outstanding rentals still had to be settled.
- Certified item 28(1) vesting certificates (as per Schedule 6 of the Constitution, 1996) are outstanding for some properties.

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

The Department continually updates the immovable asset register (Public Works sector) utilizing data from various channels, which include:

- Deeds Registry data obtained from DALRRD via NDPW&I.
- Acquisitions and disposals information.
- Donations received from or made to other stakeholders (e.g. SDFs donated by Local Municipalities).
- Details of completed infrastructure projects provided by User Departments as per Section 42 of the PFMA.
- Physical verification of properties carried out by in-house teams.
- Information derived from condition assessments conducted by the Department through appointed service providers.
- Any other accessible sources, such as EMIS data from the Department of Education, Municipal Valuation Rolls and the Deeds web system, among others.

## **8.8 THE CURRENT STATE OF THE DEPARTMENT'S CAPITAL ASSETS**

### **Building infrastructure**

Condition assessments of state-owned immovable assets are conducted to determine the status quo in respect of the following:

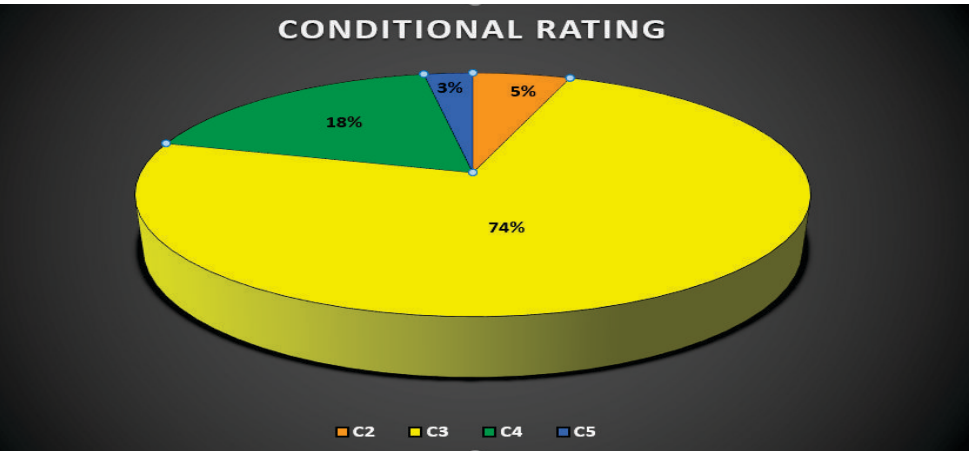
- Accessibility
- Suitability
- Condition rating
- Operating performance
- Functional performance

The Department is in the process of assessing the condition of functional state-owned offices. There are 117 occupied office accommodation units to be assessed and 72 reports have been received to date.

The incorporation of condition assessment outcomes as part of maintenance needs determination ensures that there is a structured, objective process for identifying the demand for condition-based maintenance works to meet strategic and operational priorities. Such works should form part of any comprehensive program of maintenance in conjunction with preventative, statutory and reactive (unplanned) maintenance work over the immediate, medium and long term.

The current state of the office accommodation (117) assessed is as follows:

C1	Very Poor (Unfit for occupancy)
C2	Poor (Serious structural defects)
C3	Fair (Average condition, surface deterioration)
C4	Good (Minor defects, superficial wear)
C5	Excellent (No apparent defects/as new)



The assessment determined that 21% of the building infrastructure is in a good to excellent condition, while 74% is in a fair condition and 5% is assessed to be in a poor condition.

Transport infrastructure (road network)

Paved roads constitute 5 556.85 km of the provincial road network, while unpaved (gravel) roads constitute 14 127.23 km of the total network of 19 684.08. During the year under review, a visual condition assessment of the road network was undertaken. A total of 5 476.32 km of paved roads and 13 155.86 km of gravel roads were assessed.

The assessment outcome 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 as well as the assessed condition:

ROAD TYPE	VERY GOOD	GOOD	FAIR	POOR	VERY POOR	TOTAL
<b>Block</b>						
Extent (km)	63.47					63.47
%	0.3%	0.0%	0.0%	0.0%	0.0%	0.3%
<b>Concrete</b>						
Extent (km)	1.50					1.50
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Flexible</b>						
Extent (km)	450.92	1 020.73	1 671.14	1 394.09	874.98	5 411.86
%	2.4%	5.5%	9.0%	7.5%	4.7%	29.0%
<b>Unpaved</b>						
Extent (km)	57.16	166.96	1 430.39	5 411.67	6 089.51	13 155.69
%	0.3%	0.9%	7.7%	29.0%	32.7%	70.6%
<b>TOTAL EXTENT (KM)</b>	<b>573.05</b>	<b>1 182.69</b>	<b>3 097.25</b>	<b>6 794.42</b>	<b>6 958.05</b>	<b>18 605.46</b>
<b>TOTAL %</b>	<b>3.1%</b>	<b>6.4%</b>	<b>16.6%</b>	<b>36.5%</b>	<b>37.4%</b>	<b>100.0%</b>

Source: Visual Condition Assessment report: 2023

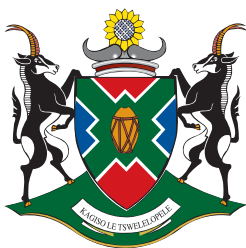
The costs associated with the maintenance needs for surfaced roads was estimated at R16 995 860131,00 and R3 797 113888,00 for the gravel road network. The annual budget allocations are not adequate to address the needs to the extent required.

## **8.9 MAJOR MAINTENANCE PROJECTS COMPLETED DURING THE YEAR UNDER REVIEW**

The performance in respect of projects completed is outlined under section 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 2023/24 financial year is set out under sections 4.6.2 and 4.6.3 of this document.



## public works & roads

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

# PART C: GOVERNANCE



DEPARTMENT OF PUBLIC WORKS & ROADS  
ANNUAL REPORT 2023/2024  
VOTE 11



## **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 Public Finance Management Act, Treasury Regulations, National Treasury Public Sector Risk Management Framework and the available risk management best practices guided the Department in its risk management practices.

The Department reviewed and approved its Risk Management Policy for 2023/24, which articulated the Department's risk management philosophy. The Risk Management Strategy was then aligned to the Risk Management Policy.

The risk management policy acts as the primary risk governance mechanism and provides guidance in respect of sound risk management. It enables the successful drafting of a risk management plan and sets out all risk management activities planned with the aim of improving the risk maturity of the Department.

The Department considered both internal and external conditions that might impede 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 was undertaken to improve on the plans drafted for implementation in the 2024/25 financial year.

A departmental Risk Management Committee is in place. Its membership comprise of the management of the Department, internal auditors and provincial risk management officials. An independent Chairperson, appointed on a three-year term, chairs the Committee.

This structure advises management on the overall system of risk management especially on the mitigation of unacceptable levels of risk. The Committee operated under a charter that was approved by the Accounting Officer. Four (4) quarterly meetings were held 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**

An approved fraud prevention strategy is 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 approach to corrupt or fraudulent activities whether internal or external, and will pursue and prosecute any party that engages in, or attempts to engage in these activities, by all legal means available.

A number of anti-fraud and awareness campaigns were launched during the year. Priority was given to District and sub-district offices in order to create awareness around the risks of fraud and corruption. The Department also commemorated International Fraud Awareness Week in November 2023.

The Department encourages safe reporting through the National Anti-Corruption Hotline (NACH) and includes 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 investigations of reported matters are referred to the Provincial Anti-Corruption / Forensic Unit or the Public Service Commission.

### **Financial disclosure of SMS**

During the 2023/24 financial year, the Department achieved 100% compliance with the financial disclosure requirements for members of the Senior Management Service (SMS). The analysis of financial disclosures revealed that no SMS member had a direct conflict of interest. Potential conflict of interest detected was disclosed and explained accordingly.

### **Management of other remunerative work**

The Department implements the policy on Remunerative Work Outside of the Public Service. The purpose of this policy is to encourage employees to seek approval from the Executing Authority to conduct remunerative work outside of the public service and for the declaration of financial interest as provided for in the Public Service Code of Conduct. The Department issues a circular annually to remind employees to disclose their financial interests and seek approval to conduct remunerative work.

Eighteen (18) applications for approval to do other remunerated work were received in the 2023/24 financial year of which sixteen (16) were approved. Two (2) applications were not approved due to the fact that the application form and identification of possible conflict of interest were not appropriately completed.

## **9.4 MINIMIZING CONFLICT OF INTEREST**

The Public Service Act, 1994 and Regulations, as amended, require of SMS members of the SMS and MMS (Middle Management Service) to complete the financial disclosure forms annually. In terms of the new Public Service Regulations, public servants are not allowed to conduct business with organs of the state.

Members of the Bid Specification, Bid Evaluation and Bid Adjudication Committees have signed the Code of Conduct and are required to declare their financial interest during each sitting of the various departmental Supply Chain Management Committees. Staff members as well as officials rendering administrative support, such as recruitment, are also required to complete declaration forms. Furthermore, permanent officials in the Department are subjected to a vetting process which is conducted by the State Security Agency.

## **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 ethically regarding 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. It was emphasized during those engagements that non-compliance with the Code of Conduct must be referred for investigation and disciplinary action must be taken against employees who breached the Code of Conduct.

## **9.6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

The Department is continuously raising awareness on mental health issues, chronic diseases, occupational health and wellness issues and related wellness management programmes available within the Department.

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

## **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.
- Adoption of the Annual Performance Plan and MTEF budget for the 2023/24 financial year.
- Adoption of the second draft Annual Performance Plan and MTEF budget for the 2024/25 financial year.
- Annual Report for the 2022/23 financial year.
- Performance reports / oversight reports on specific matters as per requests communicated from time to time.

## **9.8 PROVINCIAL PUBLIC ACCOUNTS COMMITTEE RESOLUTIONS**

The Department appeared before the Provincial Public Accounts Committee on 15 June 2023 to present responses to the following questions as pertaining to the report of the Auditor General (AGSA) to the Provincial Legislature on the finances, performance and governance matters pertaining to the audit of the financial year ended 31 March 2022.

Auditor General's report Reference	Question	Response	Resolved Yes / No
Par 3 Irregular expenditure	What measures have been put in place to ensure the disclosure of irregular expenditure incurred, in the notes to the financial statements as required by section 40(3)(b)(i) of the PFMA?	<p>The Department implemented the following measures to prevent a recurrence of irregular expenditure:</p> <ul style="list-style-type: none"> <li>• For both bids and quotations, the Department developed compliance checklists that are implemented to ensure that bids / quotations are thoroughly checked prior to award.</li> <li>• In relation to bids above R10 million, the Department is in compliance with Provincial Treasury's instruction by submitting all bids above R10 million for audit prior to award thereof.</li> <li>• To address the issue of understatement of irregular expenditure, the Internal Control Unit annually conducts a completeness check on all bids awarded by the Department to ensure that all needed information in the SCM file are attached to the file. This exercise was performed prior to the audit by the AGSA.</li> <li>• The Department requested approval from Provincial Treasury to participate in their approved panel of service providers (financial consultancy). The approval, if granted, will enable the Department to appoint a service provider to assist the Department with investigating and clearing of irregular expenditure.</li> </ul>	Yes
	Why did the department make payments of R209 654 354 in contravention with the supply chain management requirements, and which were not disclosed as irregular expenditure?	<ul style="list-style-type: none"> <li>• The understatement of irregular expenditure of R209 654 354 as identified by AGSA was the result of limitation of scope - the information requested by the AGSA was not provided in time. However, the information is available and will be provided to AGSA in the 2022/23 audit.</li> <li>• To avoid the recurrence of limitation of scope, the Department put measures in place to ensure that the information requested by AGSA is submitted within the agreed turnaround time.</li> <li>• Furthermore, the Department holds regular audit steering committee meetings with the AGSA to ensure that all issues are discussed and cleared before the finalization of the audit by AGSA.</li> <li>• The Department has effected a correction of a prior period error in the financial statements for the 2022/23 financial year to include the prior year's understatement as identified by AGSA.</li> <li>• A review of all bids awarded was performed by the Internal Control Unit to ensure that all transactions that meets the definition of irregular expenditure are included in the register to avoid understatement.</li> </ul>	Yes



Auditor General's report Reference	Question	Response	Resolved Yes / No
	Why did the department not quantify the full extent of the irregular expenditure as disclosed in note 31 to the financial statements?	<ul style="list-style-type: none"> <li>The understatement of irregular expenditure of R209 654 354 as identified by AGSA was the result of limitation of scope - the information requested by the AGSA was not provided in time. However, the information is available and will be provided to AGSA in the 2022/23 audit.</li> <li>To avoid the recurrence of limitation of scope, the Department put measures in place to ensure that the information requested by AGSA is submitted within the agreed turnaround time.</li> <li>Furthermore, the Department holds regular audit steering committee meetings with the AGSA to ensure that all issues are discussed and cleared before the finalization of the audit by AGSA.</li> </ul>	Yes
Par 8 Fruitless and Wasteful Expenditure	As disclosed in note 32 to the financial statements, why was fruitless and wasteful expenditure of R358 000 incurred in the current year, and why was fruitless and wasteful expenditure of R17 658 000 from prior years not dealt with in accordance with section 32 of the PFMA?	<ul style="list-style-type: none"> <li>The Department's Unauthorized, Irregular and Wasteful (UIF) Expenditure Committee did not function during the period under review, which led to fruitless and wasteful expenditure not being investigated and dealt with in terms of Section 32 of the PFMA and the framework.</li> <li>A significant amount included in the fruitless and wasteful expenditure register relates to interest charges for late payments of invoices for utilities e.g. Eskom and municipal accounts. The Department has since implemented an invoice tracking system (REAPATELA) to help ensure that invoices are paid on time.</li> </ul>	Yes
Par 9 Restatement	What measures have been put in place to ensure that the corresponding figures for accrued departmental revenue, immovable tangible capital assets, movable tangible capital assets, minor assets and capital work-in-progress are prevented from being restated as a result of errors discovered during the financial year ended 31 March 2022, as disclosed in note 44 to the financial statements?	<ul style="list-style-type: none"> <li>The Department resuscitated the UIF Committee to ensure that investments into UIF-related expenditure are expedited and dealt with in accordance with relevant Treasury Frameworks.</li> <li>In addition to the invoice tracking system, the Department is investigating the possibility of introducing a centralized entry point for all invoices submitted to the Department. This will ensure that invoices are captured on the system at a central point and therefore avoid delays that might be created by end users not submitting invoices in a timely manner.</li> <li>The Department will have officials collecting invoices from Eskom and municipalities in person as opposed to waiting for these entities to send / submit invoices.</li> </ul>	Yes

Auditor General's report Reference	Question	Response	Resolved Yes / No
Par 10 Underspensing of the budget	As disclosed in the appropriation statement, why the department has materially underspent the budget on Programme 2: Public Works Infrastructure with R48 652 000 and Programme 3: Transport Infrastructure with R466 256 000 due to inadequate project planning and management?	<p>Programme 2: Public Works Infrastructure underspent its allocation by R48 million. To mitigate against under performance going forward, the following measures will be implemented:</p> <ul style="list-style-type: none"> <li>• The Department developed a selection strategy that uses the existing database to improve on the turnaround time for procurement.</li> <li>• The Programme strive to ensure that plans are aligned with APP and the IDMS so as to avoid under performance.</li> <li>• The Programme will ensure that contract management i.r.o. service providers is enforced for performance improvement.</li> <li>• Capacity building in the unit responsible for construction management will be improved despite budgetary constraints.</li> <li>• Lack of project management and record management systems remain a challenge that affect the ability to manage projects effectively. However, processes to procure the system are underway.</li> <li>• Community disruptions that affect project performance is a challenge - the Department is mitigating that through use of the services of social facilitators.</li> </ul>	Yes
Par 27-28 Financial statements expenditure management	Why were the financial statements submitted for audit not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA?	The Department prepared the annual financial statements in line with the Modified Cash Standards and the Annual Financial Statement Framework as provided by the Office of the Accountant General.	Yes
Par 29 - 33 Consequence management, procurement and contract management	Why was AGSA unable to obtain sufficient appropriate audit evidence? Were disciplinary steps taken against officials who had incurred irregular, fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA?	<ul style="list-style-type: none"> <li>• The investigations on UIF during the audit were still ongoing and the Department could not institute consequence management until the investigations were concluded.</li> <li>• Some of the investigations were concluded prior to the previous audit and there where consequence management implemented e.g. the former HOD and Chief Director: Roads Infrastructure were dismissed.</li> <li>• The information is available and will be provided to AGSA should they require the information.</li> <li>• There are cases that are investigated externally e.g. by the Directorate for Priority Crime Investigation (Hawks) and once they are finalized the Department will implement the recommendations of such reports.</li> </ul>	Yes
	Why were proper and complete records not maintained as evidence to support the investigations into irregular, fruitless and wasteful expenditure?	<ul style="list-style-type: none"> <li>• The Department is taking steps to ensure that records management in the Department is improved and that records can be easily retrieved.</li> <li>• The Department's ICT unit is in the process of procuring a records management system.</li> </ul>	In progress

Auditor General's report Reference	Question	Response	Resolved Yes / No
	Why was the AGSA unable to obtain sufficient, appropriate audit evidence that investigations were conducted into all allegations of financial misconduct committed by officials, as required by Treasury Regulation 4.1.1?	<ul style="list-style-type: none"> <li>Investigations conducted by the Department were still in progress at the time of the audit.</li> <li>Information was made available to AGSA. However, due to the fact that the investigations were ongoing, there was a limitation on how much information the Department could provide. Hence, the information was deemed insufficient by the AGSA.</li> <li>Some of the investigations have been concluded since and information will be availed to the AGSA</li> </ul>	Yes
	Why were some of the major capital projects not evaluated through a system of project evaluation prior to a final decision on the project, in accordance with section 38(1)(a)(iv) of the PFMA and section 5.5.5(vi) of the Framework for Infrastructure Procurement and Delivery Management (FIDPM) – this relates to non-compliance identified in the procurement processes for the PWR 75/16 - Upgrade from gravel to surface standard of Road Z422?	<ul style="list-style-type: none"> <li>Information relating to infrastructure projects was requested late in the audit and the Department was unable to submit it before the finalization of the audit.</li> <li>According to the engagement letter, the Department has to submit the requested information within three (3) working days of receiving the request. In this instance, the information was requested a day before the conclusion of the audit, which essentially meant that the Department had less than a day to submit the information. This was impractical considering that the request for information was received on a Friday.</li> <li>The information is however available and will be provided to the AGSA in the current audit.</li> </ul>	Yes
Par 27-28 Financial statements expenditure management	Why were the financial statements submitted for audit not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA?	The Department prepared the annual financial statements in line with the Modified Cash Standards and the Annual Financial Statement Framework as provided by the Office of the Accountant General.	Yes
Par 29 - 33 Consequence management, procurement and contract management	Why was AGSA unable to obtain sufficient appropriate audit evidence? Were disciplinary steps taken against officials who had incurred irregular, fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA?	<ul style="list-style-type: none"> <li>The investigations on UIF during the audit were still ongoing and the Department could not institute consequence management until the investigations were concluded.</li> <li>Some of the investigations were concluded prior to the previous audit and there where consequence management implemented e.g. the former HOD and Chief Director: Roads Infrastructure were dismissed.</li> <li>The information is available and will be provided to AGSA should they require the information.</li> <li>There are cases that are investigated externally e.g. by the Directorate for Priority Crime Investigation (Hawks) and once they are finalized the Department will implement the recommendations of such reports.</li> </ul>	Yes
	Why were proper and complete records not maintained as evidence to support the investigations into irregular, fruitless and wasteful expenditure?	<ul style="list-style-type: none"> <li>The Department is taking steps to ensure that records management in the Department is improved and that records can be easily retrieved.</li> <li>The Department's ICT unit is in the process of procuring a records management system.</li> </ul>	In progress

Auditor General's report Reference	Question	Response	Resolved Yes / No
Par 41 - 42 Contractors not paid within 30 days and supplier with highest points not appointed	Why did the department award a contract of R106 549 114 to a contractor for the upgrading of a 10 km gravel road in September 2017 but did not ensure that the contractor was paid timeously, which resulted in standing time and interest being charged on late payments in contravention with Treasury Regulation 8.23?	<ul style="list-style-type: none"> <li>The matter was investigated by the Department and the outcome of the investigation resulted in the recovery of the full amount that the contractor had claimed.</li> <li>In addition to the invoice tracking system, the Department is looking into the possibility of introducing a central entry point for all invoices submitted to the Department. This will ensure that invoices are captured at a central point, thereby avoiding delays that might be created by end users not submitting invoices on time.</li> </ul>	Yes
	The Regulation 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 a material loss of R3 485 673.		
	Why did the department appoint a contractor for the patching and resealing of a road in 2020 wherein this contractor did not score the highest points in terms of PPPFA section 2(1)(f)?	The issue was raised as a material irregularity by the AGSA and the Department appointed a service provider to investigate the issue. A draft report has been issued already and the expectation is that it will be finalized in a month's time.	Yes
Par 45 Prepayment made to contractor for addressing flood damaged road infrastructure	Why did the department enter 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, and then on 27 March 2017 made a payment of R103 million to the contractor prior to ensuring that the services were indeed delivered? The department did not comply with the requirements of Treasury Regulation 15.10.1.2(c).	The matter is being investigated by the Directorate for Priority Crime Investigation. The Department received a progress report on the 16 <sup>th</sup> of May 2023. Consequence management was applied in that the former HOD and Chief Director: Roads were charged and ultimately dismissed.	Yes

## 9.9 INTERNAL CONTROL

The Department maintained internal controls in response to identified and assessed risks as relating 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 programmes; 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 objectives 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 to comply with new or amended 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 qualifications received in the audit of the 2022/23 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 appointed 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 (Department of Finance)**

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, twenty-three (23) 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.

Based on the internal audit work performed, recommendations were 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 / EXTERNAL	ROLE	DATE APPOINTED	DATE RESIGNED	NUMBER OF MEETINGS ATTENDED
Central Audit Committee						
Ms P. Mzizi	CA(SA)	External	Chairperson	14 Feb 2022		6
Mr P. Tjie	B.Com, PMD	External	Member	14 Feb 2022		6
Mr. L. Ally	CA(SA)	External	Member	14 Feb 2022		6

NAME	QUALIFICATIONS	INTERNAL / EXTERNAL	ROLE	DATE APPOINTED	DATE RESIGNED	NUMBER OF MEETINGS ATTENDED
Cluster Audit Committee						
Ms. P. Mzizi	CA(SA)	External	Chairperson	14 Feb 2022		8
Mr. V. Makaleni	MPA	External	Member	14 Feb 2022		8
Mr. V. Magan	CA(SA), CIA	External	Member	14 Feb 2022		8
Mr. M. Ramukumba	CA(SA)	External	Member	14 Feb 2022		8

## **10. REPORT OF THE PROVINCIAL AUDIT COMMITTEE**

### **1. Legislative requirements**

The Audit Committee herewith presents its draft report for the financial year ended 31 March 2024, 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 6 meetings were held by the Central Audit Committee and 8 meetings were 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, it was noted that matters were reported indicating 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 report that the system on internal control for the period under review requires improvement.

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 finalisation of irregular and fruitless and wasteful expenditure. The current status of the implementation of the guideline(s) and instruction(s) as issued by National Treasury to resolve irregular and fruitless wasteful expenditure is inadequate.

## **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 Audit Committee has engaged with management to remedy shortcomings relating to reports on performance against predetermined objectives which start with implementation of the recommendations of DPME on the Annual Performance Plans.

## **7. Evaluation of Financial Statements**

During the quarter 3 and 4 meetings 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 Audit Committee has reviewed the draft annual financial statements prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of 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.

## **8. Evaluation of Performance Information**

The Audit Committee has reviewed the Annual Performance Report included in the draft annual report prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to the submission of the annual report to the Auditor General South Africa.

## **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.

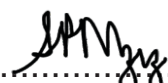
#### **11. Auditor General South Africa**

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.

#### **12. General**

Signed on behalf of the Cluster Audit Committee by:

**Chairperson of the  
Cluster Audit Committee**

  
.....  
**P Mzizi CA (SA)**

**Date 10 June 2024**

# 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	In progress.
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.

## 12. HUMAN RESOURCE OVERSIGHT STATISTICS

### 12.1 PERSONNEL-RELATED EXPENDITURE

Table 12.1.1 Personnel expenditure by Programme, 1 April 2023 - 31 March 2024						
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	R253 848,00	R142 494,00	R1 203 899,97	0	56.10	R452,00
Prog 2: Public Works Infrastructure	R1 021 428,00	R394 958,00	R4 878 376,27	R80 192,11	38.70	R374,00
Prog 3: Transport Infrastructure	R2 307 938,00	R346 126,00	R1 155 133,30	R10 000,00	15.00	R 38,00
Prog 4: Community-Based Programme	R205 570,00	R7 915,00	0	0	3.90	R1 00
<b>TOTAL</b>	<b>R3 788 784,00</b>	<b>R891 493,00</b>	<b>R7 237 409,54</b>	<b>R90 192,11</b>	<b>23.00%</b>	<b>R61,00</b>

Table 12.1.2 Personnel costs by salary bands, 1 April 2023 -31 March 2024				
Salary bands	Personnel expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
Lower skilled (levels 1 - 2)	R61 819 819,25	6	392	R243 385,00
Skilled (levels 3 - 5)	R365 587 660,37	33	1 351	R268 420,00
Highly skilled production (levels 6 - 8)	R252 874 926,32	23	446	R442 089,00
Highly skilled supervision (levels 9 - 12)	R173 373 367,16	16	196	R802 654,00
Senior and Top Management (levels 13 - 16)	R37 346 286,15	3	27	R1 383 196,00
Non-permanent	0	0	0	R0,00
<b>TOTAL</b>	<b>R891 002 059,25</b>	<b>80%</b>	<b>2 412</b>	<b>R 366 517,00</b>

Table 12.1.3 Salaries, Overtime, Home Owners Allowance and Medical Assistance by Programme, 1 April 2023 - 31 March 2024								
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	R601 579 045 22	68	R10 341 846 64	1	R44 206 091 48	5	R77 263 043 92	9
Prog 2: Public Works Infrastructure	R712 145,72	67	R8 795,40	1	R36 302,51	3	R39 516,00	4
Prog 3: Transport Infrastructure	R1 010 719,65	66	R36 374,75	2	R58 621,32	4	R81 864,00	5
Prog 4: Community- Based Programme	0	0	0	0	0	0	0	0
TOTAL	R603 301 910,59	68%	R10 387 016,79	1%	R 44 301 015,31	5%	R77 384 423,92	9%

Table 12.1.4 Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 1 April 2023 - 31 March 2024									
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)	R37 732 922,33	61	R1 643 208,74	3	R4 851 454,07	8	R9 647 012,25	16	
Skilled (levels 3 - 5)	R235 250 498,41	64	R5 643 168,75	2	R25 211 397,92	7	R44 210 996,75	12	
Highly skilled production (levels 6 - 8)	R180 735 806,24	72	R2 105 139,67	1	R9 701 300,58	4	R17 557 154,05	7	
Highly skilled supervision (levels 9 - 12)	R125 208519,09	72	R995 499,63	1	R3 894 610,74	2	R5 613 784,87	3	
Senior and top management (levels 13 - 16)	R24 374 64,52	65	0	0	R642 252,00	2	R355 476,00	1	
Non-permanent	0	0	0	0	0	0	0	0	
<b>TOTAL</b>	<b>R603 301 910,59</b>	<b>68%</b>	<b>R10 387 016,79</b>	<b>1%</b>	<b>R 44 301 015,31</b>	<b>5%</b>	<b>R77 384 423,92</b>	<b>9%</b>	

## 12.2 EMPLOYMENT AND VACANCIES

Table 12.2.1 Employment and vacancies by Programme, 31 March 2024				
Programme	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Prog 1: Administration	289	270	6	50
Prog 2: Public Works Infrastructure	1 334	930	3	54
Prog 3: Transport Infrastructure	1 167	1 205	3	12
Prog 4: Community-Based Programme	7	7	2	0
<b>TOTAL</b>	<b>2 797</b>	<b>2 412</b>	<b>14%</b>	<b>116</b>

Table 12.2.2 Employment and vacancies by salary bands, 31 March 2024				
Salary band	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Lower skilled (levels 1 - 2)	430	392	9	2
Skilled (levels 3 - 5)	1 539	1 351	12	89
Highly skilled production (levels 6 - 8)	537	446	17	13
Highly skilled supervision (levels 9 - 12)	256	196	23	10
Senior Management (levels 13 - 16)	35	27	23	2
<b>TOTAL</b>	<b>2 797</b>	<b>2 412</b>	<b>14%</b>	<b>116</b>



Table 12.2.3 Employment and vacancies by critical occupation, 31 March 2024				
Critical occupations	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Administrative related	160	131	18	1
All artisans in the building metal machinery etc.	150	104	31	0
Architects, town and traffic planners	4	4	0	2
Artisan, project and related superintendents	10	10	0	0
Auxiliary and related workers	37	31	16	0
Boiler and related operators	1	1	0	0
Building and other property caretakers	19	18	5	0
Bus and heavy vehicle drivers	7	6	14	0
Cartographers and surveyors	7	6	14	2
Cartographic surveying and related technicians	1	1	0	1
Chemical and physical science technicians	12	6	50	3
Chemistry technician	1	0	100	0
Cleaners in offices workshops hospitals etc.	278	237	15	0
Client inform clerks (switchboard, reception, information clerks)	9	9	0	0
Computer system designers and analysts	2	2	0	0
Electrical and electronics engineering technicians	2	2	0	2
Elementary workers not elsewhere classified	1	1	0	0
Engineering sciences related	31	17	45	7
Engineers and related professionals	14	5	64	2
Farm hands and labourers	37	35	5	0
Financial and related professionals	39	33	15	0
Financial clerks and credit controllers	14	14	0	0
General, legal administration & related professionals	6	2	67	0
Human Resources & organizational development & related professionals	9	8	11	0
Human resources clerks	46	40	13	0
Inspectors of apprentices works and vehicles	106	92	13	0
Language practitioners interpreters & other communicators	2	2	0	0
Librarians and related professionals	1	1	0	0
Library, mail and related clerks	24	21	13	0
Light vehicle drivers	115	94	18	0
Logistical support personnel	1	1	0	0
Material-recording and transport clerks	7	7	0	0
Messengers, porters and deliverers	8	8	0	0

Table 12.2.3 Employment and vacancies by critical occupation, 31 March 2024					
Critical occupations	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment	
Motor vehicle drivers	100	89	11	0	0
Motorized farm and forestry plant operators	5	5	0	0	0
Office cleaners	3	0	100	0	0
Other admin & related clerks and organizers	373	331	11	93	0
Other administrative policy and related officers	93	72	23	0	0
Other information technology personnel.	2	2	0	0	0
Other occupations	1	1	0	1	0
Printing and related machine operators	18	17	6	0	0
Production advisers: factories	120	110	8	0	0
Quantity surveyors & related professions not classified elsewhere	1	1	0	1	0
Receptionist (general)	1	1	0	0	0
Road superintendents	22	18	18	0	0
Road trade workers.	41	33	20	0	0
Road workers	454	433	5	0	0
Safety, health and quality inspectors	19	19	0	0	0
Secretaries & other keyboard operating clerks	18	16	11	0	0
Security officers	1	1	0	0	0
Senior managers	35	26	26	1	0
Social work and related professionals	3	3	0	0	0
Trade labourers	326	285	13	0	0
<b>TOTAL</b>	<b>2 797</b>	<b>2 412</b>	<b>14%</b>	<b>116</b>	

### 12.3 FILLING OF SMS POSTS

Table 12.3.1 SMS post information as on 31 March 2024					
SMS level	Total number of funded SMS posts	Total number of posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General / Head of Department	0	0	0	0	0
Salary level 15	1	1	100	0	0
Salary level 14	7	6	23	1	14
Salary level 13	21	19	73	2	10
<b>TOTAL</b>	<b>29</b>	<b>26</b>	<b>90%</b>	<b>3</b>	<b>10%</b>

Table 12.3.2 SMS post information as on 30 September 2023						
SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant	
Director-General / Head of Department	0	0	0	0	0	0
Salary level 15	1	1	100	0	0	0
Salary level 14	7	6	85	1	14	14
Salary level 13	21	20	95	1	5	5
<b>TOTAL</b>	<b>29</b>	<b>27</b>	<b>93%</b>	<b>2</b>	<b>7</b>	<b>7</b>

Table 12.3.3 Advertising and filling of SMS posts, 1 April 2023 - 31 March 2024				
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	
Director-General / Head of Department	0	0	0	0
Salary level 15	0	0	0	0
Salary level 14	0	0	0	0
Salary level 13	2	0	0	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 2023 - 31 March 2024	
	Reasons for vacancies not advertised within six months
Not applicable.	
	Reasons for vacancies not advertised within twelve months
The Director: Roads (Capital Project Implementation) was re-advertised as no suitable candidate was found. The second vacant position is still within the twelve month period.	

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 2023 - 31 March 2024	
	Reasons for vacancies not advertised within six months
	Not applicable.
	Reasons for vacancies not advertised within twelve months
	Not applicable.

12.4 JOB EVALUATION

Table 12.4.1 Job evaluation by salary band, 1 April 2023 - 31 March 2024							
Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1-2)	430	0	0	0	0	0	0
Skilled (levels 3-5)	1 539	0	0	0	0	0	0
Highly skilled production (levels 6-8)	537	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	256	0	0	0	0	0	0
Senior Management Service Band A	25	0	0	0	0	0	0
Senior Management Service Band B	8	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
MEC	1	0	0	0	0	0	0
TOTAL	2 797	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 2023 –31 March 2024					
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 2023 - 31 March 2024					
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	
Administrative related	0	0	0	0	0
Cleaners	0	0	0	0	0
Communication and information related	0	0	0	0	0
Engineering and related professionals	0	0	0	0	0
Financial and related professionals	0	0	0	0	0
Artisan and related professionals	0	0	0	0	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 2023 - 31 March 2024					
Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability	0	0	0	0	0
Total number of employees whose salaries exceeded the grades determined by job evaluation					
					0

Table 12.5.1 Annual turnover rates by salary band, 1 April 2023 - 31 March 2024				
Salary band	Number of employees at 1 April 2023	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled ( levels 1 - 2)	408	4	6	2
Skilled ( levels 3 - 5)	1 292	58	91	7
Highly skilled production (levels 6 - 8)	452	29	54	12
Highly skilled supervision (levels 9 - 12)	191	6	21	11
Senior Management Service Band A (levels 13)	18	0	1	6
Senior Management Service Band B (level 14)	6	1	1	17
Senior Management Service Band C (Level 15)	0	0	0	0
MEC & Senior Management Service Band D (Level 16)	1	0	0	0
Contracts	132	25	40	30
<b>TOTAL</b>	<b>2 500</b>	<b>123</b>	<b>214</b>	<b>9</b>

Table 12.5.2 Annual turnover rates by critical occupation, 1 April 2023 - 31 March 2024				
Critical occupation	Number of employees at beginning of period -1 April 2023	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administration clerks	0	3	1	0
Administration officers	0	2	1	0
Administrative related	131	4	16	12
All artisans in the building metal machinery etc.	112	3	16	14
Architects, town and traffic planners	4	0	1	25
Artisan project and related superintendents	9	0	1	11
Auxiliary and related workers	35	0	1	3
Boiler and related operators	1	1	0	0
Building and other property caretakers	18	0	0	0
Bus and heavy vehicle drivers	5	1	7	140

Table 12.5.2 Annual turnover rates by critical occupation, 1 April 2023 - 31 March 2024				
Critical occupation	Number of employees at beginning of period - 1 April 2023	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Call or contact centre clerk	0	1	0	0
Cartographers and surveyors	9	0	3	33
Cartographic surveying and related technicians	0	1	1	0
Chemical and physical science technicians	13	0	1	8
Civil engineering technician	0	2	1	0
Cleaners in offices, workshops, hospitals, etc.	250	0	19	8
Client information clerks (switchboard, receptionists, information clerks)	9	0	0	0
Communication strategist	0	2	0	0
Computer system designers and analysts.	2	0	0	0
Craft & related workers not elsewhere classified	0	0	1	0
Electrical and electronics engineering technicians	2	1	2	100
Electrical engineering technician	0	1	1	0
Elementary workers not elsewhere classified	0	1	0	0
Engineering sciences related	13	3	2	15
Engineers and related professionals	6	0	2	33
Farm hands and labourers	37	0	0	0
Filing and registry clerk	0	1	0	0
Finance and economics related	1	0	1	100
Finance clerk	0	3	0	0
Financial accountant	0	1	0	0
Financial and related professionals	29	3	4	14
Financial clerks and credit controllers	18	4	7	39
General legal administration & rel. professionals	5	0	2	40
Human resource clerk	0	1	0	0
Human resource practitioner	0	2	0	0
Human resources & organizational development & related professions	10	2	2	20
Human resources clerks	44	1	1	2
Human resources related	1	0	0	0
Inspectors of apprentices works and vehicles	101	2	7	7
Language practitioners interpreters & other communicators	0	1	0	0
Librarians and related professionals	1	0	0	0
Library mail and related clerks	19	0	1	5
Light vehicle drivers	99	0	0	0

Table 12.5.2 Annual turnover rates by critical occupation, 1 April 2023 - 31 March 2024				
Critical occupation	Number of employees at beginning of period - 1 April 2023	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Logistical support personnel	1	0	0	0
Material-recording and transport clerks	9	1	5	56
Mechanical engineering technicians	2	0	2	100
Messengers porters and deliverers	11	0	1	9
Middle manager: human resource & organizational development related	0	1	0	0
Motor vehicle drivers	97	3	8	8
Motorized farm and forestry plant operators	5	0	0	0
Office cleaner	0	3	1	0
Organizational development practitioner	0	1	0	0
Other admin & related clerks and organizers	344	7	34	10
Other administrative policy and related officers	74	3	8	11
Other information technology personnel.	2	0	0	0
Other occupations	1	0	5	500
Personal assistant	0	1	0	0
Plumber	0	4	0	0
Printing and related machine operators	18	0	0	0
Production advisers: factories	108	3	1	1
Quantity surveyors & related professions not classified else where	0	1	0	0
Risk officer	0	1	0	0
Road super intendents	15	3	3	20
Road trade workers	36	0	3	8
Road workers	456	0	22	5
Safety health and quality inspectors	18	1	0	0
Secretaries & other keyboard operating clerks	17	0	1	6
Secretary (general)	0	2	0	0
Security guards	0	0	1	0
Security officers	1	0	0	0
Senior managers	27	1	1	4
Social work and related professionals	3	0	0	0
Supply chain clerk	0	4	0	0
Systems administrator	0	1	0	0
Trade labourers	271	34	16	6
Urban and regional planners	0	1	0	0
<b>TOTAL</b>	<b>2 500</b>	<b>123</b>	<b>214</b>	<b>9</b>

Table 12.5.3 Reasons why staff left the Department for the period 1 April 2023 - 31 March 2024			
Termination Type	Number	% of total resignations	
Death	18	8	
Resignation	60	28	
Expiry of contract	30	14	
Dismissal – operational changes	0	0	
Dismissal – misconduct	3	1	
Dismissal – inefficiency	0	0	
Discharged due to ill - health	2	1	
Retirement	93	44	
Transfer to other Public Service Departments	6	3	
Other	2	1	
TOTAL	214	100%	
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 2023 - 31 March 2024					
Occupation	Employees as at 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	131	14	11	48	37
All artisans in the building metal machinery etc.	112	1	1	204	182
Architects, town and traffic planners	4	0	0	0	0
Artisan project and related superintendents	9	0	0	10	111
Auxiliary and related workers	35	0	0	29	83
Boiler and related operators	1	0	0	1	100
Building and other property caretakers	18	0	0	15	83
Bus and heavy vehicle drivers	5	0	0	12	240
Cartographers and surveyors	9	0	0	1	11
Chemical and physical science technicians	13	0	0	10	77
Civil engineering technicians	0	0	0	2	0
Cleaners in offices workshops hospitals etc.	250	0	0	161	64
Client information clerks (switchboard, reception, info clerks)	9	0	0	8	89
Communication and information related	0	0	0	1	0
Computer system designers and analysts	2	0	0	1	50
Electrical and electronics engineering technicians	2	0	0	0	0
Engineering sciences related	13	0	0	0	0
Engineers and related professionals	6	0	0	0	0
Farm hands and labourers	37	0	0	3	8



**Table 12.5.4 Promotions by critical occupation for the period 1 April 2023 - 31 March 2024**

Occupation	Employees as at 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Finance and economics related	1	0	0	7	700
Financial and related professionals	29	1	3	17	59
Financial clerks and credit controllers	18	0	0	43	239
Food services aids and waiters	0	0	0	1	0
General legal administration & related professionals	5	0	0	2	40
Household and laundry workers	0	0	0	2	0
Human resources & organizational development & related professions	10	0	0	7	70
Human resources clerks	44	4	9	26	59
Human resources related	1	0	0	5	500
Information technology related	0	0	0	1	0
Inspectors of apprentices, works and vehicles	101	2	2	50	50
Librarians and related professionals	1	0	0	1	100
Library mail and related clerks	19	2	11	12	63
Light vehicle drivers	99	0	0	9	9
Logistical support personnel	1	1	100	0	0
Material-recording and transport clerks	9	0	0	29	322
Mechanical engineering technicians	2	0	0	0	0
Messengers, porters and deliverers	11	0	0	5	46
Middle manager: administrative related	0	1	0	1	0
Motor vehicle drivers	97	0	0	68	70
Motorized farm and forestry plant operators	5	0	0	3	60
Office cleaner	0	0	0	1	0
Other administrat & related clerks and organizers	344	2	1	153	45
Other administrative policy and related officers	74	0	0	30	41
Other information technology personnel.	2	0	0	2	100
Other occupations	1	0	0	17	1700
Printing and related machine operators	18	0	0	2	11
Production advisers : factories	108	2	2	27	25
Road superintendents	15	1	7	4	27
Road trade workers.	36	4	11	21	58
Road workers	456	0	0	312	68
Safety health and quality inspectors	18	0	0	0	0

Table 12.5.4 Promotions by critical occupation for the period 1 April 2023 - 31 March 2024					
Occupation	Employees as at 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Secretaries & other keyboard operating clerks	17	0	0	16	94
Security guards	0	0	0	14	0
Security officers	1	0	0	4	400
Senior managers	27	1	4	6	22
Social work and related professionals	3	0	0	2	67
Trade labourers	271	1	0	269	99
Trade related	0	0	0	1	0
Trade trainers	0	0	0	2	0
Trade/industry advisers & other related professions	0	0	0	1	0
TOTAL	2 500	37	2%	1 679	67%

Table 12.5.5 Promotions by salary band, 1 April 2023 - 31 March 2024					
Salary band	Employees as at 1 April 2023	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 )	501	0	0	156	31
Skilled ( levels 3 - 5 )	1 297	9	1	1 050	81
Highly skilled production ( levels 6 - 8 )	467	12	3	341	73
Highly skilled supervision (levels 9-12 )	207	14	7	125	60
Senior management ( levels 13-16 )	28	2	7	7	25
TOTAL	2 500	37	2%	1 679	67%

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 2024									
Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Clerical support workers	113	2	2	2	226	3	0	11	359
Elementary occupations	649	2	0	2	360	4	0	0	1 017
Managers	17	0	0		7	1	0	2	27
Plant, machine operators and assemblers	231	0	0	6	24	0	0	2	263
Professionals	37	1	0	1	44	0	0	3	86
Protective and rescue service workers, social and health sciences, supplementary and support personnel	1	0	0	0	0	0	0	0	1
Technicians and associate technical occupations	191	1	1	6	146	5	1	4	355
Skilled agricultural, forestry and fisheries, craft and related trades workers	193	1	0	3	27	0	0	0	224
Developmental programmes (interns & learners)	21	1	0		58	0	0	0	80
<b>TOTAL</b>	<b>1 453</b>	<b>8</b>	<b>3</b>	<b>20</b>	<b>892</b>	<b>13</b>	<b>1</b>	<b>22</b>	<b>2 412</b>
Employees with disabilities	24	1	0	1	3	0	0	0	29

Table 12.6.2 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2024									
Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	15	0	0	0	7	1	0	2	25
Professionally qualified and experienced specialists and mid-management	56	0	1	0	33	1	1	2	94
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	305	3	1	10	214	4	0	11	548
Semi-skilled and discretionary decision making	868	3	1	9	377	6	0	7	1 271
Unskilled and defined decision making	186	1	0	1	203	1	0	0	392
Developmental programmes ( interns & learners)	21	1	0		58		0	0	80
<b>TOTAL</b>	<b>1 453</b>	<b>8</b>	<b>3</b>	<b>20</b>	<b>892</b>	<b>13</b>	<b>1</b>	<b>22</b>	<b>2 412</b>
Employees with disabilities	24	1	0	1	3	0	0	0	29

Table 12.6.3 Recruitment for the period 1 April 2023 - 31 March 2024										
Occupational band	Male				Female				Total	
	African	Coloured	Indian	White	African	Coloured	Indian	White		
Top Management	0	0	0	0	0	0	0	0		
Senior Management	1	0	0	0	0	0	0	0		
Professionally qualified and experienced specialists and mid-management	3	0	0	0	5	0	0	0		
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	16	0	0	1	14	0	0	0		
Semi-skilled and discretionary decision -making	32	0	0	0	26	0	0	0		
Unskilled and defined decision making	3	0	0	0	1	0	0	0		
Developmental programmes ( interns & learners)	0	0	0	0	6	0	0	0		
<b>TOTAL</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Transfers to the Department	1	0	0	0	14	0	0	0		
<b>Total including transfers to Department</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>66</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Employees with disabilities	0	0	0	0	0	0	0	0		

Table 12.6.4 Promotions for the period 1 April 2023 - 31 March 2024										
Occupational bands	Male				Female				Total	
	African	Coloured	Indian	White	African	Coloured	Indian	White		
Top Management	0	0	0	0	0	0	0	0		
Senior Management	0	0	0	0	2	0	0	0		
Professionally qualified and experienced specialists and mid-management	4	0	0	0	2	1	0	0		
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	14	0	0	0		
Semi-skilled and discretionary decision making	5	0	0	0	4	0	0	0		
Unskilled and defined decision making	0	0	0	0	0	0	0	0		
<b>TOTAL</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>1</b>	<b>0</b>	<b>0</b>		
Employees with disabilities	1	0	0	0	0	0	0	0		



Table 12.6.5 Terminations for the period 1 April 2023 - 31 March 2024									
Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	12	0	0	0	9	0	0	0	21
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	45	0	0	4	21	0	0	1	71
Semi-skilled and discretionary decision making	76	1	0	1	14	0	0	0	92
Unskilled and defined decision making	4	0	0	0	10	0	0	0	14
Developmental p rogrammes ( interns & learners )	3	0	0	0	5	0	0	0	8
<b>TOTAL</b>	<b>142</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>208</b>
Transfers out of the Department	3	0	0	0	3	0	0	0	6
<b>Total including transfers out of the Department</b>	<b>145</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>214</b>
Employees with disabilities	2	0	0	0	0	0	0	0	2

Table 12.6.6 Disciplinary action for the period 1 April 2023 - March 2024									
Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	42	0	0	0	5	0	0	0	47
<b>TOTAL</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>

Table 12.6.7 Skills development for the period 1 April 2023 - 31 March 2024									
Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Elementary occupations	81	1	0	0	56	0	0	0	138
Clerical support workers	23	0	1	0	20	0	0	0	44
Managers	14	0	0	0	11	0	0	1	26
Professionals	15	1	0	0	19	0	0	0	35
Plant, machine operators and assemblers	51	0	0	0	2	0	0	0	53
Protective and rescue service workers; social and health sciences supplementary and support personnel	0	0	0	0	0	0	0	0	0
Skilled agricultural, forestry, fishery, craft and related trades workers	0	0	0	0	0	0	0	0	0
Technicians and associate technical occupations	24	0	0	0	10	0	0	0	34
Security and custodial personnel	0	0	0	0	0	0	0	0	0
Developmental programmes (interns & learners )	08	0	0	0	15	0	0	0	23
<b>TOTAL</b>	<b>216</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>133</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>353</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

12.7 PERFORMANCE AGREEMENTS – SMS

Table 12.7.1 Signing of performance agreements by SMS members as on 31 May 2023					
SMS Level	Total number of funded SMS posts on 30 April 2023	Total number of SMS members on 30 April 2023	Total number of signed performance agreements	Signed performance agreements as a % of total number of SMS members	
Director -General / Head of Department	0	0	0	0	
Salary level 15	1	1	1	4	
Salary level 14	7	6	6	24	
Salary level 13	21	20	18	72	
TOTAL	82	27	25	93%	

Table 12.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 May 2023	
One (1) SMS member did not sign	due to being on precautionary suspension.
One (1) SMS member	did not submit a performance agreement.

Table 12.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2023	
	None.

12.8 PERFORMANCE REWARDS

Table 12.8.1 Performance rewards by race, gender and disability, 1 April 2023 - 31 March 2024						
Race	Gender	Beneficiary Profile			Cost	
		Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
African	Female	9	837	2	R41 601,96	R4 622,40
	Male	5	1 503	5	R24 501,00	R4 900,20
Coloured	Female	0	13	40	0	0
	Male	0	9	21	0	0
Indian	Female	0	1	0	0	0
	Male	0	3	0	0	0
White	Female	0	23	41	0	0
	Male	0	23	31	0	0
TOTAL		14	2 412	3%	R66 102,96	R4 721,60

Table 12.8.2 Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2023 - 31 March 2024						
Salary bands	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees as at 31 March 2024	% of total within salary bands	Total Cost	Average cost per employee	
Lower Skilled (Level 1 - 2)	10	504	2	R44 622,60	R4 462,30	0
Skilled (level 3 - 5)	4	1 296	0	R21 480,36	R5 370,10	0
Highly skilled production (level 6 - 8)	0	466	0	0	0	0
Highly skilled supervision (level 9 - 12)	0	207	0	0	0	0
<b>Total</b>	<b>14</b>	<b>2 475</b>	<b>1%</b>	<b>R66 102,93</b>	<b>R4 721,60</b>	<b>R0</b>

Table 12.8.3 Performance Rewards by critical occupations, 1 April 2023 to 31 March 2024						
Occupation	Beneficiary profile			Cost		
	No of beneficiaries	Number of employees as at 31 March 2024	% of total within occupation	Total cost	Average cost per employee	
Administrative related	0	131	0	R0,00	R0,00	
All artisans in the building metal machinery etc.	0	104	0	R0,00	R0,00	
Architects town and traffic planners	0	4	0	R0,00	R0,00	
Artisan project and related superintendents	0	10	0	R0,00	R0,00	
Auxiliary and related workers	0	31	0	R0,00	R0,00	
Boiler and related operators	0	1	0	R0,00	R0,00	
Building and other property caretakers	0	18	0	R0,00	R0,00	
Bus and heavy vehicle drivers	0	6	0	R0,00	R0,00	
Cartographers and surveyors	0	6	0	R0,00	R0,00	
Cartographic surveying and related technicians	0	1	0	R0,00	R0,00	
Chemical and physical science technicians	0	6	0	R0,00	R0,00	
Cleaners in offices workshops hospitals etc.	0	237	0	R0,00	R0,00	
Client inform clerks (switchboard, reception info)	0	9	0	R0,00	R0,00	
Computer system designers and analysts	0	2	0	R0,00	R0,00	
Electrical and electronics engineering technicians	0	2	0	R0,00	R0,00	
Elementary workers not elsewhere classified	0	1	0	R0,00	R0,00	
Engineering sciences related	0	17	0	R0,00	R0,00	
Engineers and related professionals	0	5	0	R0,00	R0,00	
Farm hands and labourers	0	35	0	R0,00	R0,00	
Financial and related professionals	0	33	0	R0,00	R0,00	
Financial clerks and credit controllers	0	14	0	R0,00	R0,00	
General legal administration & rel. Professionals	0	2	0	R0,00	R0,00	

Table 12.8.3 Performance Rewards by critical occupations, 1 April 2023 to 31 March 2024					
Occupation	Beneficiary profile			Cost	
	No of beneficiaries	Number of employees as at 31 March 2024	% of total within occupation	Total cost	Average cost per employee
Human resources & org development & related professions	0	8	0	0	R0,00
Human resources clerks	0	40	0	R0,00	R0,00
Inspectors of apprentices works and vehicles	0	92	0	R0,00	R0,00
Language practitioners interpreters & other communicators	0	2	0	R0,00	R0,00
librarians and related professionals	0	1	0	R0,00	R0,00
Library, mail and related clerks	0	21	0	R0,00	R0,00
Light vehicle drivers	0	94	0	R0,00	R0,00
Logistical support personnel	0	1	0	R0,00	R0,00
Material-recording and transport clerks	0	7	0	R0,00	R0,00
Messengers porters and deliverers	0	8	0	R0,00	R0,00
Motor vehicle drivers	0	89	0	R0,00	R0,00
Motorized farm and forestry plant operators	0	5	0	R0,00	R0,00
Other administrative & related clerks and organizers	0	331	0	R0,00	R0,00
Other administrative policy and related officers	3	72	0	R0,00	R0,00
Other information technology personnel.	0	2	0	R0,00	R0,00
Other occupations	7	1	0	R0,00	R0,00
Printing and related machine operators	0	17	0	R0,00	R0,00
Production advisers: factories	0	110	0	R0,00	R0,00
Quantity surveyors & related prof not classified elsewhere	0	1	0	R0,00	R0,00
Receptionist (general)	0	1	0	R0,00	R0,00
Road superintendents	0	18	0	R0,00	R0,00
Road trade workers.	0	33	0	R0,00	R0,00
Road workers	0	433	0	R0,00	R0,00
Safety health and quality inspectors	0	19	0	R0,00	R0,00
Secretaries & other keyboard operating clerks	0	16	0	R0,00	R0,00
Security officers	0	1	0	R0,00	R0,00
Senior managers	0	26	0	R0,00	R0,00
Social work and related professionals	0	3	0	R0,00	R0,00
Trade labourers	0	285	0	R0,00	R0,00
<b>TOTAL</b>	<b>14</b>	<b>2 412</b>	<b>0</b>	<b>R0,00</b>	<b>R0,00</b>



12.9 FOREIGN WORKERS

Table 12.8.4 Performance related rewards (cash bonus) by salary bands for Senior Management Service, 1 April 2023 - 31 March 2024						
Salary bands	Beneficiary Profile		Cost		Total cost as a % of the total personnel expenditure	
	Number of beneficiaries	Number of employees as at 31 March 2024	% of total within salary bands	Total cost	Average cost per employee	
Senior Management Service Band A (level 13)	0	19	0	0	R0,00	0
Senior Management Service Band B (level 14)	0	6	0	0	R0,00	0
Senior Management Service Band C (level 15)	0	1	0	0	R0,00	0
Senior Management Service Band D (level 16)	0	0	0	0	R0,00	0
TOTAL	0	26	0%	R0	R0,00	R0

Table 12.9.1 Foreign workers by salary band, 1 April 2023 - 31 March 2024						
Salary bands	1 April 2023		31 March 2024		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)	2	100	2	100	0	0
Senior Management (levels 13-16)	0	0	0	0	0	0
Contract (levels 1 - 2)	0	0	0	0	0	0
Contract (levels 3 - 5)	0	0	0	0	0	0
Contract (levels 6 - 8)	0	0	0	0	0	0
Contract (levels 9 -12)	0	0	0	0	0	0
Contract (levels 13 -16)	0	0	0	0	0	0
TOTAL	2	100%	2	100%	0	0%

Table 12.9.2 Foreign workers by major occupation, 1 April 2023 - 31 March 2024						
Occupation	1 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% of total
Architects town and traffic planners	1	50	1	50	0	0
Senior managers	1	50	1	50	0	0
TOTAL	2	100%	2	100%	0	0%

12.10 LEAVE UTILIZATION

Table 12.10.1 Sick leave, 1 January 2023 - 31 December 2023						
Salary bands	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost
Lower skilled (levels 1 - 2)	1 831	89	245	13	7	R1 185 796,52
Skilled (levels 3 - 5)	8 743	88	1 018	55	9	R7 686 734,48
Highly skilled production (levels 6 - 8)	3 354	81	434	23	8	R5 566 324,84
Highly skilled supervision (levels 9 - 12)	1 153	85	153	8	8	R3,409 204,36
Senior management (levels 13 - 16)	45	84	12	1	4	R206 192,65
TOTAL	15 126	86%	1 862	100%	8	R18 054 252,85

Table 12.10.2 Disability leave (temporary and permanent), 1 January 2023 - 31 December 2023						
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)	585	100	12	13	49	R390 567,86
Skilled (levels 3 - 5)	2 051	100	58	61	35	R1 705 113,04
Highly skilled production (levels 6 - 8)	563	100	18	19	31	R904 549,20
Highly skilled supervision (levels 9 - 12)	180	100	6	6	30	R643 103,96
Senior management (levels 13 - 16)	3	100	1	1	3	R13 300,65
TOTAL	3 382	100%	95	100%	36	R3 656 634,71

Table 12.10.3 Annual leave, 1 January 2023 - 31 December 2023			
Salary bands	Total days	Number of employees using annual leave	Average days per employee
Lower skilled (levels 1 - 2)	6 843.25	360	19
Skilled (levels 3 - 5)	35 053.83	1 430	25
Highly skilled production (levels 6 - 8)	14 941.25	632	24
Highly skilled supervision (levels 9 - 12)	5 537	232	24
Senior management (levels 13 - 16)	534	26	21
TOTAL	62 909.33	2 680	23

Table 12.10.4 Capped leave, 1 January 2023 - 31 December 2023					
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	0
Skilled (levels 3 - 5)	89.02	17	5	13	
Highly skilled production (levels 6 - 8)	63	9	7	23	
Highly skilled supervision (levels 9 - 12)	8	2	4	28	
Senior management (levels 13 - 16)	0	0	0	14	
<b>TOTAL</b>	<b>160.02</b>	<b>28</b>	<b>6</b>	<b>15</b>	

Table 12.10.5 Leave payouts, 1 April 2023 - 31 March 2024			
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	R0.00	0	R0.00
Capped leave payouts on termination of service for 2023/24	R0.00	0	R0.00
Current leave payout on termination of service for 2023/24	R10 231 204.20	141	R72 562.00
<b>TOTAL</b>	<b>R10 231 204.20</b>	<b>141</b>	<b>R72 562.00</b>

12.11 HIV / AIDS AND HEALTH PROMOTION PROGRAMMES

Table 12.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2023 - 31 March 2024		
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	<div> <div>✓</div> <div>Conducted HIV / AIDS campaigns.</div> </div> <div> <div>✓</div> <div>Distributed HIV / AIDS pamphlets.</div> </div> <div> <div>✓</div> <div>Distributed condoms.</div> </div>	

Table 12.11.2 Details of Health Promotion and HIV / AIDS Programmes, 1 April 2023 - 31 March 2024				Details, if yes	
Question		Yes	No		
1. Does the Department have a designated 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) Deputy Director IEHW: Mr M Seitsang Assistant Director Wellness: Vacant Assistant Director SHERQ: Ms K Mosiemang Assistant Director HIV/AIDS and Tuberculosis: Vacant 3 Personnel Practitioners 1 Gym Instructor 2 Admin Clerks 1 Social Work Intern 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		HCT programmes conducted 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 Awareness campaigns conducted Gymnasium facility at Head Office Employees participate in sports and recreation activities Occupational Health and Safety Committee Sport and Recreation Committee	
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			
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 SHERQ / 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. HIV / AIDS and Tuberculosis (TB) Policy is in place. Workshops on dissemination of the HIV / AIDS and Tuberculosis Policy. Support programmes 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 2023 - 31 March 2024

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 counselling and testing were conducted by GEMS medical aid and other service providers. The results were as follows:</p> <ul style="list-style-type: none"><li>• 70 346 condoms were distributed (68 250 were male condoms and 2 096 were female condoms) during the 2023/24 financial year.</li><li>• 189 employees were tested for HIV, of which 95 were male employees and 94 were female employees.</li><li>• Awareness programmes were conducted on HIV, STIs, TB and PrEP. A total number of 1,575 employees participated during the 2023/24 financial year.</li></ul>
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 provided by GEMS medical aid and other service providers which gives an indication on how many employees tested / screened for HIV/ AIDS, tuberculosis and non-communicable diseases.</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. Monthly, quarterly and annual reports were prepared and submitted to departmental management, the Office of the Premier and the Department of Public Service and Administration.</p> <p>Information, educational and communication material on HIV/AIDS and other health promotional materials are distributed regularly in the Department.</p> <p>Officials who have disclosed their status are receiving continuous counselling, support, care and they are referred to relevant stakeholders for specialized services through this office.</p>

12.12 LABOUR RELATIONS

Table 12.12.1 Collective agreements, 1 April 2023 - 31 March 2024		
Subject matter	None	Date

Table 12.12.2 Misconduct and disciplinary hearings finalised, 1 April 2023 - 31 March 2024		
Outcome of disciplinary hearing	Number	% of Total
Corrective counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	4	22
Suspended without pay	9	50
Fine	0	0
Demotion	0	0
Dismissal	1	6
Not guilty	1	6
Case withdrawn	3	17
<b>TOTAL</b>	<b>18</b>	<b>100%</b>

Table 12.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2023 - 31 March 2024		
Types of misconduct	Number	% of Total
Insubordination	0	0
Absenteeism	6	43
Theft	4	29
Misuse of state property	1	7
Negligence	0	0
Intimidation	0	0
Fraud	0	0
Insolence behavior	1	7
Dereliction of duty	0	0
Dereliction of duty	0	0
Sexual harassment	0	0
Deemed dismissed	0	0
Assault	0	0
Under influence of alcohol	0	0
SCM irregularities	2	14
<b>TOTAL</b>	<b>14</b>	<b>100%</b>

Table 12.12.4 Grievances lodged, 1 April 2023 - 31 March 2024		
Grievances	Number	% of Total
Number of grievances resolved	35	80
Number of grievance not resolved	09	20
<b>TOTAL</b>	<b>44</b>	<b>100%</b>

Table 12.12.5 Disputes lodged with Councils, 1 April 2023 - 31 March 2024		
Disputes	Number	% of Total
Number of disputes in favour of applicant	3	19
Number of disputes dismissed	2	13
Number of dispute in favour of employer	2	13
Pending disputes	9	56
<b>TOTAL</b>	<b>16</b>	<b>100%</b>

Table 12.12.6 Strike actions for the period 1 April 2023 - 31 March 2024		
Total number of person working days lost	7	
Total cost (R'000) of working days lost		R3 420,33
Amount (R'000) recovered as a result of no work no pay		R480 957,53

Table 12.12.7 Precautionary suspensions for the period 1 April 2023 - 31 March 2024				
Number of people suspended				5
Number of people whose suspension exceeded 30 days				5
Average number of days suspended				23 months
Cost of suspension				R2 781 418,00

Table 12.12.8 Disciplinary Action for the period 1 April 2023 and 31 March 2024									
Disciplinary action	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
	42	0	0	0	5	0	0	0	47

### 12.13 SKILLS DEVELOPMENT

Table 12.13.1 Training needs identified, 1 April 2023 - 31 March 2024										
Occupational category	Gender	Number of employees as at 1 April 2023				Learnerships		Skills Programmes & other short courses		Total
									Other forms of Training	
Legislators, senior officials and managers	Female			10		0		4	0	04
	Male			18		0		15	0	15
Professionals	Female			48		0		60	0	60
	Male			38		0		68	0	70
Technicians and associate professionals	Female			132		2		46	0	48
	Male			144		2		62	0	62
Clerks	Female			301		0		89	0	89
	Male			159		0		80	0	80
Service and sales workers	Female			0		0		0	0	0
	Male			1		0		0	0	0
Skilled agriculture and fishery workers	Female			0		10		0	0	0
	Male			0		10		0	0	10
Craft and related trades workers	Female			47		0		0	0	10
	Male			334		0		0	0	0
Plant and machine operators and assemblers	Female			21		0		15	0	15
	Male			204		0		236	0	236
Elementary occupations	Female			366		0		160	0	160
	Male			677		0		192	0	192
Developmental programmes (interns & learners)	Female			0		0		50	0	50
	Male			0		0		50	0	50
Sub Total	Female			925		10		424	0	434
	Male			1 575		10		703	0	713
<b>TOTAL</b>				<b>2 500</b>		<b>24</b>		<b>1 127</b>	<b>0</b>	<b>1 147</b>

Table 12.13.2 Training provided, 1 April 2023 - 31 March 2024						
Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of Training	
Legislators, senior officials and managers	Female	10	0	12	0	12
	Male	18	0	14	0	14
Professionals	Female	48	0	19	0	19
	Male	38	0	16	0	16
Technicians and associate professionals	Female	132	0	10	0	10
	Male	144	0	24	0	24
Clerks	Female	301	0	20	0	20
	Male	159	0	24	0	24
Service and sales workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	47	0	0	0	0
	Male	334	0	06	0	06
Plant and machine operators and assemblers	Female	21	0	02	0	01
	Male	204	0	51	0	51
Elementary occupations	Female	366	0	44	30	74
	Male	677	0	39	38	77
Developmental programmes (interns & learners)	Female	0	0	15	0	15
	Male	0	0	08	0	08
Sub Total	Female	925	0	122	30	151
	Male	1 575	0	182	38	220
<b>TOTAL</b>		<b>2 500</b>	<b>0</b>	<b>304</b>	<b>68</b>	<b>371</b>

### 12.14 INJURY ON DUTY

Table 12.14.1 Injury on duty, 1 April 2023 - 31 March 2024			
Nature of injury on duty		Number	% of total
Required basic medical attention only		9	64
Temporary total disablement		3	21
Permanent disablement		1	0.07
Fatal		1	0.07
<b>TOTAL</b>		<b>14</b>	<b>100%</b>



12.15 UTILIZATION OF CONSULTANTS

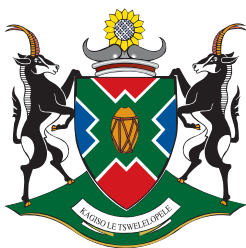
12.15.1 Report on consultants appointments using appropriated funds, 1 April 2023 - 31 March 2024						
Total No. of Projects	Project Description	Name of Consultants/ Professional Service Provider	Total number of consultants that worked on the project	Duration: Work days	Financial Year	Contract value in R'000
1	Preparation of the Annual Financial Statements for the year ended 31 March 2024 and related support	Manone Consulting	1	5 months	2023/24	R1 457 280
1	Participation in the contract for Provision of Financial consultancy Services	Kreston North West	20	4 Months	2023/24	Gazetted rates
1	Movable assets verification - comprehensive	Lopham Consulting	20	3 months	2022/23 - 2023/24	Gazetted rates

12.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDI) for the period 1 April 2023 - 31 March 2024				
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 2024 and related support	100%	100%		1
Participation in the contract for Provision of Financial Consultancy Services	100%	100%		20
Movable assets verification - comprehensive	100%	100%		20

12.15.3 Report on consultant appointments using donor funds for the period 1 April 2023 - 31 March 2024			
Project Description	Total number of consultants that worked on the project	Duration (work days)	Donor and contract value in Rand
None.			

12.16 SEVERANCE PACKAGES

Table 12.16.1 Granting of employee - initiated severance packages, 1 April 2023 - 31 March 2024				
Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (levels 1 - 2)	0	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



## public works & roads

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

# PART E: PFMA COMPLIANCE REPORTING



DEPARTMENT OF PUBLIC WORKS & ROADS  
ANNUAL REPORT 2023/2024  
VOTE 11

## 13. DISCLOSURE ON IRREGULAR EXPENDITURE

### 13.1 RECONCILIATION OF IRREGULAR EXPENDITURE

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Opening balance	5 680 182	5 272 032
Prior period errors		(340 590)
As restated	5 680 182	4 931 442
Add: Irregular expenditure confirmed	310 052	748 740
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
<b>CLOSING BALANCE</b>	<b>5 990 234</b>	<b>5 680 182</b>

### 13.2 RECONCILING NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Irregular expenditure as a result of overspending of PRMG amounts to R273 249 000, which resulted in adjustments in prior periods.

Prior Period Errors include the correction of R180 million that was a double entry error in 2022/23 reversal. It further includes the reversal of R351 million that related to projects that were erroneously subjected to a gateway review in terms of FIDPM, 2019.

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

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	-
Irregular expenditure for the current year	310 052	748 740
<b>TOTAL</b>	<b>310 052</b>	<b>748 740</b>

### 13.3 DETAILS OF CURRENT AND PREVIOUS YEARS' IRREGULAR EXPENDITURE

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

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	408 065,27	408 065,27
<b>TOTAL</b>	<b>R408 065,27</b>	<b>R408 065,27</b>

**13.3.2 Irregular expenditure condoned**

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

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

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure not condoned and removed	-	-
Total	-	-

**13.3.4 Current and previous year irregular expenditure recoverable**

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
TOTAL	-	-

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

None.

**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	2023/2024	2022/2023
	R'000	R'000
Opening balance	18 554	18 017
Adjustment to opening balance	-	-
Opening balance as restated	18 554	18 017
Add: Fruitless and wasteful expenditure confirmed	1454	537
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
<b>CLOSING BALANCE</b>	<b>R20 009</b>	<b>R18 554</b>

### 14.2 FRUITLESS AND WASTEFUL EXPENDITURE UNDER INVESTIGATION

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	1 454	537
<b>TOTAL</b>	<b>R1 454</b>	<b>R537</b>

#### 14.2.1 Details of current and previous years' fruitless and wasteful expenditure recovered

None.

#### 14.2.2 Details of current and previous years' fruitless and wasteful expenditure not recovered and written off

None.

#### 14.2.3 Details of current and previous years' disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

None.

15. DISCLOSURE ON UNAUTHORIZED EXPENDITURE

15.1 RECONCILIATION OF UNAUTHORIZED EXPENDITURE

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorized expenditure confirmed	-	-
Less: unauthorized expenditure approved with funding	-	-
Less: unauthorized expenditure approved without funding	-	-
Less: unauthorized expenditure recoverable	-	-
Less: unauthorized not recoverable and written off	-	-
CLOSING BALANCE	-	-

The reconciling notes to the annual financial statements:

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Unauthorized expenditure that was under assessment	-	-
Unauthorized expenditure that relates to the prior year and identified in the current year	-	-
Unauthorized expenditure for the current year	-	-
TOTAL	-	-

15.1.1 Details of current and previous years' unauthorized expenditure  
(under assessment, determination and investigation)

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Unauthorized expenditure under assessment	-	-
Unauthorized expenditure under determination	-	-
Unauthorized expenditure under investigation	-	-
TOTAL	-	-

16. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 40(3)(b)(i) AND (iii)

MATERIAL LOSSES THROUGH MISCONDUCT	2023/2024	2022/2023
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
TOTAL	-	-

DETAILS / NATURE OF OTHER MATERIAL LOSSES	2023/2024	2022/2023
	R'000	R'000
None	-	-

OTHER MATERIAL LOSSES RECOVERED	2023/2024	2022/2023
	R'000	R'000
None	-	-

OTHER MATERIAL LOSSES NOT RECOVERABLE AND WRITTEN OFF	2023/2024	2022/2023
	R'000	R'000
None	-	-

## 17. INFORMATION ON NON / LATE PAYMENT OF SUPPLIERS

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Valid invoices received	108 324	606 420
Invoices paid within 30 days or agreed period	66 038	595 362
Invoices paid after 30 days or agreed period	42 287	11 058
Invoices older than 30 days or agreed period (unpaid and without dispute)	212 904	0
<b>TOTAL</b>	<b>R321 228</b>	<b>R606 420</b>

## 18. SUPPLY CHAIN MANAGEMENT

### 18.1 PROCUREMENT BY OTHER MEANS

None.

## 18.2 CONTRACT EXPANSIONS AND VARIATIONS

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL VALUE OF CONTRACT R'000	VALUE PREVIOUS CONTRACT EXPANSION/S	VALUE OF CURRENT CONTRACT EXPANSION/S OR VARIATION
Request for approval of Variation Order No.1 on Special maintenance on sections of Road D414 between Makgobistad through Logagane, Makgori to Tshidilamolomo, approximately 46 km	Acto Phambili Roads	Variation	PWR 124/20A-FA11	R31,371,327.30	N/A	R5,910,539.04
Rehabilitation of Road D933 and Road D2095 from Lichtenburg (R503) to Gelukspan, approximately 39 km as well as appurtenant works, Phase 2 - approximately 17.4 km of Road D933 and 8.4 km of D2095 and special maintenance of deviation roads.	Motheo Construction Group (PTY)LTD	Variation	PWRT 95/13	R446,213,501.77	N/A	R7,937,940.93
Special maintenance of Road D625 and D626 in Maubane, approximately 10 km	Segwera Transport and Projects	Variation	PWR 124/20A-FA13	R34,852,559.36	N/A	R5,980,577.90
Rehabilitation of Road P117/1 from Ottosdal (P13/2) to Hartbeesfontein, Phase 2 (16 km); rehabilitation section and 17 km maintenance section)	Hlwella Trading Enterprise	Variation	PWRT 113/13	R149,079,087.80	N/A	R4,160,005.55
Upgrading from gravel to surfaced standard of Road Z422 from the intersection of Chief Albert Luthuli road through Lokaleng and Mogosane villages to Tlapeng, Phase 1 - 0 km to 15 km	Lichenry Construction	Variation	PWR 75/16	R103,996,990.14	N/A	R19,178,297.06
Upgrading from gravel to surfaced standard of Road D415 from Gopane passing the villages of Maphephane, Mmutshweu, Ga-seane to Lobateng and D417 from Lobateng to Motswedi, Phase 2 (8.7 km to 31 km) including constructing of a bridge at 20.077	M Civils & Dimakatso JV	Variation	PWR 105/17	R104,312,175.03	R4,127,913.03	R15,702,515.92
Rehabilitation of Road Z431 from the N18 to end of tar (3.3 km) and upgrading from gravel to surfaced standard of Road Z431 from end of tar to Kgora entrance (3.7 km) and upgrading of Kgora Training Centre Internal Road (2 km) as well as appurtenant works	Kalesego Maintenance Services	Variation	PWR32/21	R63,814,464.56	N/A	R4,485,342.13
Request for approval of Variation Order No.1 on the rehabilitation of Road P31/1 from Gauteng Border to Road P123/1, approximately 22 km (Section 1,2 &3) as well as appurtenant works (including bridge construction and bridge repairs) – unforeseeable security measures	Phelindaba JV M Civils and Eigenbau and Wenhaus	Variation	PWR 104/17	R630,034,888.32	N/A	R7,501,569.60
Request for approval of Extension of Scope of work on Special maintenance of Road P48/1 from Welbedacht to Swartkopsfontein Phase 3 for approximately 25 km	Drop Dot (Pty)Ltd	Variation	PWR 124/20D-FA04	R54,458,477.45	N/A	R8,854,662.70



PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL VALUE OF CONTRACT R'000	VALUE PREVIOUS CONTRACT EXPANSIONS	VALUE CURRENT CONTRACT EXPANSION/S OR VARIATION
Completion of major renovations at Potch Agricultural College: Cluster B	Thodi Project Management (second contractor)	Variation	PWRT148/1 OB	26 139 696,52	N/A	65 388,08
Upgrading of Dwaarsberg-Derdepoort Road – Road P124-1 (10km of the 17km of road from Dwaarsberg to Limpopo Border) Phase II	G4 Civils (PTY) LTD	Variation	PWR46/16	69 100 000,00	N/A	7 923 575,94
Upgrading from gravel to surface standard of Road D415 from Gopane passing villages of Maphephane, Mmutshweu, Ga-Seane to Lobatlang and D417 from Lobatlang to Motswedi (18.7 - 31.0 km) including construction of bridge at 20.077 km - Phase 2	M Civils & Dimakatso JV	Variation	PWR105/17	104 312 175,03	N/A	19 830 428,95
Rehabilitation of road P137 from N12 to Orkney including the investigation of the sinkhole in Hartebeesfontein (Sinkhole repair and intersection improvement) Phase 1	Lichenry Construction (Pty) Ltd.	Variation	PWR110/17	83 355 524,78	N/A	8 105 689,30
Security services and armed response at the Speaker, Deputy Speaker and MECs residences	Tshedza Protective Services	Variation	PWR102/18	18 075 962,02	N/A	1 676 802,56
Appointment of Professional Engineering Services Road Asset Management System (RAMS) Programme Managers for a period of 5 years	Royal Haskoning DHV	Variation	PWR103/18	61 624 594,60	N/A	11 606 016,20
Upgrading from gravel to surface standard of Road D327 from Ganyesa to Vragas to Madinonyane in DR Ruth Segomotsi Mompoti District for 57 KM as well as appurtenant works. Phase 2-3KM of Road D327 from Vragas to the Northern Cape Border and 16.5KM of Road Z389 from Road D327 to Madinonyane including Intersection in Ganyesa	M Civils JV Dimakatso	Variation	PWR 120/12	171 522 841,54	N/A	8 933 102,11
Upgrading of Road P66/1 (Kgomo-Kgomo to P65/1) and Road D614/Z614 (P65/1 to Lebolloane to Tlholwe) and Road Z619 Tlholwe to Ga-Habedi) and D639 from Moretele to Ga-Habedi to start surfaced sealed road Phase 3 – 8 km	MSK/Gadimakatse Agri Group JV	Variation	PWR 30/15	58 817 827,72	N/A	7 203 412,78
Rehabilitation of Road P117/1 From Ottosdal (P13/2 to Hartebeesfontein for approximately 20 km Phase 1	Down Touch Investments (Pty) Ltd	Variation	PWR 113/13	90 840 427,81	N/A	10 716 567,57
Rehabilitation of Road D933 from Lichtenburg to Gelukspan and a portion of road D2095 to road P183/1 passing through Dudfied and Sephaku approximately 40km Phase I 15 km	Amandla Building & Construction JV Dreykon (Pty) Ltd	Variation	PWRT 95/13	172 121 394,00	N/A	18 977 443,57



## public works & roads

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

# PART F: FINANCIAL INFORMATION



DEPARTMENT OF PUBLIC WORKS & ROADS  
ANNUAL REPORT 2023/2024  
VOTE 11



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **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**

#### **Opinion**

1. I have audited the financial statements of the Department of Public Works and Roads set out on pages 143 to 175, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works and Roads as at 31 March 2024 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 5 of 2023 (Dora).

#### **Basis for opinion**

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

#### **Emphasis of matters**

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

#### **Irregular expenditure**

7. As disclosed in note 22 to the financial statements, irregular expenditure of R310 052 000 was incurred in the current year while irregular expenditure of R748 740 000 from prior years had not yet been investigated.

### **Fruitless and wasteful expenditure**

8. As disclosed in note 22 to the financial statements, fruitless and wasteful expenditure of R1 454 000 was incurred in the current year while fruitless and wasteful expenditure of R537 000 from prior years had not yet been investigated.

### **Restatement of corresponding figures**

9. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the department at, and for the year ended 31 March 2024.

### **Underspending of budget**

10. As disclosed in the appropriation statement, the department materially underspent the budget of programme 2: Public works infrastructure by R38 690 000.

### **Other matter**

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

### **Unaudited supplementary schedules**

12. The supplementary information set out on pages 176 to 186 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

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

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.
14. 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**

15. 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 influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is provided on pages 130 and 131, forms part of our auditor's report.

Report on the audit of the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Public works infrastructure	41 - 47	To avail land and provide building infrastructure and facilities for provincial government departments that are accessible, safe, fit-for-purpose and environmentally sensitive.
Transport infrastructure	47 - 52	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	52 - 56	To manage and coordinate the implementation of the Expanded Public Works Programme, both departmentally and provincially.

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

20. I performed procedures to test whether:

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



- 21. I performed the procedures only for the purpose of reporting material findings, and not to express an assurance opinion or conclusion.
- 22. The material findings on the reported performance information for the selected programmes are as follows:

**Public works infrastructure**

**Number of facilities provided**

- 23. An achievement of 223 was reported against a target of 230. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.
- 24. Furthermore, an underachievement was reported against the related planned target together with the reasons for this. However, adequate supporting evidence was not provided for auditing. Consequently, I could not confirm the reliability of the reported reasons.

**Transport Infrastructure**

**Number of reports on the implementation of disaster management plan**

- 25. Achievement of four (4) was reported against a target of four (4). However, the audit evidence showed the actual achievement to be zero. Consequently, the target was not achieved.

**Various indicators**

- 26. Under and overachievements were reported against the related planned targets together with the for this. However, adequate supporting evidence was not provided for auditing. Consequently, I could not confirm the reliability of the reported reasons.

Indicator	Target	Reported achievement	Reported reason
Number of square metres of surfaced roads resealed	950 000	573 037	Community disruption Poor contract performance  Ten (10) projects were cancelled as a result of the reduction of departmental budget during the 2023-24 budget adjustment process (following the introduction of cost containment measures by National Treasury)
Number of km of gravel roads re-gravelled	268	468.03	Additional output was as a result of the completion of flood damaged road projects that were awarded in 2022-23

**Community based programme**

**Number of women employed – Transport infrastructure sector**

- 27. An achievement of 8 457 was reported against a target of 7 800. However, some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining whether the target had been achieved.

Various indicators

28. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining whether the targets had been achieved.

Indicator	Target	Reported achievement	Actual achievement
Number of youth employed (18-35) -Transport infrastructure	7 150	3 384	6 550
Number of youth employed (18-35) - Public works infrastructure	440	364	313
Number of persons with disabilities employed - Transport Infrastructure Sector	260	59	84
Number of persons with disabilities employed - Public Works Infrastructure sector	16	6	3

Various indicators

29. Based on the audit evidence, the actual achievements for 4 indicators did not agree to the achievements reported, but the targets were still achieved.

Indicator	Target	Reported achievement	Actual achievement
Number of contractors participating in the contractor development programme – Transport Infrastructure Sector	120	0	5
Number of contractors participating in the contractor development programme – Public Works Infrastructure Sector	40	0	13

Other matters

30. I draw attention to the matters below.

Achievement of planned targets

31. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information. The tables that follow provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 41 to 56.

Public Works infrastructure

Targets achieved: 14%		
Budget spent: 96%		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of new construction projects completed – DPW&R	24	14
Number of new construction projects completed - client depts	12	5
Number of maintenance projects completed – DPW&R	18	10
Number of maintenance projects completed – clients depts	46	26
Number of facilities provide	230	223
Number of properties disposed of	60	23

Transport infrastructure

Targets achieved: 33%		
Budget spent: 99%		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of km of gravel roads visually assessed as per applicable TMH manual	14 197	13 155,86
Number of bridges repaired	13	0
Number of km of gravel roads upgraded to surface roads	90	65.45
Number of square metres of surfaced roads rehabilitated	1 300 000	930 046,40
Number of square meters of surfaced roads resealed	950 000	573 037
Number of km of gravel roads bladed	34 900	15 570,41

## Community – Based Programme

Targets achieved: 10%		
Budget spent: 92%		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of EPWP work opportunities created – public works infrastructure sector	800	690
Number of youth employed (18 – 35) – transport infrastructure sector	7 150	3 384
Number of youth employed (18 – 35) – public works infrastructure sector	440	364
Number of women employed- public works infrastructure sector	480	377
Number of persons with disabilities employed - transport infrastructure sector	260	59
Number of persons with disabilities employed - public works infrastructure sector	16	6
Number of contractors participating in development programme - transport infrastructure sector	120	0
Number of contractors participating in development programme - public works infrastructure sector	40	0
Number of public bodies reporting EPWP in the province	36	35

## Material misstatements

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

## Report on compliance with legislation

33. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

34. 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.

35. 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.

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

### **Financial statements**

37. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

### **Expenditure management**

38. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 31 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by late payment of invoices.
39. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 31 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with public roads maintenance grant (PRMG) conditions and procurement prescripts.
40. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

### **Strategic planning and performance management**

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

### **Consequence management**

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

### **Utilisation of conditional grants**

43. The PRMG was not spent for the purposes stipulated in accordance with the applicable framework, as required by section 16(1) of the Division of Revenue Act (Act 5 of 2023).

### **Other information in the annual report**

44. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
45. 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.
46. 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.



## Internal control deficiencies

47. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation, however, my objective was not to express any form of assurance on it.
48. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
49. The department developed a post audit action plan with inadequate planned actions that failed to prevent recurrence of the misstatements reported in the prior year as over 80% of the material misstatements identified in the current year which were eventually corrected recurred from the prior year.
50. The lack of information system to account for performance achievements is at the centre of the material misstatements identified on performance information. The establishment of the system will remedy the capacity challenges to perform manual verification of actual performance by the strategic planning and monitoring unit which will ultimately reduce the risk of human error in the processing of actual performance as the department is processing voluminous data yearly.
51. Inadequate budgeting processes and a lack of budget monitoring tool resulted in some of the material classification misstatements which were eventually corrected as the transactions are commonly recorded based on the funding source instead of the nature of services provided as prescribed by the financial reporting framework.

## Material irregularities

52. 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

53. 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.
54. 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 recovered and deducted from the retention money.

Additionally, the accounting officer investigated the matter to determine the responsible official and in the current year consequence management was applied against the official responsible for the transgression and the employment contract of the responsible official was terminated. Based on the factors above, I have concluded that appropriate actions have been taken to address the material irregularity and therefore the materials irregularity resolved.

### Supplier with highest points not appointed

55. 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.

56. 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 and the investigation was completed in June 2023. I have perused the investigation report completed and concluded that the grounds from which the material irregularity was raised did not trigger the legal discrepancies and therefore the material irregularity was closed.

### Provincial road infrastructure not maintained

57. The department has failed to properly manage and maintain the provincial road infrastructure to enable safety of commuters and business community in the province. This is evident through the worsened conditions of the provincial network. Of the 19000 km's of road network in the province, 27% represent the network in the category of poor with 45% in the very poor category and less than 1% representing very good. It is against the above background that the NW Department of Public Works and Roads has failed to comply with section 38(1)(d) of the Public Finance Management Act 1 of 1999 (PFMA), read with section 5(1)(d) of the Government Immovable Asset Management Act 19 of 2007 (GIAMA), as well as section 13(1)(d) of GIAMA.

58. The accounting officer was notified of this material irregularity on 06 September 2023 and invited to make written submission on the actions that have been or will be taken to address this matter. The accounting officer has since committed to prioritize and implement short term maintenance projects to stop the substantial harm however at the date of this report, the accounting officer has not finalised the procurement process on the identified projects, and I have concluded based on the lack of implementation that the accounting officer is not taking appropriate action. The AO must within six (6) months from the date of the auditor's report, implement the following recommendations with progress reports after (3) months:

- Appropriate action should be taken to investigate the non-compliance in order to determine the root cause and circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions.
- Reasonable steps should be taken to implement internal controls to ensure that the provincial road infrastructure is properly managed and maintained. The control should at a minimum include:
- Detailed analysis on the condition of the roads in order to enhance and commence with implementation of the Road Asset Management Plan (RAMP) and Routine Road Maintenance Implementation Plan (RRMIP).
- Align the procurement plan to the budget for road maintenance needs and clearly identify major maintenance projects.
- Develop a tracking tool to ensure proper record keeping of regular inspections to assist the department in tracking and monitoring the implementation of the recommendations as included in the RAMP."

Other reports

59. 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

60. 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.

61. 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.

62. 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.

63. 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.

64. 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

Rustenburg  
31 July 2024



AUDITOR - GENERAL  
SOUTH AFRICA

Auditing to build public confidence

## Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

### Professional judgement and professional scepticism

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

### Financial statements

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

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

**Communication with those charged with governance**

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

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



## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows: Legislation

Legislation	Sections or regulations
Public Finance Management Act.1 of 1999 (PFMA)	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); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2); 45(b); Section 50(3); 50(3)(a)
Treasury regulations for departments, trading entities, constitutional institutions and public entities (TRs)	Treasury regulation 4.1.1; 4.1.3 Treasury regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury regulation 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b) Treasury regulation 7.2.1 Treasury regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury regulation 9.1.1; 9.1.4 Treasury regulation 10.1.1(a); 10.1.2 Treasury regulation 11.4.1; 11.4.2; 11.5.1 Treasury regulation 12.5.1 Treasury regulation 15.10.1.2(c') Treasury regulation 16A 6.1; 16A6.2(a), (b) & (e); 16A 6.3(a);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); 1 16A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f). Treasury regulation 17.1.1 Treasury regulation 18.2 Treasury regulation 19.8.4
Public Service Regulations	Public service regulation 18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17
PPPFA	Section 2.1(a); 2.1(b); 2.1(f)
PPRs 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 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 11.2 Paragraph 12.1 and 12.2
PPRs 2022	Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
National Treasury instruction note 1 of 2015-16	Paragraph 3.1; 4.1; 4.2
National Treasury SCM instruction note 03 2021-22	Paragraph 4.3; 4.4; 4.4 (a);4.4 (c) -(d) Paragraph 7.2; 7.6
National Treasury SCM instruction note 11 2020-21	Paragraph 3.1; 3.4 (b); 3.9s
National Treasury SCM instruction note 2 of 2021-22	Paragraph 3.2.1; 3.2.4(a); 3.3.1



## public works & roads

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



# VOTE 11 ACCOUNTING POLICIES for the year ended 31 March 2024

## Summary of significant accounting policies

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

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

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

### 1. Basis of preparation

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

### 2. Going concern

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

### 3. Presentation currency

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

### 4. Rounding

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

### 5. Foreign currency translation

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

## **6. Comparative information**

### **6.1 Prior period comparative information**

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

### **6.2 Current year comparison with budget**

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

## **7. Revenue**

### **7.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). 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.

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.

### **7.2 Departmental revenue**

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

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

### **7.3 Accrued departmental revenue**

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

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

The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

## **8. Expenditure**

### **8.1 Compensation of employees**

#### **8.1.1 Salaries and wages**

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

#### **8.1.2 Social contributions**

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

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

### **8.2 Other expenditure**

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

### **8.3 Accruals and payables not recognised**

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

### **8.4 Leases**

#### **8.4.1 Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

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

#### **8.4.2 Finance leases**

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

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

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

## **9 Aid Assistance**

### **9.1 Aid assistance received**

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.

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.

### **9.2 Aid assistance paid**

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.

## **10. Cash and cash equivalents**

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

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

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

## **11. Prepayments and advances**

The Department has opted for early adoption of the National Treasury change in accounting treatment.

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

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances are expensed when considered to be immaterial in line with its Standard Operating Procedure Manual as guided by the National Treasury Accounting Manual for Departments on General Departmental Assets and Liabilities.

## **12. Loans and receivables**

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

## **13. Investments**

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



## **14. Financial assets**

### **14.1 Financial assets (not covered elsewhere)**

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

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

### **14.2 Impairment of financial assets**

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

## **15. Payables**

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

## **16. Capital Assets**

### **16.1. Immovable capital assets**

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

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

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

### **16.2 Movable capital assets**

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

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

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

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

### 16.3. Intangible assets

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

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

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

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

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

### 16.4. Project Costs: Work-in-progress

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

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

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

## 17. Provisions and Contingents

### 17.1. Provisions

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.

### 17.2 Contingent liabilities

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.

### 17.3. Contingent assets

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.

### 17.4. Commitments

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

## 18. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

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

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

## 19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognized when settled or subsequently written-off as irrecoverable.

## 20. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

**21. Changes in accounting policies, accounting estimates and errors**

Changes in accounting policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

**22. Events after the reporting date**

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.

**23. Principal-Agent arrangements**

The department is party to a principal-agent arrangement for maintenance of government buildings. In terms of the arrangement the department is the principal and is responsible for payment for services rendered. 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.

**24. Departures from the MCS requirements**

Management has concluded that the financial statements present fairly the department's primary and secondary information, and that the department complied with the Standard

**25. Recoverable revenue**

Amounts are recognized 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.

**26. Related party transactions**

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. 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.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

**27. Inventories** (Effective from date determined in a Treasury Instruction)

At the date of acquisition, inventories are recognized at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realizable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

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

**28. Public-Private Partnerships**

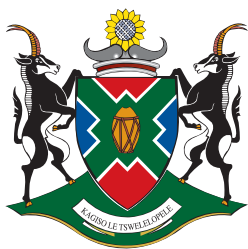
Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

**29. Employee benefits**

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





## public works & roads

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

# PART F: FINANCIAL STATEMENTS



DEPARTMENT OF PUBLIC WORKS & ROADS  
ANNUAL REPORT 2023/2024  
VOTE 11

# Annual Financial Statements For PUBLIC WORKS AND ROADS for the year ended 31 March 2024

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# NORTH WEST : PUBLIC WORKS AND ROADS

## Appropriation Statement for the year ended 31 March 2024

Appropriation per programme									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Voted funds and Direct charges</b>									
<b>Programme</b>									
1 ADMINISTRATION	267 084	-	(1 000)	266 084	254 516	11 568	95,7%	219 047	205 807
2 PUBLIC WORKS INFRASTRUCTURE	1 056 484	-	3 000	1 059 484	1 020 794	38 690	96,3%	1 163 767	1 101 982
3 TRANSPORT INFRASTRUCTURE	2 328 025	-	(2 000)	2 326 025	2 307 938	18 087	99,2%	2 016 007	1 811 019
4 COMMUNITY BASED PROGRAMME	224 054	-	-	224 054	205 570	18 484	91,8%	359 025	352 323
<b>Programme sub total</b>	<b>3 875 647</b>	<b>-</b>	<b>-</b>	<b>3 875 647</b>	<b>3 788 818</b>	<b>86 829</b>	<b>97,8%</b>	<b>3 757 846</b>	<b>3 471 131</b>
<b>Statutory Appropriation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>3 875 647</b>	<b>-</b>	<b>-</b>	<b>3 875 647</b>	<b>3 788 818</b>	<b>86 829</b>	<b>97,8%</b>	<b>3 757 846</b>	<b>3 471 131</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				-				-	
NRF Receipts				-				-	
Aid assistance				-				-	
<b>Actual amounts per Statement of Financial Performance (Total revenue)</b>				<b>3 875 647</b>				<b>3 757 846</b>	
<b>Revenue) Actual amounts per Statement of Financial Performance (Total expenditure)</b>					<b>3 788 818</b>				<b>3 471 131</b>

Appropriation per economic classification									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	Budget R'000	Funds R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 572 117</b>	<b>(24 900)</b>	<b>-</b>	<b>2 547 217</b>	<b>2 068 746</b>	<b>478 471</b>	<b>81,2%</b>	<b>2 804 843</b>	<b>2 143 094</b>
Compensation of employees	912 765	(12 300)	2 000	902 465	891 653	10 812	98,8%	892 188	877 336
Salaries and wages	740 549	1 700	-	742 249	740 257	1 992	99,7%	730 928	731 510
Social contributions	172 216	(14 000)	2 000	160 216	151 396	8 820	94,5%	161 260	145 826
Goods and services	1 658 552	(12 600)	(2 000)	1 643 952	1 175 639	468 313	71,5%	1 912 655	1 261 334
Administrative fees	5 733	-	-	5 733	37	5 696	0,6%	161	52
Advertising	2 295	(1 012)	-	1 283	1 920	(637)	149,6%	1 829	1 217
Minor assets	3 305	(1 099)	(1 000)	1 206	508	698	42,1%	2 845	621
Audit costs: External	14 150	55	-	14 205	14 181	24	99,8%	14 452	12 903
Bursaries: Employees	2 273	135	-	2 408	2 188	220	90,9%	1 578	1 522
Catering: Departmental activities	3 203	(373)	-	2 830	1 785	1 045	63,1%	2 613	2 722
Communication (G&S)	9 420	(496)	-	8 924	8 090	834	90,7%	9 638	7 105
Computer services	1 122	3	-	1 125	811	314	72,1%	3 779	3 637
Consultants: Business and advisory services	121 002	457	-	121 459	41 530	79 929	34,2%	93 163	62 903
Infrastructure and planning services	5 250	(920)	-	4 330	-	4 330	-	3 270	444
Legal services	11 335	930	-	12 265	12 822	(557)	104,5%	31 155	17 034
Contractors	958 263	(12 142)	-	946 121	581 993	364 128	61,5%	1 256 553	611 152
Agency and support / outsourced services	202 220	(1 500)	-	200 720	185 900	14 820	92,6%	138 832	198 555
Fleet services (including government motor transport)	12 756	(2 105)	(2 000)	8 651	24 092	(15 441)	278,5%	16 511	11 821
Inventory: Fuel, oil and gas	25 523	(2 561)	-	22 962	22 484	478	97,9%	36 896	42 892
Inventory: Materials and supplies	26 284	(7 384)	1 000	19 900	20 923	(1 023)	105,1%	21 463	25 257
Inventory: Medical supplies	-	-	-	-	-	-	-	20	18
Consumable supplies	21 080	(3 720)	-	17 360	16 042	1 318	92,4%	14 783	12 991
Consumable: Stationery, printing and office supplies	11 863	(2 725)	-	9 138	7 771	1 367	85,0%	8 923	7 352
Operating leases	6 495	(143)	-	6 352	5 649	703	88,9%	5 223	4 808
Property payments	162 724	20 082	-	182 806	174 105	8 701	95,2%	212 722	200 119
Transport provided: Departmental activity	550	124	-	674	594	80	88,1%	567	375
Travel and subsistence	31 620	3 847	-	35 467	33 370	2 097	94,1%	23 198	26 950
Training and development	8 883	(924)	-	7 959	5 778	2 181	72,6%	3 831	3 002
Operating payments	6 671	(2 049)	-	4 622	7 909	(3 287)	171,1%	5 661	3 723
Venues and facilities	4 282	110	-	4 392	3 907	485	89,0%	2 964	2 135
Rental and hiring	250	810	-	1 060	1 250	(190)	117,9%	25	24
Interest and rent on land	800	-	-	800	1 454	(654)	181,8%	-	4 424
Interest (Incl. interest on unitary payments) (RPP)	800	-	-	800	1 454	(654)	181,8%	-	4 424
<b>Transfers and subsidies</b>	<b>410 139</b>	<b>6 400</b>	<b>-</b>	<b>416 539</b>	<b>527 483</b>	<b>(110 944)</b>	<b>126,6%</b>	<b>433 236</b>	<b>406 285</b>
Provinces and municipalities	398 680	50	-	398 730	512 808	(114 078)	128,6%	416 782	389 492
Provinces	-	-	-	-	115 000	(115 000)	-	-	-
Provincial agencies and funds	-	-	-	-	115 000	(115 000)	-	-	-
Municipalities	398 680	50	-	398 730	397 808	922	99,8%	416 782	389 492
Municipal bank accounts	398 680	-	-	398 680	397 771	909	99,8%	416 782	389 492
Municipal agencies and funds	-	50	-	50	37	13	74,0%	-	-
Households	11 459	6 350	-	17 809	14 675	3 134	82,4%	16 454	16 793
Social benefits	11 459	1 796	-	13 255	10 522	2 733	79,4%	14 799	15 197
Other transfers to households	-	4 555	-	4 555	4 153	402	91,2%	1 655	1 596
<b>Payments for capital assets</b>	<b>893 391</b>	<b>18 500</b>	<b>-</b>	<b>911 891</b>	<b>1 192 589</b>	<b>(280 698)</b>	<b>130,8%</b>	<b>519 767</b>	<b>921 752</b>
Buildings and other fixed structures	874 830	10 000	-	884 830	1 172 375	(287 545)	132,5%	479 573	905 915
Buildings	23 569	-	-	23 569	22 979	590	97,5%	49 061	41 995
Other fixed structures	851 261	10 000	-	861 261	1 149 396	(288 135)	133,5%	430 512	863 920
Machinery and equipment	18 561	8 500	-	27 061	20 214	6 847	74,7%	40 194	15 837
Transport equipment	4 734	10 620	-	15 354	15 695	(341)	102,2%	20 920	5 512
Other machinery and equipment	13 827	(2 120)	-	11 707	4 519	7 188	38,6%	19 274	10 325
<b>TOTAL</b>	<b>3 875 647</b>	<b>-</b>	<b>-</b>	<b>3 875 647</b>	<b>3 788 818</b>	<b>86 829</b>	<b>97,8%</b>	<b>3 757 846</b>	<b>3 471 131</b>

**Programme 1: ADMINISTRATION**

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. OFFICE OF THE MEC	14 056	-	-	14 056	13 035	1 021	92,7%	12 800	12 079
2. MANAGEMENT OF THE DEPARTMENT	34 121	-	-	34 121	32 733	1 388	95,9%	40 138	30 593
3. CORPORATE SUPPORT	209 961	-	(1 000)	208 961	201 105	7 856	96,2%	157 502	155 720
4. DEPARTMENTAL STRATEGY	8 946	-	-	8 946	7 643	1 303	85,4%	8 607	7 415
	<b>267 084</b>	<b>-</b>	<b>(1 000)</b>	<b>266 084</b>	<b>254 516</b>	<b>11 568</b>	<b>95,7%</b>	<b>219 047</b>	<b>205 807</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>262 712</b>	<b>-</b>	<b>(1 000)</b>	<b>261 712</b>	<b>251 643</b>	<b>10 069</b>	<b>96,2%</b>	<b>206 895</b>	<b>202 077</b>
Compensation of employees	148 445	-	-	148 445	142 636	5 809	96,1%	143 264	142 205
Salaries and wages	132 308	-	-	132 308	126 988	5 320	96,0%	122 509	123 276
Social contributions	16 137	-	-	16 137	15 648	489	97,0%	20 755	18 929
Goods and services	114 267	-	(1 000)	113 267	108 299	4 968	95,6%	63 631	59 872
Administrative fees	288	-	-	288	37	251	12,8%	161	52
Advertising	736	(320)	-	416	1 066	(650)	256,3%	1 164	1 158
Minor assets	1 557	(167)	(1 000)	390	231	159	59,2%	868	371
Audit costs: External	14 150	55	-	14 205	14 181	24	99,8%	14 452	12 903
Bursaries: Employees	2 273	135	-	2 408	2 188	220	90,9%	1 578	1 522
Catering: Departmental activities	1 612	(65)	-	1 547	966	581	62,4%	2 356	1 822
Communication (G&S)	2 922	(681)	-	2 241	1 554	687	69,3%	2 646	2 305
Computer services	1 064	6	-	1 070	811	259	75,8%	379	299
Consultants: Business and advisory services	10 220	527	-	10 747	10 000	747	93,0%	5 546	6 754
Legal services	5 085	950	-	6 035	5 942	93	98,5%	4 596	6 687
Contractors	594	290	-	884	570	314	64,5%	1 002	408
Fleet services (including government motor transport)	7 670	(905)	-	6 765	6 765	-	100,0%	7 636	7 635
Inventory: Materials and supplies	-	2	-	2	2	-	100,0%	-	4
Consumable supplies	1 210	(38)	-	1 172	644	528	54,9%	768	359
Consumable: Stationery, printing and office supplies	4 849	(835)	-	4 014	3 664	350	91,3%	3 671	2 540
Operating leases	2 113	490	-	2 603	2 310	293	88,7%	1 859	1 472
Property payments	34 600	3 989	-	38 589	38 861	(272)	100,7%	-	-
Transport provided: Departmental activity	378	80	-	458	453	5	98,9%	362	255
Travel and subsistence	15 468	(2 861)	-	12 607	12 126	481	96,2%	8 622	8 457
Training and development	3 515	(324)	-	3 191	2 982	209	93,5%	2 200	2 059
Operating payments	902	(430)	-	472	125	347	26,5%	1 487	1 001
Venues and facilities	2 811	292	-	3 103	2 821	282	90,9%	2 253	1 785
Rental and hiring	250	(190)	-	60	-	60	-	25	24
Interest and rent on land	-	-	-	-	708	(708)	-	-	-
Interest (Incl. interest on unitary payments PPP)	-	-	-	-	708	(708)	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 269</b>	<b>-</b>	<b>-</b>	<b>1 269</b>	<b>1 182</b>	<b>87</b>	<b>93,1%</b>	<b>2 053</b>	<b>1 347</b>
Provinces and municipalities	-	50	-	50	37	13	74,0%	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	50	-	50	37	13	74,0%	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	50	-	50	37	13	74,0%	-	-
Households	1 269	(50)	-	1 219	1 145	74	93,9%	2 053	1 347
Social benefits	1 269	(50)	-	1 219	1 145	74	93,9%	1 938	1 197
Other transfers to households	-	-	-	-	-	-	-	115	150
<b>Payments for capital assets</b>	<b>3 103</b>	<b>-</b>	<b>-</b>	<b>3 103</b>	<b>1 691</b>	<b>1 412</b>	<b>54,5%</b>	<b>10 099</b>	<b>2 383</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	26	26
Buildings	-	-	-	-	-	-	-	26	26
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 103	-	-	3 103	1 691	1 412	54,5%	10 073	2 357
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3 103	-	-	3 103	1 691	1 412	54,5%	10 073	2 357
	<b>267 084</b>	<b>-</b>	<b>(1 000)</b>	<b>266 084</b>	<b>254 516</b>	<b>11 568</b>	<b>95,7%</b>	<b>219 047</b>	<b>205 807</b>

## Programme 2: PUBLIC WORKS INFRASTRUCTURE

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. PROGRAMME SUPPORT	9 641	3 000	-	12 641	8 542	4 099	67,6%	6 360	5 264
2. PLANNING	14 387	-	-	14 387	7 009	7 378	48,7%	13 374	12 990
3. DESIGN	4 966	(1 000)	-	3 966	3 314	652	83,6%	1 754	1 517
4. CONSTRUCTION	60 105	(500)	-	59 605	64 270	(4 665)	107,8%	84 381	74 839
5. MAINTENANCE	411 297	2 000	3 000	416 297	373 742	42 555	89,8%	450 436	432 583
6. IMMOVABLE ASSET MANAGEMENT	14 962	1 000	-	15 962	78 698	(62 736)	493,0%	18 263	17 434
7. FACILITY OPERATIONS	541 126	(4 500)	-	536 626	485 219	51 407	90,4%	589 199	557 355
	<b>1 056 484</b>	<b>-</b>	<b>3 000</b>	<b>1 059 484</b>	<b>1 020 794</b>	<b>38 690</b>	<b>96,3%</b>	<b>1 163 767</b>	<b>1 101 982</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>626 614</b>	<b>(6 400)</b>	<b>3 000</b>	<b>623 214</b>	<b>590 960</b>	<b>32 254</b>	<b>94,8%</b>	<b>689 214</b>	<b>659 023</b>
Compensation of employees	424 345	(13 000)	2 000	413 345	394 979	18 366	95,6%	417 899	406 312
Salaries and wages	334 337	(1 000)	-	333 337	325 389	7 948	97,6%	338 988	337 449
Social contributions	90 008	(12 000)	2 000	80 008	69 590	10 418	87,0%	78 911	68 863
Goods and services	202 269	6 600	1 000	209 869	195 981	13 888	93,4%	271 315	251 732
Administrative fees	5 445	-	-	5 445	-	5 445	-	-	-
Advertising	1 087	(582)	-	505	503	2	99,6%	30	-
Minor assets	764	(262)	-	502	191	311	38,0%	720	174
Catering: Departmental activities	919	(188)	-	731	581	150	79,5%	749	513
Communication (G&S)	3 134	919	-	4 053	4 173	(120)	103,0%	3 605	3 308
Computer services	58	(3)	-	55	-	55	-	3 400	3 338
Consultants: Business and advisory services	32 020	(1 770)	-	30 250	8 096	22 154	26,8%	8 843	7 126
Infrastructure and planning services	2 466	(980)	-	1 486	-	1 486	-	1 754	172
Legal services	2 500	(20)	-	2 480	2 479	1	100,0%	8 005	1 551
Contractors	-	28	-	28	251	(223)	896,4%	-	-
Inventory: Fuel, oil and gas	1 900	2 191	-	4 091	4 083	8	99,8%	1 990	7 407
Inventory: Materials and supplies	9 096	(4 721)	1 000	5 375	5 040	335	93,8%	9 202	12 394
Consumable supplies	6 503	(1 565)	-	4 938	4 909	29	99,4%	6 984	6 027
Consumable: Stationery, printing and office supplies	3 294	(1 179)	-	2 115	1 905	210	90,1%	2 833	2 184
Operating leases	2 407	(393)	-	2 014	1 683	331	83,6%	2 468	1 801
Property payments	119 297	11 233	-	130 530	143 354	(12 824)	109,8%	211 172	194 938
Transport provided: Departmental activity	122	44	-	166	141	25	84,9%	205	120
Travel and subsistence	9 294	4 729	-	14 023	12 780	1 243	91,1%	7 497	8 878
Operating payments	1 361	(669)	-	692	5 591	(4 899)	807,9%	1 383	1 562
Venues and facilities	602	(212)	-	390	221	169	56,7%	475	239
Interest and rent on land	-	-	-	-	-	-	-	-	979
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	979
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>401 167</b>	<b>6 400</b>	<b>-</b>	<b>407 567</b>	<b>405 432</b>	<b>2 135</b>	<b>99,5%</b>	<b>422 996</b>	<b>399 550</b>
Provinces and municipalities	398 680	-	-	398 680	397 771	909	99,8%	416 782	389 492
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	398 680	-	-	398 680	397 771	909	99,8%	416 782	389 492
Municipal bank accounts	398 680	-	-	398 680	397 771	909	99,8%	416 782	389 492
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Households	2 487	6 400	-	8 887	7 661	1 226	86,2%	6 214	10 058
Social benefits	2 487	2 398	-	4 885	3 830	1 055	78,4%	6 214	10 058
Other transfers to households	-	4 003	-	4 003	3 831	172	95,7%	-	-
<b>Payments for capital assets</b>	<b>28 703</b>	<b>-</b>	<b>-</b>	<b>28 703</b>	<b>24 402</b>	<b>4 301</b>	<b>85,0%</b>	<b>51 557</b>	<b>43 409</b>
Buildings and other fixed structures	23 569	-	-	23 569	23 022	547	97,7%	49 035	41 969
Buildings	23 569	-	-	23 569	22 979	590	97,5%	49 035	41 969
Other fixed structures	-	-	-	-	43	(43)	-	-	-
Machinery and equipment	5 134	-	-	5 134	1 380	3 754	26,9%	2 522	1 440
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	5 134	-	-	5 134	1 380	3 754	26,9%	2 522	1 440
	<b>1 056 484</b>	<b>-</b>	<b>3 000</b>	<b>1 059 484</b>	<b>1 020 794</b>	<b>38 690</b>	<b>96,3%</b>	<b>1 163 767</b>	<b>1 101 982</b>



### Programme 3: TRANSPORT INFRASTRUCTURE

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. PROGRAMME SUPPORT INFRASTRUCTURE	58 649	10 500	-	69 149	61 996	7 153	89,7%	77 679	53 833
2. INFRASTRUCTURE PLANNING	2 012	-	-	2 012	940	1 072	46,7%	1 562	1 232
3. INFRASTRUCTURE DESIGN	2 676	-	-	2 676	1 207	1 469	45,1%	652	60
4. CONSTRUCTION	1 861 673	-	-	1 861 673	1 844 418	17 255	99,1%	1 541 468	1 364 103
5. MAINTENANCE	403 015	(10 500)	(2 000)	390 515	399 377	(8 862)	102,3%	394 646	391 791
	<b>2 328 025</b>	<b>-</b>	<b>(2 000)</b>	<b>2 326 025</b>	<b>2 307 938</b>	<b>18 087</b>	<b>99,2%</b>	<b>2 016 007</b>	<b>1 811 019</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>1 459 888</b>	<b>(18 500)</b>	<b>(2 000)</b>	<b>1 439 388</b>	<b>1 020 932</b>	<b>418 456</b>	<b>70,9%</b>	<b>1 549 874</b>	<b>929 724</b>
Compensation of employees	332 701	-	-	332 701	346 123	(13 422)	104,0%	324 558	322 423
Salaries and wages	268 044	2 000	-	270 044	281 338	(11 294)	104,2%	263 776	265 119
Social contributions	64 657	(2 000)	-	62 657	64 785	(2 128)	103,4%	60 782	57 304
Goods and services	1 126 387	(18 500)	(2 000)	1 105 887	674 063	431 824	61,0%	1 225 316	603 856
Advertising	472	(110)	-	362	351	11	97,0%	635	59
Minor assets	885	(670)	-	215	80	135	37,2%	1 234	76
Catering: Departmental activities	646	(120)	-	526	238	288	45,2%	(520)	387
Communication (G&S)	3 330	(740)	-	2 590	2 339	251	90,3%	3 351	1 468
Consultants: Business and advisory services	78 762	1 700	-	80 462	23 434	57 028	29,1%	75 463	46 496
Infrastructure and planning services	2 784	60	-	2 844	-	2 844	-	1 516	272
Legal services	1 600	-	-	1 600	2 280	(680)	142,5%	11 040	1 745
Contractors	957 669	(12 460)	-	945 209	559 296	385 913	59,2%	1 056 133	474 992
Fleet services (including government motor transport)	5 086	(1 200)	(2 000)	1 886	17 327	(15 441)	918,7%	8 875	4 186
Inventory: Fuel, oil and gas	23 623	(4 752)	-	18 871	18 401	470	97,5%	34 906	35 485
Inventory: Materials and supplies	17 188	(2 665)	-	14 523	15 881	(1 358)	109,4%	12 261	12 859
Inventory: Medical supplies	-	-	-	-	-	-	-	20	18
Consumable supplies	9 360	(2 911)	-	6 449	5 956	493	92,4%	6 604	6 482
Consumable: Stationery, printing and office supplies	3 720	(711)	-	3 009	2 202	807	73,2%	2 419	2 628
Operating leases	1 975	(240)	-	1 735	1 656	79	95,4%	896	1 535
Property payments	8 827	4 860	-	13 687	13 766	(79)	100,6%	1 550	5 181
Travel and subsistence	6 052	1 379	-	7 431	7 366	65	99,1%	6 087	8 778
Operating payments	4 408	(950)	-	3 458	2 193	1 265	63,4%	2 791	1 160
Venues and facilities	-	30	-	30	47	(17)	156,7%	55	49
Rental and hiring	-	1 000	-	1 000	1 250	(250)	125,0%	-	-
Interest and rent on land	800	-	-	800	746	54	93,3%	-	3 445
Interest (Incl. interest on unitary payments (PPP))	800	-	-	800	746	54	93,3%	-	3 445
<b>Transfers and subsidies</b>	<b>7 674</b>	<b>-</b>	<b>-</b>	<b>7 674</b>	<b>120 840</b>	<b>(113 166)</b>	<b>1574,7%</b>	<b>8 159</b>	<b>5 388</b>
Provinces and municipalities	-	-	-	-	115 000	(115 000)	-	-	-
Provinces	-	-	-	-	115 000	(115 000)	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	115 000	(115 000)	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Households	7 674	-	-	7 674	5 840	1 834	76,1%	8 159	5 388
Social benefits	7 674	(552)	-	7 122	5 518	1 604	77,5%	6 619	3 942
Other transfers to households	-	552	-	552	322	230	58,3%	1 540	1 446
<b>Payments for capital assets</b>	<b>860 463</b>	<b>18 500</b>	<b>-</b>	<b>878 963</b>	<b>1 166 166</b>	<b>(287 203)</b>	<b>132,7%</b>	<b>457 974</b>	<b>875 907</b>
Buildings and other fixed structures	851 261	10 000	-	861 261	1 149 353	(288 092)	133,5%	430 512	863 867
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	851 261	10 000	-	861 261	1 149 353	(288 092)	133,5%	430 512	863 867
Machinery and equipment	9 202	8 500	-	17 702	16 813	889	95,0%	27 462	12 040
Transport equipment	4 734	10 620	-	15 354	15 695	(341)	102,2%	20 920	5 512
Other machinery and equipment	4 468	(2 120)	-	2 348	1 118	1 230	47,6%	6 542	6 528
	<b>2 328 025</b>	<b>-</b>	<b>(2 000)</b>	<b>2 326 025</b>	<b>2 307 938</b>	<b>18 087</b>	<b>99,2%</b>	<b>2 016 007</b>	<b>1 811 019</b>

# Programme 4: COMMUNITY BASED PROGRAMME

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. PROGRAMME SUPPORT COMMUNITY BASED	8 172	900	-	9 072	8 791	281	96,9%	7 528	7 125
2. COMMUNITY DEVELOPMENT	210 128	(31 684)	-	178 444	173 942	4 502	97,5%	347 685	342 903
3. INNOVATION AND EMPOWERMENT	5 368	(600)	-	4 768	2 796	1 972	58,6%	3 442	2 046
4. EPWP CO-ORDINATION AND MONITORING	386	31 384	-	31 770	20 041	11 729	63,1%	370	249
	<b>224 054</b>	<b>-</b>	<b>-</b>	<b>224 054</b>	<b>205 570</b>	<b>18 484</b>	<b>91,8%</b>	<b>359 025</b>	<b>352 323</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>222 903</b>	<b>-</b>	<b>-</b>	<b>222 903</b>	<b>205 211</b>	<b>17 692</b>	<b>92,1%</b>	<b>358 860</b>	<b>352 270</b>
Compensation of employees	7 274	700	-	7 974	7 915	59	99,3%	6 467	6 396
Salaries and wages	5 860	700	-	6 560	6 542	18	99,7%	5 655	5 666
Social contributions	1 414	-	-	1 414	1 373	41	97,1%	812	730
Goods and services	215 629	(700)	-	214 929	197 296	17 633	91,8%	352 393	345 874
Minor assets	99	-	-	99	6	93	6,1%	23	-
Catering: Departmental activities	26	-	-	26	-	26	-	28	-
Communication (G&S)	34	6	-	40	24	16	60,0%	36	24
Consultants: Business and advisory services	-	-	-	-	-	-	-	3 311	2 527
Legal services	2 150	-	-	2 150	2 121	29	98,7%	7 514	7 051
Contractors	-	-	-	-	-	-	-	199 418	135 752
Agency and support/ outsourced services	202 220	(1 500)	-	200 720	185 900	14 820	92,6%	138 832	198 555
Consumable supplies	4 007	794	-	4 801	4 533	268	94,4%	427	123
Transport provided: Departmental activity	50	-	-	50	-	50	-	-	-
Travel and subsistence	806	600	-	1 406	1 098	308	78,1%	992	837
Training and development	5 368	(600)	-	4 768	2 796	1 972	58,6%	1 631	943
Venues and facilities	869	-	-	869	818	51	94,1%	181	62
<b>Transfers and subsidies</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>29</b>	<b>-</b>	<b>100,0%</b>	<b>28</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Households	29	-	-	29	29	-	100,0%	28	-
Social benefits	29	-	-	29	29	-	100,0%	28	-
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1 122</b>	<b>-</b>	<b>-</b>	<b>1 122</b>	<b>330</b>	<b>792</b>	<b>29,4%</b>	<b>137</b>	<b>53</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	53
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	53
Machinery and equipment	1 122	-	-	1 122	330	792	29,4%	137	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 122	-	-	1 122	330	792	29,4%	137	-
	<b>224 054</b>	<b>-</b>	<b>-</b>	<b>224 054</b>	<b>205 570</b>	<b>18 484</b>	<b>91,8%</b>	<b>359 025</b>	<b>352 323</b>

# NORTH WEST: PUBLIC WORKS AND ROADS

## Notes to the Appropriation Statement

- 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 1 to the Annual Financial Statements.
- 2

**Detail of specifically and exclusively appropriated amounts voted (after Virement):**  
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
- 3

**Detail on payments for financial assets**  
Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial Statements.
- 4

**Explanations of material variances from Amounts Voted (after virement):**

4.1 Per Programme:

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

Administration

266 084

254 516

11 568

4%

**Reasons for variance**  
Implementation of moratorium relating to filling of posts resulting in underspending.

Public Works and Infrastructure

1 059 484

1 020 794

38 690

4%

**Reasons for variance**  
Delays in project implementation.

Transport Infrastructure

2 326 025

2 307 938

18 087

1%

**Reasons for variance**  
None.

Community Based Programme

224 054

205 570

18 484

8%

**Reasons for variance**  
Termination of EPWP contracts in quarter 3resulting in underspending.

#### 4.2 Per economic classification:

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
<b>Current expenditure</b>	<b>2 547 217</b>	<b>2 068 746</b>	<b>478 471</b>	<b>19%</b>
Compensation of employees	902 465	891 653	10 812	1%
Goods and services	1 643 952	1 175 639	468 313	28%
Interest and rent on land	800	1 454	(654)	-82%
<b>Transfers and subsidies</b>	<b>416 539</b>	<b>527 483</b>	<b>(110 944)</b>	<b>-27%</b>
Provinces and municipalities	398 730	512 808	(114 078)	-29%
Households	17 809	14 675	3 134	18%
<b>Payments for capital assets</b>	<b>911 891</b>	<b>1 192 589</b>	<b>(280 698)</b>	<b>-31%</b>
Buildings and other fixed structures	884 830	1 172 375	(287 545)	-32%
Machinery and equipment	27 061	20 214	6 847	25%

#### Reasons for variance

Reclassification of rehabilitation project expenses to capital assets from goods and services.

#### 4.3 Per conditional grant:

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Provincial Roads Maintenance Program	1 580 673	1 555 531	25 142	2%
Expanded Public Works Program	32 384	19 695	12 689	39%

#### Reasons for variance

Termination of EPWP contracts in quarter 3 resulting in underspending.

## Statement of Financial Performance

	Note	2023/24 R'000	2022/23 R'000
<b>REVENUE</b>			
Annual appropriation	1	3 875 647	3 757 846
Statutory appropriation		-	-
Departmental revenue	2	-	-
NRF Receipts		-	-
Aid assistance		-	-
<b>TOTAL REVENUE</b>		<b>3 875 647</b>	<b>3 757 846</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	891 653	877 337
Goods and services	4	1 171 695	1 269 579
Interest and rent on land	5	1 454	4 424
Aid assistance		-	-
<b>Total current expenditure</b>		<b>2 064 802</b>	<b>2 151 340</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	527 483	406 313
Aid assistance		-	-
<b>Total transfers and subsidies</b>		<b>527 483</b>	<b>406 313</b>
<b>Expenditure for capital assets</b>			
Tangible assets	7	1 196 533	913 478
Intangible assets		-	-
<b>Total expenditure for capital assets</b>		<b>1 196 533</b>	<b>913 478</b>
Unauthorised expenditure approved without funding		-	-
<b>Payments for financial assets</b>		-	-
<b>TOTAL EXPENDITURE</b>		<b>3 788 818</b>	<b>3 471 131</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>86 829</b>	<b>286 715</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds		86 829	286 715
Annual appropriation		48 998	79 493
Statutory Appropriation		-	-
Conditional grants		37 831	207 222
Departmental revenue and NRF Receipts		-	-
Aid assistance		-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>86 829</b>	<b>286 715</b>



# Statement of Financial Position

	Note	2023/24 R'000	2022/23 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>48 308</b>	<b>247 510</b>
Cash and cash equivalents	8	44 982	230 898
Other financial assets		-	-
Prepayments and advances	9	117	-
Receivables	10	3 209	16 612
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
<b>Non-Current Assets</b>		<b>46 367</b>	<b>48 062</b>
Investments		-	-
Prepayments and advances		-	-
Receivables	10	46 367	48 062
Loans		-	-
Other financial assets		-	-
<b>TOTAL ASSETS</b>		<b>94 675</b>	<b>295 572</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>94 009</b>	<b>295 204</b>
Voted funds to be surrendered to the Revenue Fund	11	86 829	286 715
Statutory Appropriation to be surrendered to the Revenue Fund		-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	5 054	7 413
Bank overdraft		-	-
Payables	13	2 126	1 076
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
<b>Non-Current Liabilities</b>			
Payables		-	-
<b>TOTAL LIABILITIES</b>		<b>94 009</b>	<b>295 204</b>
<b>NET ASSETS</b>		<b>666</b>	<b>368</b>
<b>Represented by:</b>			
Capitalisation reserve		-	-
Recoverable revenue		666	368
Retained funds		-	-
Revaluation reserves		-	-
Unauthorised expenditure		-	-
<b>TOTAL</b>		<b>666</b>	<b>368</b>

# Statement of Changes in Net Assets

NET ASSETS		2023/24 R'000	2022/23 R'000
	Note		
<b>Capitalisation Reserves</b>			
Opening balance		-	-
Transfers:			
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
<b>Recoverable revenue</b>			
Opening balance		368	283
Transfers		298	85
Irrecoverable amounts written off		-	-
Debts revised		-	-
Debts recovered (included in departmental receipts)		-	-
Debts raised		298	85
Closing balance		666	368
<b>Retained funds</b>			
Opening balance		-	-
Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other		-	-
Closing balance		-	-
<b>Revaluation Reserves</b>			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
<b>Unauthorised expenditure</b>			
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		-	-
Amounts approved by Parliament/Legislature with funding		-	-
Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
Amounts recoverable		-	-
Amounts written off		-	-
Closing balance		-	-
<b>TOTAL</b>		<b>666</b>	<b>368</b>

# Cash Flow Statement

	Note	2023/24 R'000	2022/23 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>3 902 328</b>	<b>3 783 795</b>
Annual appropriated funds received	1,1	3 875 647	3 757 846
Statutory appropriated funds received		-	-
Departmental revenue received	2	26 677	25 947
Interest received	2.2	4	2
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/ decrease in working capital		14 336	38 914
Surrendered to Revenue Fund		(322 130)	(161 137)
Surrendered to RDP Fund/Donor		-	-
Current payments		(2 063 348)	(2 146 916)
Interest paid	5	(1 454)	(4 424)
Payments for financial assets		-	-
Transfers and subsidies paid		(527 483)	(406 313)
<b>Net cash flow available from operating activities</b>	<b>14</b>	<b>1 002 249</b>	<b>1 103 919</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Distribution/dividend received		-	-
Payments for capital assets	7	(1 196 533)	(913 478)
Proceeds from sale of capital assets	2.3	6 375	995
(Increase)/ decrease in loans		-	-
(Increase)/ decrease in investments		-	-
(Increase)/ decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	10	1 695	(48 062)
<b>Net cash flows from investing activities</b>		<b>(1 188 463)</b>	<b>(960 545)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		298	85
Increase/ (decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>298</b>	<b>85</b>
Net increase/ (decrease) in cash and cash equivalents		(185 916)	143 459
Cash and cash equivalents at beginning of period		230 898	87 439
Unrealised gains and losses within cash and cash equivalents		-	-
<b>Cash and cash equivalents at end of period</b>	<b>24</b>	<b>44 982</b>	<b>230 898</b>

# Notes to the Annual Financial Statements

## 1 Annual Appropriation

### 1.1 Annual Appropriation

2023/24				2022/23		
Programmes	Final	Actual	Funds not	Final	Appropriation	Funds not
	Budget	Funds	requested/	Budget	Received	requested/
	R'000	Received	not received	R'000	R'000	not received
1) ADMINISTRATION PUBLIC WORKS	267 084	267 084	-	219 047	219 047	-
2) INFRASTRUCTURE TRANSPORT	1 056 484	1 056 484	-	1 163 767	1 163 767	-
3) INFRASTRUCTURE COMMUNITY BASED	2 328 025	2 328 025	-	2 016 007	2 016 007	-
4) PROGRAMME	224 054	224 054	-	359 025	359 025	-
<b>Total</b>	<b>3 875 647</b>	<b>3 875 647</b>	<b>-</b>	<b>3 757 846</b>	<b>3 757 846</b>	<b>-</b>

### 1.2 Conditional grants

Total grants received

Note	2023/24 R'000	2022/23 R'000
31	1 613 057	1 318 323

Provincial grants included in Total Grants received

-

## 2 Departmental Revenue

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 revenue collected

Less: Own revenue included in appropriation

Note	2023/24 R'000	2022/23 R'000
	-	-
2,1	23 274	21 635
	-	-
2,2	4	2
2,3	6 375	995
2,4	3 403	4 312
	-	-
	<b>33 056</b>	<b>26 944</b>
19	33 056	26 944

**Departmental revenue collected**

-

### 2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department

Sales by market establishment

Administrative fees

Other sales

Sales of scrap, waste and other used current goods

**Total**

Note	2023/24 R'000	2022/23 R'000
2	23 177	21 571
	6 660	7 093
	-	-
	16 517	14 478
	97	64
	<b>23 274</b>	<b>21 635</b>

		2023/24 R'000	2022/23 R'000
<b>2.2 Interest, dividends and rent on land</b>	<b>Note 2</b>		
Interest		4	2
Dividends		-	-
Rent on land		-	-
<b>Total</b>		<b>4</b>	<b>2</b>
<b>2.3 Sales of capital assets</b>	<b>Note 2</b>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>Tangible capital assets</b>		<b>6 375</b>	<b>995</b>
Buildings and other fixed structures		6 375	995
Machinery and equipment		-	-
<b>Total</b>		<b>6 375</b>	<b>995</b>
<b>2.4 Transactions in financial assets and liabilities</b>	<b>Note 2</b>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Other Receipts including Recoverable Revenue		3 403	4 312
<b>Total</b>		<b>3 403</b>	<b>4 312</b>
<b>3 Compensation of Employees</b>			
<b>3.1 Salaries and wages</b>			
Basic salary		606 544	561 965
Performance award		-	66
Service Based		3 141	2 033
Compensative/circumstantial		17 059	20 294
Periodic payments		-	279
Other non-pensionable allowances		113 513	146 871
<b>Total</b>		<b>740 257</b>	<b>731 508</b>
<b>3.2 Social Contributions</b>	<b>Note</b>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>Employer contributions</b>			
Pension		75 860	72 107
Medical		74 285	72 326
UIF		-	-
Bargaining council		283	426
Official unions and associations		92	-
Insurance		876	970
<b>Total</b>		<b>151 396</b>	<b>145 829</b>
<b>Total compensation of employees</b>		<b>891 653</b>	<b>877 337</b>
 Average number of employees		 2 479	 2 524



			2023/24 R'000	2022/23 R'000
<b>4 Goods and services</b>				
Administrative fees			37	52
Advertising			1 921	1 217
Minor assets	<b>4,1</b>		509	620
Bursaries (employees)			2 187	1 522
Catering			1 785	2 720
Communication			8 089	7 105
Computer services	<b>4,2</b>		811	3 637
Consultants: Business and advisory services			41 531	38 165
Infrastructure and planning services			-	444
Legal services			13 427	17 033
Contractors			559 732	615 731
Agency and support / outsourced services			185 900	198 557
Audit cost – external	<b>4,3</b>		14 181	12 902
Fleet services			24 092	57 481
Inventories	<b>4,4</b>		43 407	54 322
Consumables	<b>4,5</b>		23 816	20 342
Operating leases			1 542	1 402
Property payments	<b>4,6</b>		195 926	200 121
Rental and hiring			1 249	24
Transport provided as part of the departmental activities			594	375
Travel and subsistence	<b>4,7</b>		33 369	26 947
Venues and facilities			3 903	2 135
Training and development			5 779	3 002
Other operating expenditure	<b>4,8</b>		7 908	3 723
<b>Total</b>			<b>1 171 695</b>	<b>1 269 579</b>

			2023/24 R'000	2022/23 R'000
<b>4.1 Minor assets</b>	<b>Note 4</b>			
<b>Tangible capital assets</b>			<b>509</b>	<b>620</b>
Buildings and other fixed structures			-	-
Machinery and equipment			509	620
<b>Total</b>			<b>509</b>	<b>620</b>

			2023/24 R'000	2022/23 R'000
<b>4.2 Computer services</b>	<b>Note 4</b>			
SITA computer services			235	288
External computer service providers			576	3 349
<b>Total</b>			<b>811</b>	<b>3 637</b>

			2023/24 R'000	2022/23 R'000
<b>4.3 Audit cost – external</b>	<b>Note 4</b>			
Regularity audits			14 181	12 902
<b>Total</b>			<b>14 181</b>	<b>12 902</b>

<b>4.4 Inventories</b>		<b>Note 4</b>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
	Fuel, oil and gas		22 484	29 046
	Materials and supplies		20 923	25 258
	Medical supplies		-	18
	<b>Total</b>		<b>43 407</b>	<b>54 322</b>
<b>4.5 Consumables</b>		<b>Note 4</b>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
	Consumable supplies		15 585	13 244
	Uniform and clothing		12 002	9 643
	Household supplies		2 829	3 028
	Building material and supplies		569	-
	Communication accessories		-	253
	IT consumables		121	223
	Other consumables		64	97
	Stationery, printing and office supplies		8 231	7 098
	<b>Total</b>		<b>23 816</b>	<b>20 342</b>
<b>4.6 Property payments</b>		<b>Note 4</b>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
	Municipal services		50 078	58 552
	Property maintenance and repairs		42 822	35 002
	Other		103 026	106 567
	<b>Total</b>		<b>195 926</b>	<b>200 121</b>
<b>4.7 Travel and subsistence</b>		<b>Note 4</b>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
	Local		33 369	26 947
	Foreign		-	-
	<b>Total</b>		<b>33 369</b>	<b>26 947</b>
<b>4.8 Other operating expenditure</b>		<b>Note 4</b>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
	Professional bodies, membership and subscription fees		5 533	77
	Resettlement costs		181	248
	Other		2 194	3 398
	<b>Total</b>		<b>7 908</b>	<b>3 723</b>
			<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>4.9 Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)</b>				
	Name of Commission / Committee of inquiry		-	-
	<b>Total</b>		<b>-</b>	<b>-</b>

	Note	2023/24 R'000	2022/23 R'000
<b>5 Interest and Rent on Land</b>			
Interest paid		1 454	4 424
Rent on land		-	-
<b>Total</b>		<b>1 454</b>	<b>4 424</b>

	Note	2023/24 R'000	2022/23 R'000
<b>6 Transfers and Subsidies</b>			
Provinces and municipalities	32	512 771	389 492
Households	<b>Annex 1</b>	14 712	16 821
<b>Total</b>		<b>527 483</b>	<b>406 313</b>

	Note	2023/24 R'000	2022/23 R'000
<b>7 Expenditure for capital assets</b>			
<b>Tangible capital assets</b>		<b>1 196 533</b>	<b>913 478</b>
Buildings and other fixed structures		1 172 211	905 837
Machinery and equipment		24 322	7 641
<b>Total</b>		<b>1 196 533</b>	<b>913 478</b>

**7.1 Analysis of funds utilised to acquire capital assets - 2023/24**

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible capital assets</b>	<b>1 196 533</b>	<b>-</b>	<b>1 196 533</b>
Buildings and other fixed structures	1 172 211	-	1 172 211
Machinery and equipment	24 322	-	24 322
<b>Total</b>	<b>1 196 533</b>	<b>-</b>	<b>1 196 533</b>

**7.2 Analysis of funds utilised to acquire capital assets - 2022/23**

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible capital assets</b>	<b>913 478</b>	<b>-</b>	<b>913 478</b>
Buildings and other fixed structures	905 837	-	905 837
Machinery and equipment	7 641	-	7 641
<b>Total</b>	<b>913 478</b>	<b>-</b>	<b>913 478</b>

	2023/24 R'000	2022/23 R'000
<b>7.3 Finance lease expenditure included in Expenditure for capital assets</b>		
<b>Tangible capital assets</b>		
Buildings and other fixed structures	4 108	-
Machinery and equipment	-	3 406
<b>Total</b>	<b>4 108</b>	<b>3 406</b>

	<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>8 Cash and Cash Equivalents</b>			
Consolidated Paymaster General Account		44 982	230 898
<b>Total</b>		<b>44 982</b>	<b>230 898</b>

<b>9 Prepayments and Advances</b>			
Advances paid (Not expensed)	9,1	117	-
<b>Total</b>		<b>117</b>	<b>-</b>

#### Analysis of Total Prepayments and advances

Current Prepayments and advances		117	-
Non-current Prepayments and advances		-	-
<b>Total</b>		<b>117</b>	<b>-</b>

#### 9.1 Advances paid (Not expensed)

	<i>Note</i>	Balance as at 1 April 2023	Less: Amount expensed in current year	Add/ Less: Other	Add: Current Year advances	Balance as at 31 March 2024
	9	R'000	R'000	R'000	R'000	R'000
National departments		-				-
Provincial departments		-				-
Public entities		-	(23 343)	-	23 460	117
Other institutions		-				-
<b>Total</b>		<b>-</b>	<b>(23 343)</b>	<b>-</b>	<b>23 460</b>	<b>117</b>

	<i>Note</i>	Balance as at 1 April 2022	Less: Amount expensed in current year	Add/ Less: Other	Add: Current Year advances	Balance as at 31 March 2023
<b>Advances paid (Not expensed)</b>	9	R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	-	-
Provincial departments		-	-	-	-	-
Public entities		-	-	-	-	-
Other institutions		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

		2023/24			2022/23		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
<b>10 Receivables</b>							
Claims recoverable	10,1	574		574	6 242	-	6 242
Trade receivables			-	-	-	-	-
Recoverable expenditure	10,2	3		3	2	-	2
Staff debt				-	-	-	-
Other receivables	10,3	2 632	46 367	48 999	10 368	48 062	58 430
<b>Total</b>		<b>3 209</b>	<b>46 367</b>	<b>49 576</b>	<b>16 612</b>	<b>48 062</b>	<b>64 674</b>

		Note	2023/24 R'000	2022/23 R'000
<b>10.1 Claims recoverable</b>		<b>10</b>		
Provincial departments			574	6 242
Local governments				-
<b>Total</b>			<b>574</b>	<b>6 242</b>

		Note	2023/24 R'000	2022/23 R'000
<b>10.2 Recoverable expenditure</b>		<b>10</b>		
Salary Tax Debt			3	2
<b>Total</b>			<b>3</b>	<b>2</b>

		Note	2023/24 R'000	2022/23 R'000
<b>10.3 Other receivables</b>		<b>10</b>		
Unauthorised expenditure				-
Irregular expenditure				-
Fruitless and wasteful expenditure			46 367	46 367
Salary Medical Aid				17
Debt account			2 455	2 276
Salary reversal				43
Disallowance Miscellaneous			177	9 727
<b>Total</b>			<b>48 999</b>	<b>58 430</b>



	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>11 Voted Funds to be surrendered to the Revenue Fund</b>			
Opening balance		286 715	131 403
Prior period error			(0)
As restated		286 715	131 403
Transfer from statement of financial performance (as restated)		86 829	286 715
Add: Unauthorised expenditure for current year		-	-
Voted funds not requested/not received	<b>1,1</b>	-	-
Transferred to retained revenue to defray excess expenditure (Parliament/Legislatures ONLY)			-
Paid during the year		(286 715)	(131 403)
<b>Closing balance</b>		<b>86 829</b>	<b>286 715</b>

<b>11.1</b>	<b>Reconciliation of unspent conditional grants</b>	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
		<b>1,2</b>	1 613 057 (1 575 226)	1 318 323 (1 111 101)
	Total conditional grants received			
	Total conditional grants spent			
	Unspent conditional grants to be surrendered		37 831	207 222
	Less: Paid to the Provincial Revenue Fund by Provincial department		-	-
	Approved for rollover		-	-
	Not approved for rollover		-	-
	<b>Due by the Provincial Revenue Fund</b>		<b>37 831</b>	<b>207 222</b>

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>12 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		7 413	10 203
Prior period error			
As restated		7 413	10 203
Transfer from Statement of Financial Performance (as restated)		-	-
Own revenue included in appropriation		33 056	26 944
Transfer from aid assistance		-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)		-	-
Paid during the year		(35 415)	(29 734)
<b>Closing balance</b>		<b>5 054</b>	<b>7 413</b>

			2023/24 R'000	2022/23 R'000
<b>13 Payables - current</b>	<b>Note</b>			
Amounts owing to other entities			1 617	268
Advances received			-	-
Clearing accounts	13,1		509	808
Other payables			-	-
<b>Total</b>			<b>2 126</b>	<b>1 076</b>
	<b>Note</b>		<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>13.1 Clearing accounts</b>	<b>13</b>			
Salary ACB Recall			42	109
Salary Bargaining Council			-	-
Salary income Tax			108	102
Salary Pension Fund			1	-
Salary Persal EBT Control				38
Salary Gehs Refund			358	559
<b>Total</b>			<b>509</b>	<b>808</b>
	<b>Note</b>		<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>14 Net cash flow available from operating activities</b>				
Net surplus/(deficit) as per Statement of Financial Performance			86 829	286 715
Add back non-cash/cash movements not deemed operating activities			915 420	817 204
(Increase)/decrease in receivables			13 403	40 445
(Increase)/decrease in prepayments and advances			(117)	-
(Increase)/decrease in other current assets			-	-
Increase/(decrease) in payables – current			1 050	(1 531)
Proceeds from sale of capital assets			-	-
Proceeds from sale of investments			-	-
(Increase)/decrease in other financial assets			-	-
Expenditure on capital assets			1 196 533	913 478
Surrenders to Revenue Fund			(322 130)	(161 137)
Surrenders to RDP Fund/Donor			-	-
Voted funds not requested/not received			-	-
Statutory Appropriation not requested/not received			-	-
Own revenue included in appropriation			26 681	25 949
Other non-cash items			-	-
<b>Net cash flow generated by operating activities</b>			<b>1 002 249</b>	<b>1 103 919</b>

						2023/24 R'000	2022/23 R'000
					<i>Note</i>		
<b>15</b>	<b>Reconciliation of cash and cash equivalents for cash flow purposes</b>						
	Consolidated Paymaster General account					44 982	230 898
	<b>Total</b>					<b>44 982</b>	<b>230 898</b>
					<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>16</b>	<b>Contingent liabilities and contingent assets</b>						
	<b>16.1</b>	<b>Contingent liabilities</b>					
		<b>Liable to Nature</b>					
		Claims against the department			<b>Annex 2</b>	368 918	561 161
		Intergovernmental payables			<b>Annex 4</b>	726	274
		<b>Total</b>				<b>369 644</b>	<b>561 435</b>
	<b>16.2</b>	<b>Contingent assets</b>					
		<b>Nature of contingent asset</b>					
		Overpayment to suppliers under investigation			<i>Note</i>	5 720	233
		<b>Total</b>				<b>5 720</b>	<b>233</b>
					<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>17</b>	<b>Capital commitments</b>						
		Buildings and other fixed structures				1 750 008	2 788 700
		Machinery and equipment				-	-
		<b>Total</b>				<b>1 750 008</b>	<b>2 788 700</b>
						2023/24 R'000	2022/23 R'000
<b>18</b>	<b>Accruals and payables not recognised</b>						
	<b>18.1</b>	<b>Accruals</b>					
		<b>Listed by economic classification</b>					
			<b>30 days</b>	<b>30+ days</b>		<b>Total</b>	<b>Total</b>
		Goods and services	220 331	-		220 331	48 201
		Capital assets	53 947	-		53 947	1 474
		Other	-	-		-	-
		<b>Total</b>	<b>274 278</b>	<b>-</b>		<b>274 278</b>	<b>49 675</b>
						2023/24 R'000	2022/23 R'000
		<b>Listed by programme level</b>			<i>Note</i>		
		Administration				38 617	30 455
		Public Works Infrastructure				9 883	6 081
		Transport Infrastructure				115 458	12 471
		Community Based Programme				110 320	668
		<b>Total</b>				<b>274 278</b>	<b>49 675</b>

18.2 Payables not recognised Listed by economic classification	2023/24			2022/23
	30	30+ days	Total	Total
	days	Note	2023/24	2022/23
	R'000	R'000	R'000	R'000
Goods and services	61 007	19 782	80 789	123 242
Capital assets	124 429	115 594	240 023	-
Other	323	8	331	-
<b>Total</b>	<b>185 759</b>	<b>135 384</b>	<b>321 143</b>	<b>123 242</b>

Listed by programme level	Note	2023/24	2022/23
		R'000	R'000
Administration		34 160	6 574
Public Works Infrastructure		13 875	4 912
Transport Infrastructure		258 322	104 798
Community Based Programme		14 786	6 958
<b>Total</b>		<b>321 143</b>	<b>123 242</b>

<u>Included in the above totals are the following:</u>	Note	2023/24	2022/23
		R'000	R'000
Confirmed balances with departments	Annex 4	54	268
Confirmed balances with other government entities	Annex 4	-	6
<b>Total</b>		<b>54</b>	<b>274</b>

19 Employee benefits	Note	2023/24	2022/23
		R'000	R'000
Leave entitlement		43 144	47 027
Service bonus		24 724	23 105
Performance awards		-	-
Capped leave		44 750	47 653
Other		708	3 175
<b>Total</b>		<b>113 326</b>	<b>120 960</b>

The amount of leave entitlement includes negative leave balances amounting to -R 486 922.28. The reason for the negative leave are twofold. Firstly, the timing difference in the cut-off of the leave cycle which runs 01 January to 31 December, whereas the Financial Statements are prepared at 31 March. Secondly, employees receive their annual vacation credits pro-rata in January at the beginning of the cycle. These credits may be utilised immediately when available with no restriction on the number of days taken up to the limit of available credits. It means that an employee may take more than the accrual for Jan to March (AFS), or the period for IFS. The days taken in excess of the accrual are reflected as negative credits. Had the negative leave balances been disclosed separately, the leave entitlement would have been disclosed at an amount of R 45 249 256.

<u>Included in the above totals are the following:</u>	Note	2023/24	2022/23
		R'000	R'000
Confirmed balances with departments	Annex 4	-	-
Confirmed balances with other government entities	Annex 4	-	-
<b>Total</b>		<b>-</b>	<b>-</b>

## 20 Lease commitments

### 20.1 Finance leases

2023/24	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	2 394	2 394
Later than 1 year and not later than 5 years	-	-	-	940	940
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 334</b>	<b>3 334</b>

2022/23	Specialised military assets	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 five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 105</b>	<b>6 105</b>

## 21

### Accrued departmental revenue

Sales of goods and services  
other than capital assets

**Total**

Note	2023/24 R'000	2022/23 R'000
	83 619	84 482
	<b>83 619</b>	<b>84 482</b>

### 21.1 Analysis of accrued departmental revenue

	2023/24 R'000	2022/23 R'000
Opening balance	84 482	69 390
Less: Amounts received	21 970	11 279
Less: Services received in lieu of cash	-	-
Add: Amounts recorded	21 107	26 371
Less: Amounts written-off/reversed as irrecoverable	-	-
Less: Amounts transferred to receivables for recovery	-	-
Other (Specify)	-	-
<b>Closing balance</b>	<b>83 619</b>	<b>84 482</b>



	<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>22 Unauthorised, Irregular and Fruitless and wasteful expenditure</b>			
Unauthorised expenditure		-	-
Irregular expenditure		310 052	748 740
Fruitless and wasteful expenditure		1 454	537
<b>Total</b>		<b>311 506</b>	<b>749 277</b>

	<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>23 Related party transactions</b>			

*The Department of Public Works and Roads has related party relationships with the following: All Provincial Departments in the North West Province, North West Provincial Legislature and National Department of Public Works and Infrastructure.*

		2023/24 R'000	2022/23 R'000
<b>24 Key management personnel</b>			
Political office bearers (provide detail below)		2 159	2 096
Officials:		-	-
HOD		1 830	1 164
Chief Director		14 873	7 192
Directors		22 980	19 781
Family members of key management personnel		-	-
<b>Total</b>		<b>41 842</b>	<b>30 233</b>

	<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>25 Provisions</b>			
Retention money		163 627	103 509
<b>Total</b>		<b>163 627</b>	<b>103 509</b>

#### 25,1 Reconciliation of movement in provisions - 2023/24

	Road Infrastructure R'000	Building Projects R'000	Total provisions R'000
Opening balance	103 166	343	103 509
Increase in provision	93 035	61	93 096
Settlement of provision	(32 978)	-	(32 978)
Unused amount reversed	-	-	-
Reimbursement expected from third party	-	-	-
Change in provision due to change in estimation of inputs	-	-	-
<b>Closing balance</b>	<b>163 223</b>	<b>404</b>	<b>163 627</b>

Reconciliation of movement in provisions - 2022/23

	Road Infrastructure R'000	Building Projects R'000	Total provisions R'000
Opening balance	75 189	-	75 189
Increase in provision	68 014	343	68 357
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	-	-	-
<b>Closing balance</b>	<b>103 166</b>	<b>343</b>	<b>103 509</b>

Provision consists of retention money withheld from project cost. Amounts become due to the service provider in two stages namely practical completion stage and expiry of the 12-month defect liability period.

26 Movable Tangible Capital Assets  
MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	413 876		32 103	3 176	442 803
Transport assets	339 880		26 695		366 575
Computer equipment	39 166		2 741	3 099	38 808
Furniture and office equipment	11 657		1 301	77	12 881
Other machinery and equipment	23 173		1 366		24 539
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>413 876</b>	<b>-</b>	<b>32 103</b>	<b>3 176</b>	<b>442 803</b>

Movable Tangible Capital Assets  
under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	908	19 730

These assets could not be physically verified in two consecutive years and have been recommended for write off in 2024/25.

26.1 Movement for 2022/23  
**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	395 839	-	19 052	1 015	413 876
Transport assets	334 368	-	5 512	-	339 880
Computer equipment	37 381	-	2 800	1 015	39 166
Furniture and office equipment	10 418	-	1 239	-	11 657
Other machinery and equipment	13 672	-	9 501	-	23 173
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>395 839</b>	<b>-</b>	<b>19 052</b>	<b>1 015</b>	<b>413 876</b>

26.1.1	Prior period error	Note	2022/23 R'000
	Nature of prior period error		
	Relating to 2022/23		12
	Computer equipment		5
	Furniture and office equipment		7
	<b>Total</b>		<b>12</b>

26.2 Minor assets  
**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machiner y and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	23 863	-	23 863
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	512	-	512
Disposals	-	-	-	275	-	275
<b>TOTAL MINOR CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 100</b>	<b>-</b>	<b>24 100</b>

	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	-	-	-	25 023	-	25 023
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35 176</b>	<b>-</b>	<b>35 176</b>

## Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	23 343	-	23 343
Prior period error	-	-	-	-	-	-
Additions	-	-	-	619	-	619
Disposals	-	-	-	99	-	99
<b>TOTAL MINOR CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23 863</b>	<b>-</b>	<b>23 863</b>

	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
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35 086</b>	<b>-</b>	<b>35 086</b>

27

## Immovable Tangible

### Capital Assets

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	38 264 638	1 425 790	53 950	39 636 478
Dwellings	328 650	51 663	11 566	368 747
Non-residential buildings	4 029 312	301 746	39 600	4 291 458
Other fixed structures	33 906 676	1 072 381	2 784	34 976 273
<b>LAND AND SUBSOIL ASSETS</b>	101 146	14 341	-	115 487
Land	101 146	14 341	-	115 487
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>38 365 784</b>	<b>1 440 131</b>	<b>53 950</b>	<b>39 751 965</b>

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	37 343 626	858 954	240 992	178 934	38 264 638
Dwellings	322 958	6 157	1 574	2 039	328 650
Non-residential buildings	3 967 277	15 703	51 486	5 154 171	4 029 312
Other fixed structures	33 053 391	837 094	187 932	741	33 906 676
<b>LAND AND SUBSOIL ASSETS</b>	100 463	683	-	-	101 146
Land	100 463	683	-	-	101 146
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>37 444 089</b>	<b>859 637</b>	<b>240 992</b>	<b>178 934</b>	<b>38 365 784</b>

**27.1.1 Prior period error**

**Note**

**2022/23  
R'000**

Nature of prior period error  
 Relating to 2021/22 (affecting the opening balance)  
 Rehabilitation Projects  
 Dwellings and land  
 Non-residential buildings  
 Relating to  
 2022/23  
 Rehabilitation Projects  
 Dwellings and land  
 Non-residential buildings  
**Total**

**859 637**

837 094

6 840

15 703

**161 825**

161 825

-

-

**1 021 462**



27,2 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2024

	Note	Opening Balance 1 April 2023 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2024 R'000
	Annex 5				
Buildings and other fixed structures		1 581 287	1 148 095	1 059 014	1 670 368
Land and subsoil assets		-	-	-	-
<b>TOTAL</b>		<b>1 581 287</b>	<b>1 148 095</b>	<b>1 059 014</b>	<b>1 670 368</b>

	2023/24	2022/23
	R'00	R'000
<b>Payables not recognised relating to Capital WIP</b>	<b>0</b>	<b>88 689</b>
<i>Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in- progress</i>	203 178	88 689
	-	-
<b>Total</b>	<b>203 178</b>	<b>88 689</b>

CAPITAL WORKIN-PROGRESS AS  
AT 31 MARCH 2023

	Note	Opening Balance 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
	Annex 5					
Buildings and other fixed structures		344 148	523 673	841 145	127 679	1 581 287
Land and subsoil assets		-	-	-	-	-
<b>TOTAL</b>		<b>344 148</b>	<b>523 673</b>	<b>841 145</b>	<b>127 679</b>	<b>1 581 287</b>

		2023/24	2022/23
27,3	Immovable capital assets (additional information)	Note	
		Estimated completion date	
A	Unsurveyed land	Area	Area
			-
B	Properties deemed vested	Number	Number
	Land parcels	238	301
	Facilities		
	Schools	43	53
	Clinics	2	4
	Hospitals	4	12
	Office buildings	22	28
	Dwellings	45	55

Storage facilities  
Other

-  
122 149

c **Facilities on unsurveyed land**

Department of Agriculture Land Reform and Rural Development (DALRRD) is responsible to have a record of all un-surveyed state land, including those from the former TBVC States and Self Governing Territories and state land in the former territory of the Republic of South Africa (pre 27 April 1994);

Duration of  
use

Number

Number

-  
-  
-

d **Facilities on right to use land**

Duration of  
use

Number

Number

Schools

1 814 1 824

Clinics

370 364

Hospitals

15 16

Office buildings

24 101

Dwellings

888 913

Storage facilities

8 8

Other

224 149

28 **Principal-agent arrangements**

28,1 **Department  
acting as the  
principal**

2023/24

2022/23

R'000

R'000

*Development Bank of South Africa*

1 663 -

**Total**

**1 663 -**

*DBSA serves as an agent for the department as it facilitates repairs and maintenance services in state owned building (Garona Building). Total amount paid to DBSA during the 2023/24 financial year is R23 million (Inclusive of management fee of R1,6m)*

29 **Changes in accounting estimates and Changes in accounting policies**

29,1 **Changes in accounting policies**

Nature of change in accounting policy	Note	Opening Balance before the change 1 April 2022	Adjustment to opening balance	Restated opening Balance after the change 1 April 2022	Adjustment for 2022/23	Restated closing Balance 31 March 2023
		R'000	R'000	R'000	R'000	R'000
<b>Finance lease assets</b>						
Movable Tangible Capital Assets	26	11 301	2 371	13 672	9 501	23 173
Intangible Capital Assets				-		-
Immovable Tangible Capital				-		-

## Assets

## 30 Prior period errors

2022/23

	Note	Amount before error correction	Prior period error	Restated amount
		R'000	R'000	R'000
30,1 Correction of prior period errors <i>Revenue: (e.g. Annual appropriation, Departmental revenue, Aid assistance, etc.)</i>				
Net effect		-	-	-

***Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)***

Consultants: Business and advisory services	Note 4	62 904	(24 739)	38 165
Contractors	Note 4	611 150	4 581	615 731
Inventories	Note 4	68 168	(13 846)	54 322
Machinery and equipment	Note 7	19 298	(11 657)	7 641
Fleet services	Note 4	11 820	45 661	57 481
Net effect		773 340	-	773 340

***Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)***

Movable Tangible Capital Assets - Furniture and Office Equipment Additions	Note 26,1	1 232	7	1 239
Movable Tangible Capital Assets - Computer Equipment - Additions	Note 26,1	2 795	5	2 800
Immovable Tangible Capital Assets - Dwellings	Note 27,1	322 958	6 157	329 115
Immovable Tangible Capital Assets - Non-residential buildings	Note 27,1	3 967 277	15 703	3 982 980
Immovable Tangible Capital Assets - Other fixed structures	Note 27,1	33 053 391	998 919	34 052 310
Immovable Tangible Capital Assets - Land	Note 27,1	100 463	683	101 146
Immovable tangible capital assets: Capital Work-in-progress	Note 27,2	344 148	803 282	1 147 430
Immovable tangible capital assets: Capital Work-in-progress (Payables)	Note 27,2	-	88 689	88 689
Accrued Departmental Revenue	Note 21	11 279	1 001	12 280
Net effect		37 803 543	1 914 446	39 717 989

***Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)***

Accruals - Goods and services	Note 18,1	9 742	38 459	48 201
Payables - Goods and services	Note 18,2	109 085	14 157	123 242
Capital Commitments	Note 17	1 539 302	1 249 398	2 788 700
Provisions	Note 25	114 529	(11 020)	103 509
Net effect		1 772 658	1 290 994	3 063 652

**Other: (e.g. Unauthorised expenditure, Irregular expenditure, fruitless and wasteful expenditure, etc.)**

Irregular Expenditure for the year	<b>Note 22</b>	689 359	59 381	748 740
Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services)	<b>Note 4,9</b>	60	(60)	-
<b>Net effect</b>		<b>689 419</b>	<b>59 321</b>	<b>748 740</b>

31. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION						SPENT			2022/23	
	Division of Revenue Act/Provincial Grants	Roll Overs	DOR Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (overspending)	% of available funds spent by dept	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Roads Maintenance Program	1 426 044	206 309		(51 680)	1 580 673	1 580 673	1 555 531	25 142	98,4%	1 290 374	1 084 066
Expanded Public Works Program	35 883			(3 499)	32 384	32 384	19 695	12 689	60,8%	27 949	27 035
					-			-			
					-			-			
	1 461 927	206 309	-	(55 179)	1 613 057	1 613 057	1 575 226	37 831		1 318 323	1 111 101



32. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

	2023/24											2022/23	
	GRANT ALLOCATION					TRANSFER							
	DoRA and other transfers	Roll Over s	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	DoRA and other transfers	Actual Transfer				
										R'000	R'000	R'000	R'000
NAME OF MUNICIPALITY	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		
City of Matlosana	36 000			36 000	36 641	(641)		34 091	34 660				
Ditsobotla Local Municipality	4 500			4 500	3 200	1 300		7 880	3 082				
Greater Taung Local Municipality	18 554			18 554	17 989	565		21 778	17 225				
Jb Marks Local Municipality	22 890			22 890	25 181	(2 291)		15 708	20 445				
Kgetleng Rivier Local Municipality	2 000			2 000	1 219	781		4 295	1 192				
Lekwa - Teemane Local Municipality	2 200			2 200	1 824	376		6 690	1 815				
Madibeng Local Municipality	39 000			39 000	36 703	2 297		33 589	52 560				
Mahikeng Local Municipality	158 260			158 260	163 406	(5 146)		133 889	151 500				
Mamusa Local Municipality	5 100			5 100	4 957	143		6 559	4 706				
Maquassi Hills Local Municipality	5 444			5 444	3 247	2 197		6 339	3 254				
Molopo Kagisano Local Municipality	4 100			4 100	1 017	3 083		9 778	3 327				
Moretele Local Municipality	10 000			10 000	8 969	1 031		30 689	9 063				
Moses Kotane Local Municipality	35 000			35 000	36 155	(1 155)		35 550	34 355				
Naledi Local Municipality	16 332			16 332	17 730	(1 398)		20 890	16 338				
Ramotshere Moiloa Local Municipality	3 300			3 300	2 702	598		4 550	2 748				
Ratlou Local Municipality	18 000			18 000	19 003	(1 003)		25 055	16 703				
Rustenburg Local Municipality	3 000			3 000	2 614	386		3 555	2 073				

T swaing Local Municipality

15 000	15 000	15 214	(214)	15 897	14 446
398 680	-	398 680	909	-	389 492

ANNEXURE 1  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
	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
HOUSEHOLDS								
Transfers								
Leave Gratuity				-	10 522		14 825	8 142
Vehicle Licences				-	37		-	-
Claims against state				-	4 153		1 655	8 679
				-				
	-	-	-	-	14 712		16 480	16 821
Subsidies								
	-	-	-	-	-		-	-
	-	-	-	-	14 712		16 480	16 821
Total								

# Annexures to the Annual Financial Statements

ANNEXURE 2  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

NATURE OF LIABILITY	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Majisgrate and high court claims	561 161	75 619	267 862	-	368 918
Subtotal	561 161	75 619	267 862	-	368 918
Environmental liability					
Subtotal	-	-	-	-	-
Other					
Subtotal	-	-	-	-	-
TOTAL	561 161	75 619	267 862	-	368 918

## ANNEXURE 3

### CLAIMS RECOVERABLE

DEPARTMENTS				
Transport & Community Safety	1 528	104	71	104
National Correctional Services	27			
Forestry	8			
Department of Economic Enterprise	10			
Department of Health	22			
Department of Health North West	2	911	2 691	
Department of Justice	557			
Gauteng Department of Justice	44			
North West Provincial Legislature	175	173		
National Public Works and Infrastructure	12			
Provincial Treasury	5 737	8		
Public Service	16			
Public Works Infrastructure	49			
Department of Rural Development	23	222	164	
Department of Social Development	15	1 704	1 754	
Gauteng Department of Water and Sanitation	43			





Annexures to the Annual Financial Statements

ANNEXURE 4  
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2023/24*	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Health	18	-	36	-	54	-		-
Department of Social Development		-	127	-	127	-		-
Department of Human Settlement	0	-	-	6	0	6		
Department of Community Safety & Transport Mgt		-	363	-	363	-		-
Department of Arts, Culture and Recreation		-	82	-	82	-		-
Department of Justice: Mafikeng - Residential Building		251	-	-	-	251		
Sassa- Refund To be paid to Sassa		17	-	-	-	17		
Department of Agriculture, Land Reform and Rural Development	5				5	-		-
Home Affairs	65				65	-		-
Public Service and Administration	30				30	-		-
Subtotal	118	268	608	6	726	274		-



# Annexures to the Annual Financial Statements

## ANNEXURE 5 Movement in Capital Work-in-Progress

### MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	1 581 286	1 148 095	1 059 014	1 670 367
Dwellings	-			-
Non-residential buildings	39 597	14 364	2 178	51 783
Other fixed structures	1 541 689	1 133 731	1 056 836	1 618 584
<b>LAND AND SUBSOIL ASSETS</b>	-	-	-	-
Land				-
Mineral and similar non-regenerative resources				-
<b>TOTAL</b>	1 581 286	1 148 095	1 059 014	1 670 367

	Opening balance	Prior period errors	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	344 147	523 673	841 145	(127 679)	1 581 286
Dwellings	23 660		15 937		-
Non-residential buildings	320 487	523 673	825 208	(127 679)	39 597
Other fixed structures					1 541 689
<b>LAND AND SUBSOIL ASSETS</b>					
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
<b>TOTAL</b>	<b>344 147</b>	<b>523 673</b>	<b>841 145</b>	<b>(127 679)</b>	<b>1 581 286</b>



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