ANNUAL REPORT

2023 – 2024

public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

List of Abbreviations

FULL DESCRIPTION	ACRONYM	FULL DESCRIPTION	ACRONYM
Accounting Standards Board	ASB	Information Technology Acquisition	ITAC
Adult Basic Education and Training	ABET	Information Technology Procurement	ITP
Annual Financial Statement	AFS	Infrastructure Development Act, No 23 of 2014, as amended	IDA
Agrément South Africa	ASA	Infrastructure South Africa	ISA
Annual Performance Plan	APP	Land Redistribution Agricultural Development	LRAD
Assets under construction	AUC	Logistical Information System	LOGIS
Business Intelligence	BI	Memorandum of Understanding	MOU's
Built Environment Professionals	BEP	Medium Term Budget Policy Statement	MTBPS
Border Control Operating Coordinating Committee	BCOCC	Medium Term Expenditure Framework	MTEF
Asset Register Management	ARM	Medium Term Strategic Framework	MTSF
Basic Accounting System	BAS	Middle Management Services	MMS
Black Economic Empowerment	BEE	Millennium Development Goals	MDGs
Broad-Based Black Economic Empowerment	BBBEE	Municipal Infrastructure Grant	MIG
Built Environment Professions	BEPs	Management Information System	MIS
Business Continuity Plan	BCP	Non-Governmental Organisations	NGOs
Client Relationship Management	CRM	Non-Profit Organizations	NPOs
Community Based Organisations	CBOs	National Contractor Development Programme	NCDP
Construction Contact Centres	CCC's	National Economic Development And Labour Council	NEDLAC
Community Works Programme	CWP	National Infrastructure Maintenance Strategy	NIMS
Construction Industry Development Board	CIDB	National Youth Service	NYS
Continued Professional Development	CPD	Occupational Specific Dispensation	OSD
Contractor Incubator Programme	CIP	Occupational Health and Safety Act	OHSA
Council for Built Environment	CBE	Pan African Parliament	PAP
Custodian Asset Management Plan	CAMP	Performance Based Building	PBB
Department of Cooperative Governance and Traditional Affairs	COGTA	Public Finance Management Act	PFMA

FULL DESCRIPTION	ACRONYM	FULL DESCRIPTION	ACRONYM
Capital Works Implementation Programme	CWIP	Performance Management and Development System	PMDS
Department of International Relations and Cooperation	DIRCO	Planned Maintenance Implementation Programme	PMIP
Department of Public Works and Infrastructure	DPWI	Portfolio Performance and Monitoring	PPM
Department of Water Affairs	DWA	Property Charter Council	PCC
Department of Public Works Intergovernmental Forum	DPWNIF	Property Incubator Programme	PIP
Department of Rural Development and Land Reform	DRDLP	Property Management Information System	PMIS
Division of Revenue Act	DORA	Property Management Trading Entity	PMTE
Document Management System	DMS	Property Performance Standards	PPS
Engineering Council of South Africa	ECSA	Public Finance Management Act	PFMA
Early Childhood Development	ECD	Parliamentary Villages	PV
Economic and Employment Cluster	EEC	Regulatory Impact Assessment	RIA
Employee Development and Management System	EDMS	Recognition of Prior Learning	RPL
Estimates of National Expenditure	ENE	South African Local Government Association	SALGA
Employment Skills Development Agency	ESDA	Supply Chain Management	SCM
Expanded Public Works Programme	EPWP	Key Account Management	KAM
Executive Management Committee Meeting	EXCO	Implement Service Delivery Improvement Programme	SDIP
Full Time Equivalent	FTE	Senior Management Services	SMS
Facilities Management	FM	Service Delivery Standards	SDS
Financial Year	FY	Service Level Agreement	SLA
Generally Accepted Accounting Principles	GAAP	Software Asset Management	SAM
Generally Recognised Accounting Practice	GRAP	Strategic Plan	SP
Geographical Information System	GIS	Strategic Performance Management	SPM
Government Immovable Asset Management Act	GIAMA	State of the Nation Address	SONA
Head of Department	HOD	State Owned Entities	SOE's
Home Community Based Care	HCBC	Spatial Development Framework	SDF
Human Resource Development	HRD	User Asset Management Plan	UAMP
Immovable Asset Register	IAR	Union Building	UB

FULL DESCRIPTION	ACRONYM	FULL DESCRIPTION	ACRONYM
Independent Development Trust	IDT	International Union of Architects	UIA
Integrated Risk Management Framework	IRMF	User Requirement Specification	URS
Industrial Policy Action Plan	IPAP	Virtual Private Network	VPN
Information Communication & Technology	ICT	Voice over internet protocol	VOIP
Integrated Financial Management System	IFMS	Web Based Reporting Systems	WBS
Information Technology	IT	Workplace Skills Plan	WSP
Infrastructure Delivery Improvement Programme	IDIP	Works Control System	WCS

CHAPTER 1
GENERAL INFORMATION

1.1 Foreword by the Minister

The 2023/24 Annual Report represents the 4th year of the sixth administration. As I was not the Minister at the time, I am advised that during this period, the Department experienced management instability with several acting Director-Generals. This affected the continuity of some programs. The permanent Director-General was appointed in January 2024, just three months before the end of the financial year.

In the year under review, the Department carried its mandate through five thematic areas namely unleashing infrastructure development and maintenance, release of publicly owned land for socio-economic development, massifying job creation through the EPWP, developing skilled built environment professionals for sustainable job creation and ensuring energy security and contributing to the green economy.

The infrastructure portfolio continues to grow. For example, the value of the Strategic Integrated Projects (SIPs) grew from R340 billion in July 2020 to R540 billion in 2024. These projects range from water and sanitation, energy, transport, digital infrastructure to Rural Bridges “Welisizwe” Programme. The SIPs are envisaged to contribute substantially to any national strategy or policy relating to infrastructure development. The Department is committed to enhancing infrastructure delivery and completing projects on schedule and within budget. Despite facing construction delays due to various factors such as disruptions on construction sites, delayed budget allocations, and underperformance by contractors, efforts are underway to address these challenges and improve project timelines.

In terms of the management of property, the Department is exploring other models of managing its portfolio. This includes Refurbishment, Operate and Transfer (ROT) programme whereby an existing facility is turned over to the private sector to refurbish, operate and maintain for a specified period, and later turned over to the Department. For large-scale infrastructure projects, the Department is also exploring the Build–operate–transfer (BOT) model. This may include financing, designing, construction, owning, and operating. These methods were endorsed by Cabinet in January 2024.

In April 2024, the Department experienced an ICT breach in its payment system, impacting payments to service providers and the system's credibility. Law enforcement agencies are investigating the breach. The Department has engaged the State Information Technology Agency (SITA) to assess its current ICT systems. Enhancing the IT environment is crucial for the Department to be resilient and responsive to disasters. The assessment aims to ensure IT services' availability and continuity during emergencies. The ICT function will strengthen governance, risk management, security, network, and system controls to mitigate cybersecurity threats. This initiative aligns with the Department's goal of integrating ICT systems, digitisation, and automation.

The Department's main vote received an unqualified audit opinion, while the PMTE maintained a qualified audit opinion. There is still work to be done in the PMTE environment, and we drive improvements in the future to enhance capacity. We are actively recruiting to ensure that the Department has the necessary skills and competencies for continuous improvement in delivering on its mandate and objectives. Our focus is on technical skills and filling critical vacant positions. Additionally, the Department is implementing a skills pipeline project within the built environment.

I would like to acknowledge the work of senior management and staff in their work to achieve better outcomes for the department which will translate into a better South Africa.

I hereby present the Department of Public Works and Infrastructure’s Annual Report for the 2023/24.

Mr. Dean MacPherson, MP
Minister of Public Works and Infrastructure

1.2 Report by the Accounting Officer

1.2.1 Major achievements

The Department developed 7 outcomes aligned with the 6th Administration announced by the President in June 2019. These outcomes helped finalise key performance indicators and targets for the Medium-Term Strategic Framework (MTSF). Targets from the MTSF were then broken down annually into the Annual Performance Plans (APP). In 2023, a cabinet reshuffle occurred, and a new Minister was appointed to lead the Department. This appointment required the Department to adjust its strategy to align with the Minister's performance agreement. The newly appointed Minister focused on the following priorities:

- Unleashing Infrastructure Development and Maintenance
- Release publicly owned land for socio-economic development
- Massifying job creation through the EPWP
- Developing skilled built environment professionals for sustainable job creation
- Energy security and the green economy

The priorities are implemented through the main vote and the Property Management Trading Entity (PMTE) programmes. The main vote (DPWI) focuses on providing administrative support to the Department, coordinating activities with stakeholders and government spheres, providing technical support for EPWP programmes, and conducting policy regulation and research in the built environment. The core property management functions are handled by the PMTE, including Immovable Asset Investment Management, managing relations with user departments, Real Estate Management Services, Construction Project Management, maintaining the Immovable Asset Register, and Facilities Management. In the review period, significant achievements were made across seven outcomes:

- **Resilient, Capable and Ethical DPWI –** The Department has been working on implementing an automation program for fleet management, travel logistics, and e-leave. The next focus is on enhancing controls and governance in the ICT environment to protect against internal and external threats. The Department currently has an 11% vacancy rate. Women make up 41% of senior management, while persons with disabilities represent 1.2%. Compliance with the top 20 basket of compliance matters is at 84%.

- **Integrated Planning & Co-ordination –** The Department contributes to the government's goal of integrated services, settlement transformation, and inclusive growth in rural and urban areas. Structures like MINMEC and technical MINMEC help address challenges in the public works sector, including governance, planning, land reform, asset management, construction, and maintenance. A sector plan was developed but approval was delayed.

- **Sustainable Infrastructure Investment** – This outcome focused on infrastructure investment and delivery. The performance of infrastructure is contained in the 4 reports produced on Strategic Integrated Projects (SIPs). In the period under review, the Department completed 82 of 106 infrastructure projects. This represents 77% of completed infrastructure projects.

- **Productive Assets** – The Department has significant land and building assets that are not being effectively managed or utilised to their full potential. In the third quarter, a property optimisation strategy was developed to position the Department as a preferred implementing agency. The strategy identified key areas of focus, including reducing the department's private leasing portfolio to enhance refurbishment, operate and transfer (ROT) and Build, operate and transfer (BOT) programs, leasing underutilised assets with holding costs, and recovering illegally occupied assets. This strategy was approved by the cabinet in the fourth quarter.

- **Optimised Job Opportunities –** By creating job opportunities and sustainable jobs for better living conditions. The objective of the Expanded Public Works Programme (EPWP) is to create work opportunities and income support for poor and unemployed persons in South Africa. During the 2023/24 financial year, the Department published quarterly progress reports on work opportunities created as reported by public bodies on the EPWP RS. The EPWP performance data was collated and verified for coherence, guided by validation rules built into the system. Public bodies across all spheres of government are responsible for directly capturing their performance information on the EPWP RS, making their reports the primary source of information. The cumulative progress was processed and published on a quarterly basis, with built-in validation rules ensuring data quality control.

  To ensure the validity of reported work opportunities, the following data validation and verification rules were applied: participants must possess a valid South African identity document (ID) number, verified against the Department of Home Affairs' National Population Register; employment days reported must not exceed 23 days per month, except for specific programs such as Working on Fire; the daily wage paid must comply with the minimum prescribed amount as per the National Minimum Wage Act 2018 and its amendments; a certified copy of the participant's ID must be uploaded; and participants must be between 16 and 75 years of age. Data that failed any of these validation rules was not included in reports until corrected by the implementing public bodies, at which point it was included in subsequent quarterly reports.

- **Transformed Built Environment** - The focus of this outcome has been on regulation and legislative processes to contribute to a transformed built environment. This involved extensive public consultation on the Public Works Bill, CIDB Amendment Bill, and Infrastructure Development Act Amendment Bill. The Bills have not yet reached parliament, but the significant inputs received have played a crucial role in shaping them. To address the imbalanced professional representation in the built environment professional councils, the Department initiated a skills program. By the end of the financial year, approximately 1,200 beneficiaries were participating in the skills pipeline intervention programs.

- **Dignified Client Experience** – The Department aims to provide sustainable services that meet stakeholders' needs. It supports the prestige portfolio, which involves organizing state events and providing accommodation for members of parliament. In the review period, the Department assisted with 14 state events by providing movable structures, as requested by the presidency. Additionally, the Integrated Renewable Energy and Resource Efficiency Programme (iREREP) works to improve efficiencies in facilities. Efforts to improve air quality in buildings have been implemented to enhance the comfort and well-being of occupants. A total of 303 facilities were assessed to evaluate their condition. Additionally, 385 preventative maintenance contracts were established to minimize reactive maintenance.

The outcomes approach allows for a holistic presentation of the performance of the Department for the period under review. The full detail of achievement as per the specific key performance indicators are covered in Chapter 2.

1.3 Overview of Financial Results

- **Departmental revenue 2023/24**

The table below depicts a comparison of the Departmental revenue receipts against estimates and compared to the prior year's performance.

Table 1.1: Programme Receipts

Departmental receipts	2023/24			2022/23		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	307	322	(15)	297	323	(26)
Fines, Penalties and Forfeits	-	51	(51)	3	3	-
Interest, dividends and rent on land	1 100	10 593	(9 493)	6 742	17 862	(11 119)
Financial transactions in assets and liabilities	409	21 204	(20 795)	591	15 127	(14 536)
Total Departmental receipts	**1 816**	**32 170**	**(30 354)**	**7 633**	**33 315**	**(25 682)**

The Department collected R32.2 million as per different categories reflected in Table 1.1. This was R30.4 million more than the projected revenue in the current year and R1 million less than the previous financial year. The bulk of the revenue collected relates to the interest generated from the Non-state sector programmes (33%) from the transfer payment to the Independent Development Trust (IDT) and the financial transactions in assets and liabilities which relates to previous year unspent funds surrendered by the Department's entities (66%).

- **Budget Allocation 2023/24**

The Department's adjusted appropriation for the year under review was R8.406 billion, which is an increase of 3.1% when compared to the 2022/23 financial year's adjusted appropriation of R8.153 billion.

As depicted in Table 1.2, the bulk of the appropriated financial resources (91%) are allocated between Expanded Public Works Programme (35%), Property and Construction Industry Policy, and Research (56%). These two programmes represent the major proportion of the Department's mandate and deliverables. Transfers and subsidies account for 86% of the allocation for 2023/24.

Table 1.2: Budget Allocation per Programme Programmes	Allocation R`000	Allocation as %
Programme 1: Administration	590 232	7%
Programme 2: Intergovernmental Coordination	55 817	1%
Programme 3: Expanded Public Works programme	2 954 207	35%
Programme 4: Property and Construction Industry Policy and Research	4 740 529	56%
Programme 5: Prestige Policy	65 181	1%
Total	**8 405 966**	**100%**

- **Expenditure Analysis**

A summary of the Department's financial performance is provided in Tables 1.3, 1.4 and 1.5 below which show the overall budget and expenditure as well as spending per economic classification.

TABLE 1.3: Expenditure Analysis

	2023/24 R'000	2022/23 R'000
Budget allocation	8 405 966	8 152 729
Actual Expenditure	8 304 039	7 910 167
Actual: Spent Budget %	**98.8%**	**97.0%**
Unspent funds	101 927	242 562
Actual: Unspent Budget %	**1%**	**3%**

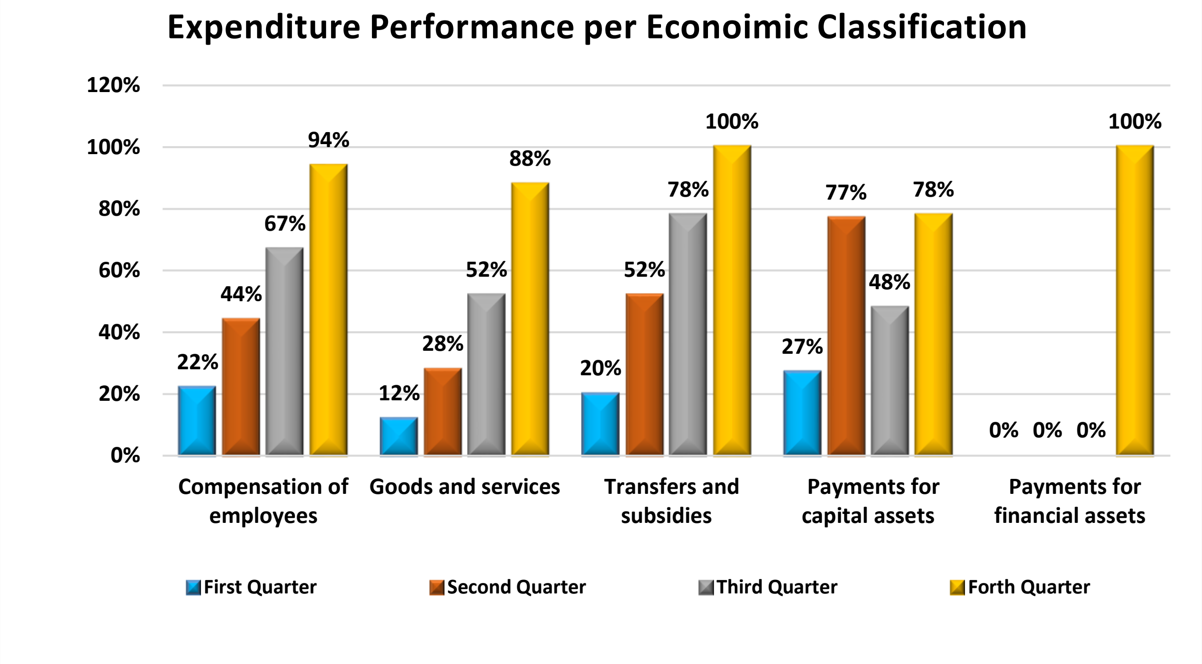
TABLE 1.4: Expenditure Analysis per Programme

	2023/24				2022/23		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as %	Final Appropriation	Actual Expenditure	Expenditure as %
	R'000	R'000	R'000	%	R'000	R'000	%
Administration	590 232	581 309	8 923	98.5%	555 009	501 102	90.3%
Intergovernmental Coordination	55 817	48 322	7 495	86.6%	59 505	47 776	80.3%
Expanded Public Works Programme	2 954 207	2 943 671	10 536	99.6%	3 023 397	2 982 840	98.7%
Property And Construction Industry Policy and Research	4 740 529	4 667 500	73 029	98.5%	4 447 159	4 329 002	97.3%
Prestige Policy	65 181	63 237	1 944	97.0%	67 659	49 447	73.1%
Totals	**8 405 966**	**8 304 039**	**101 927**	**98.8%**	**8 152 729**	**7 910 167**	**97.0%**

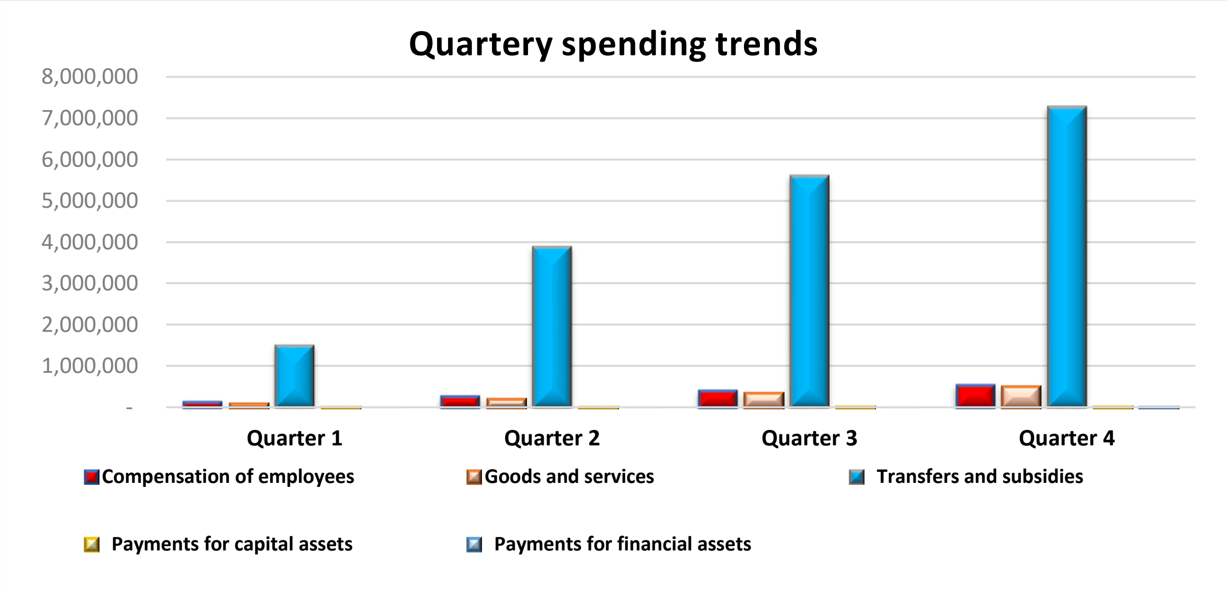
TABLE 1.5: Spending Per Economic Classification – DPWI

	2023/24				2022/23		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation
	R'000	R'000	R'000	%	R'000	R'000	%
Current payments							
Compensation of employees	556 516	524 617	31 899	94.3%	596 930	514 155	86.1%
Goods and services	568 700	502 664	66 036	88.4%	479 358	428 558	89.4%
Transfers & subsidies							
Provinces & municipalities	1 548 500	1 548 498	2	100.0%	1 636 351	1 636 342	100.0%
Departmental agencies & accounts	4 452 608	4 452 608	-	100.0%	4 087 700	4 087 700	100.0%
Foreign governments & international organisations	34 202	34 202	-	100.0%	28 432	28 432	100.0%
Public corporations & private enterprises	164 841	164 841	-	100.0%	260 675	160 675	61.6%
Non-profit institutions	1 052 431	1 052 431	-	100.0%	1 032 693	1 032 693	100.0%
Households	10 010	10 010	-	100.0%	9 894	9 890	100.0%
Payment for capital assets							
Machinery & equipment	18 007	14 017	3 990	77.8%	19 095	10 121	53.2%
Payment for financial assets	151	151	-	100.0%	1 601	1 601	100.0%
Total	**8 405 966**	**8 304 039**	**101 927**	**98.8%**	**8 152 729**	**7 910 167**	**97.0%**

Departmental spending for the period under review is R8.3 billion which represents 99% of the adjusted budget of R8.405 billion. Underspending of R102 million mainly relates to compensation of employees and goods and services .



Spending Trends:



The quarterly expenditure variances for the Department is an average of R2.076 billion with the high spending of R2.631 billion, and the lowest been R1.693 billion in the first and second quarter respectively. High spending for the Department relates to the transfer payments to the PMTE, Provinces and Municipalities for EPWP conditional grants, Non-state Sector programme and other departmental entities. Transfers and subsidies equate to 86% of the Departmental budget allocation, and the balance is allocated to current payments for compensation of employees and goods and services

Details of underspending per programme and economic classification is discussed below:

- **Programme 1: Administration**

The underspent amount of R9 million in Programme 1 relates to:

- Compensation of employees underspent of R7 million is mainly due to delays in the filling of vacant positions and those that became vacant during the financial year and could not be filled as a result of cost containment measures.
- Machinery and equipment underspent of R2 million is due to delays in delivery of the procured equipment.

- **Programme 2: Intergovernmental Coordination**

The underspent amount of R7 million in Programme 2 relates to:

- Compensation of employees underspent of R7 million is mainly due to delays in the filling of vacant positions and those that became vacant during the financial year and could not be filled as a result of cost containment measures.

- **Programme 3: Expanded Public Works Programme**

The underspent amount of R11 million in Programme 3 relates to:

- Compensation of employees underspent of R11 million is mainly due to delays in the filling of vacant positions and those that became vacant during the financial year and could not be filled as a result of cost containment measures.

- **Programme 4: Property and Construction Industry Policy and Research**

The underspent of R73 million in Programme 4 relates to:

- Compensation of employees underspent of R7 million is mainly due to delays in the filling of vacant positions and those that became vacant during the financial year and could not be filled as a result of cost containment measures.
- Goods and services underspent of R66 million is mainly relates to the delay in the implementation of Infrastructure South Africa project preparation

- **Programme 5: Prestige Policy**

The underspent of R1 million in Programme 5 relates to:

Machinery and equipment underspent of R1 million is mainly due to lower than projected spending on the planned acquisition of assets.

- **Virement**

At the end of the financial year, the Department shifted funds between sub-programmes and economic classification in line with the PFMA within the threshold of 8%. The funds were then utilised as per the table below:

VIREMENT FOR 2023/24

Programmes	Adjusted Appropriation 2023/24	Virement of Funds	Final Appropriation 2023/24
	R`000	R`000	R`000
Prog 1: Administration	542 052	48 180	590 232
Prog 2: Intergovernmental Coordination	59 787	(3 970)	55 817
Prog 3: Expanded Public Works Programme	2 958 079	(3 872)	2 954 207
Prog 4: Property and Construction Industry Policy and Research	4 777 745	(37 216)	4 740 529
Prog 5: Prestige Policy	68 303	(3 122)	65 181
TOTAL	**8 405 966**	**-**	**8 405 966**

The following virement of funds was applied between and within the Programmes:

- Programme 1 has increased with a net amount of R48.180 million. Virement of funds in this programme was made as follows:
    - ➢ R41.107 million increased under goods and services due to higher than projected expenditure for office accommodation approved by the National Treasury.
    - ➢ R7.287 million increased under goods and services from Programmes 1 and 3 under goods and services due to higher than projected expenditure for advertisement and legal fees.
    - ➢ R5.829 million from compensation of employees to offset excess spending under goods and services. The virement of funds is within the same Programme and different economic classifications.
    - ➢ R214 000 decreased under transfers and subsidies (Households) to offset excess spending in Programme 5 under transfers and subsidies (Households).

- Programme 2 has decreased with an amount of R3.970 million to offset excess spending in Programme 1 under goods and services.
- Programme 3 has decreased with a net amount of R3.872 million. The virement of funds in this programme was made as follows:
    - ➢ R4.093 million decreased under goods and services to offset excess spending in Programme 1.
    - ➢ R82 000 increased to transfers and subsidies (Households) from Programme 4 under transfers and subsidies (Households) to offset excess spending relating to leave gratuities.
    - ➢ R139 000 increased to payment for capital assets from Programme 5 under payment for capital assets due to higher than projected spending expenditure.
    - ➢ R240 000 from compensation of employees to transfers and subsidies to offset excess spending relating to leave gratuities (Household). The virement of funds is within the same Programme with different economic classifications.

- Programme 4 has decreased with a net amount of R37.216 million. the virement of funds in this programme was made as follows:

- R41.107 million decreased under goods and services to offset excess spending in Programme 1 approved by the National Treasury.
- R69.769 million from goods and services and transfers and subsidies (Public corporations and private enterprises) to transfers and subsidies (Departmental agencies and accounts) to provide financial support to the Property Management Trading Entity (PMTE) approved by the National Treasury. The virement of funds were within the same Programme different economic classifications.
- R4 million increased to transfers and subsidies (Departmental agencies and accounts) from Programme 5 under payment for capital assets to provide financial support to the PMTE approved by the National Treasury.
- R109 000 decrease under transfer and subsidies (Households) to offset excess spending in Programme 3 and Programme 5 for expenditure relating to leave gratuities (Households).

- Programme 5 has decreased with a net amount of R37.216 million. Virement of funds in this programme was made as follows:
    - R776 000 increased to goods and services from Programme 3 under goods and services to offset higher than projected expenditure relating to state events.
    - R241 000 increased to transfers and subsidies (Households) from programme 1 and 4 under transfers and subsidies (Households) to offset excess spending relating to leave gratuities.

Unauthorised Expenditure

No unauthorised expenditure was incurred in the current financial year. The current unauthorised expenditure relates to the period between 2007/08 to 2014/15 financial years, and there is ongoing engagement between the National Treasury and the Department to resolve the matter.

1.5 PMTE revenue 2023/24

The table below depicts a comparison of the estimated PMTE revenue compared to the actual receipts:

	2023/24				2022/23			
	Final budget	Actual receipts	Variance	% recovered	Final budget	Actual receipts	Variance	% recovered
Revenue	**R'000**	**R'000**	**R'000**		**R'000**	**R'000**	**R'000**	
Accommodation charges – leasehold	5 517 017	4 969 740	547 277	90%	5 473 266	5 204 134	269 132	95%
Accommodation charges – state owned	6 819 173	5 520 445	1 298 728	81%	7 111 379	6 880 296	231 083	97%
Accommodation charges freehold- private	79 346	61 346	18 000	77%	73 468	61 676	11 792	84%
Augmentation	4 276 211	4 276 211	0	100%	3 912 823	3 912 823	0	100%
Interest, fines, recoveries and other receipts	23 961	138 076	- 114 115	576%	30 000	31 727	- 1 727	106%
Municipal Services Management Fees	207 314	147 752	59 562	71%	255 006	148 195	106 811	58%
Total	**16 923 022**	**15 113 570**	**1 809 452**	**89%**	**16 855 942**	**16 238 851**	**617 091**	**96%**

Municipal Services recovered	3 644 758	2 955 038	689 720	81%	5 100 126	2 954 277	2 145 849	58%
Total revenue	**20 567 780**	**18 068 608**	**2 499 172**	**88%**	**21 956 068**	**19 193 128**	**2 762 940**	87%

The actual receipts for the period ended 31 March 2024 amounts to R18.0 billion which represents 88% of the projected annual receipts.

- **Budget allocation per programme –PMTE**

Programme	R'000	Allocation as %
Administration	895,293	4%
Real Estate Investment Services	169,512	1%
Construction Project Management	3,318,213	16%
Real Estate Management Services	11,939,296	58%
Real Estate Information & Registry Services	93,168	0%
Facilities Management Services	4,152,298	20%
Total	**20,567,780**	**100%**

- **Overall expenditure analysis – PMTE**

	2023/24	2022/23
	R'000	R'000
Budget allocation	20,567,780	21,956,068
Actual expenditure	19,846,844	20,164,903
Actual: spent budget %	**96%**	**92%**
(Over)/ under spending	720,936	1,791,165
Actual: budget (over)/ under spend %	**4%**	**8%**

- **Expenditure analysis per programme – PMTE**

Programme	2023/24				2022/23			
	Final allocation	Actual expenditure	Variance	% spent	Final allocation	Actual expenditure	Variance	% spent
	R'000	R'000	R'000		R'000	R'000	R'000	
Administration	895 293	871 421	23 872	97%	848 169	785 935	62 234	93%
Real Estate Investment Services	169 512	159 002	10 510	94%	177 054	158 013	19 041	89%
Construction Project Management	3 318 213	2 693 861	624 352	81%	3 676 634	3 178 745	497 889	86%
Real Estate Management Services	11 939 296	11 781 664	157 632	99%	13 185 907	12 017 511	1 168 396	91%
Real Estate Information & Registry Services	93 168	82 516	10 652	89%	98 878	68 032	30 846	69%
Facilities Management Services	4 152 298	4 258 380	- 106 082	103%	3 969 426	3 956 667	12 758	100%
Total	**20 567 780**	**19 846 844**	**720 936**	**96%**	**21 956 068**	**20 164 903**	**1 791 165**	**92%**

- **Spending per economic classification – PMTE**

Economic Classification	2023/24				2022/23			
	Final allocation	Actual expenditure	Variance	% spent	Final allocation	Actual expenditure	Variance	% spent
	R'000	R'000	R'000		R'000	R'000	R'000	
Current payments								
Cleaning and Gardening	387 716	383 628	4 088	99%	346 551	346 886	- 335	100%
Admin Goods and Services	480 737	404 471	76 266	84%	399 943	359 923	40 020	90%
Maintenance	2 851 079	2 964 845	- 113 766	104%	2 785 518	2 774 431	11 087	100%
Municipal Services recovered	3 644 758	3 644 758	0	100%	5 100 126	3 769 347	1 330 779	74%
Leasing (Private owned)	5 693 616	5 693 616	0	100%	5 639 869	5 852 543	- 212 674	104%
Property Rates	1 969 487	1 842 094	127 393	94%	1 815 978	1 823 858	- 7 880	100%
Compensation of Employees	2 165 416	2 131 087	34 329	98%	2 155 560	2 140 953	14 607	99%
Municipal Services non-recoverable	450 744	450 744	0	100%	429 419	433 456	- 4 037	101%
Total current payments	**17 643 553**	**17 515 243**	**128 310**	**99%**	**18 672 964**	**17 501 397**	**1 171 567**	**94%**
Capital payments								
Capital recoverable	1 446 489	1 116 808	329 681	77%	2 042 809	1 396 218	646 591	68%
Capital non-recoverable	1 432 869	1 173 169	259 700	82%	1 186 462	1 215 143	- 28 681	102%
Machinery & Equipment	44 869	41 624	3 245	93%	53 833	52 145	1 688	97%
Intangibles	0	0	0	0%	0	0	0	0%
Finance Leases	0	0	0	0%	0	0	0	0%
Total capital payments	**2 924 227**	**2 331 601**	**592 626**	**80%**	**3 283 104**	**2 663 506**	**619 598**	**81%**

Total	**20,567,780**	**19,846,844**	**720,936**	**96%**	**21,956,068**	**20,164,903**	**1,791,165**	92%

Details of material variance explanation per programme and economic classification are as follows:

Receipts

The actual receipts for the period ended 31 March 2024 amounts to R18 billion which represents 88% of the projected annual receipts. This is mainly due to unpaid invoices for the State-owned accommodation charges and Municipal Services paid on behalf of the Client Departments.

Expenditure

Details of underspending per programme and economic classification is discussed below:

The total expenditure for the period ended March 2024 was R 19.8 billion which represents 96% of the total budget.

This is mainly due to under-expenditure against the infrastructure projects and the municipal services paid on behalf of Client Departments.

The expenditure is higher than the level of performance of the previous year.

Programme 1: Administration

The under expenditure was attributable to the delay in the filling of vacancies.

Programme 2: Real Estate Investment Services

The under expenditure was attributable to the delay in the filling of vacancies.

Programme 3: Construction Management Services

The variance between the budget and the actual expenditure is due to a reclassification of projects between capital and operational after the financial year end. This seeming overspending is off-set by underspending on the Capital items where these projects were budgeted for.

As the projects are recoverable, the PMTE has to request approval from the client departments before tenders are advertised, when recommended bids are higher than the estimate and every time there is an increase in the cost of the project. Delays in client responses was a major cause of under-expenditure. Clients are expected to sign-off on their available allocations before the start of the financial year, but some Clients only make the allocations available during the first quarter of the financial year. This leads to further delays and under-expenditure as projects cannot be placed on the Procurement Plan before approval of the budget. Further delays are experiences on site by defaulting contractors and other contractors not delivering in accordance with the projected project expenditure.

The delay in the filling of the vacant funded positions have also contributed to under spending.

Programme 4: Real Estate Management Services

The cause driver of the low spending on this programme is the Property Rates which is based on the rates that will be due to local municipalities based on the valuations of the assets on the PMTE movable asset register, it is divided into Arrears and Current Rates. The under expenditure is attributable to the invoices which could not be paid before the end of the financial year due to the late submission of the invoices.

The unspent funds which were allocated for the rectification of illegally occupied properties have also contributed to under spending.

Programme 5: Real Estate Information & Registry Services

The under spending was attributable to the unspent funds which were allocated for the Immovable Asset Register as well as Operation Bring Back (OBB).

Programme: 6: Facilities Management

The variance between the budget and the actual expenditure is due to a reclassification of projects between capital and operational after the financial year end. This seeming overspending is off-set by underspending on the Capital items where these projects were budgeted for.

Entities reporting to the Minister

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
AGRÉMENT SOUTH AFRICA	Agrément South Africa Act, 2015 (Act No. 11 of 2015)	Transfer payment from grant allocation statutorily made available to the entity by way of a Parliamentary budget vote	South African centre for the assessment and certification of non-standardised construction-related products and systems for which no South African National Standards existed prior to certification
COUNCIL FOR THE BUILT ENVIRONMENT	The CBE executes its mandate, derived from the Council for the Built Environment Act, 2000 (No. 43 of 2000). The scope of the CBE and Professional Councils in the built environment value chain is to coordinate the work of the professional councils that regulate the industry in respect of the conceptualisation, design, building, maintenance and transfer social and economic infrastructure. As such the CBE mandate is also informed by the Acts, mainly of the six built environment professions that report to the Minister of Public Works and Infrastructure.	Transfer payment from grant allocation statutorily made available to the entity by way of a Parliamentary budget vote	• Provision of advisory services to Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and such services are derived mainly through research work. • Facilitate inter-governmental co-operation concerning issues relating to the built environment. • Corporate governance assessments to ensure the consistent application of policy by the councils for the built environment professions with regard to: i. accreditation of higher learning institutions offering courses towards qualification in a built environment discipline; ii. registration of different categories of registered persons; and consistency in the application of key elements of competence testing of registered persons.

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
			iii. codes of conduct to be prescribed by the councils for the respective professions. iv. principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition. v. standards of health, safety and environmental protection within the built environment. vii. recognition of voluntary associations for the built environment professions, by approving the framework for that recognition submitted by the councils for the professions, • Broad-based long-term strategy for the transformation of the built environment • Optimum functioning of the CBE through the revision of business process in order to arrive at the appropriate organisational capacity and operational efficiency that will allow to effectively discharge its legislative mandate. • Throughput study on the demand and supply of built environment skills in order to provide an advisory on the development of the skills pipeline for the built environment.
CONSTRUCTION INDUSTRY DEVELOPMENT BOARD	Schedule 3A public entity	Transfer payment from grant allocation statutorily made available to the entity by way of a Parliamentary budget vote	• Developing sound corporate governance and promote an ethical

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
			environment in achieving the desired outcome of a clean audit. • maintaining the national Register of Contractors, the Contractor Recognition Scheme, the Register of Projects, and the Project Assessment Scheme; and enforce compliance with CIDB regulations • monitoring and evaluation of the construction industry performance to ensure the achievement of desired outcomes of transformation and development • developing, promoting and updating the construction industry research agenda, by establishing a knowledge centre whose insights should enable guidance on the development and design of interventions towards challenges affecting the industry, for example increased black ownership and participation and increased ownership and participation by designated groups, in particular, women and youth. • promote uniform application of procurement and delivery management policies affecting the construction industry throughout all spheres of Government.
INDEPENDENT DEVELOPMENT TRUST	Deed of Trust IT 669/91 Trust Property Control Act, 1988 (Act No. 57 of 1988)	Receives supplementary financial support from line Department to make up for operating cost shortfalls	• Implementation of public social infrastructure programmes to support provision of health and education infrastructure e.g. refurbishment, replacement, upgrades and

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
	Public Finance Management Act , 1999 (Act No.1 of 1999)		construction of new school infrastructure and health facilities • Implementation of public social infrastructure programmes to contribute to economic development, growth and support to SMMEs, women and youth owned enterprises • Implementation public employment initiatives and public social infrastructure programmes which contribute to economic development, growth and support to SMMEs, women, youth owned enterprises and other categories of designated groups (people with disabilities, etc.)

1.6 Statement of responsibility and confirmation of accuracy for the annual report

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

All information and amounts disclosed throughout the annual report are consistent.
The annual report is complete, accurate and free from any omissions.

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

The Annual Financial Statements (Chapter 6) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

Yours faithfully

Mr. Sifiso Mdakane
Accounting Officer
Date: 31 March 2024

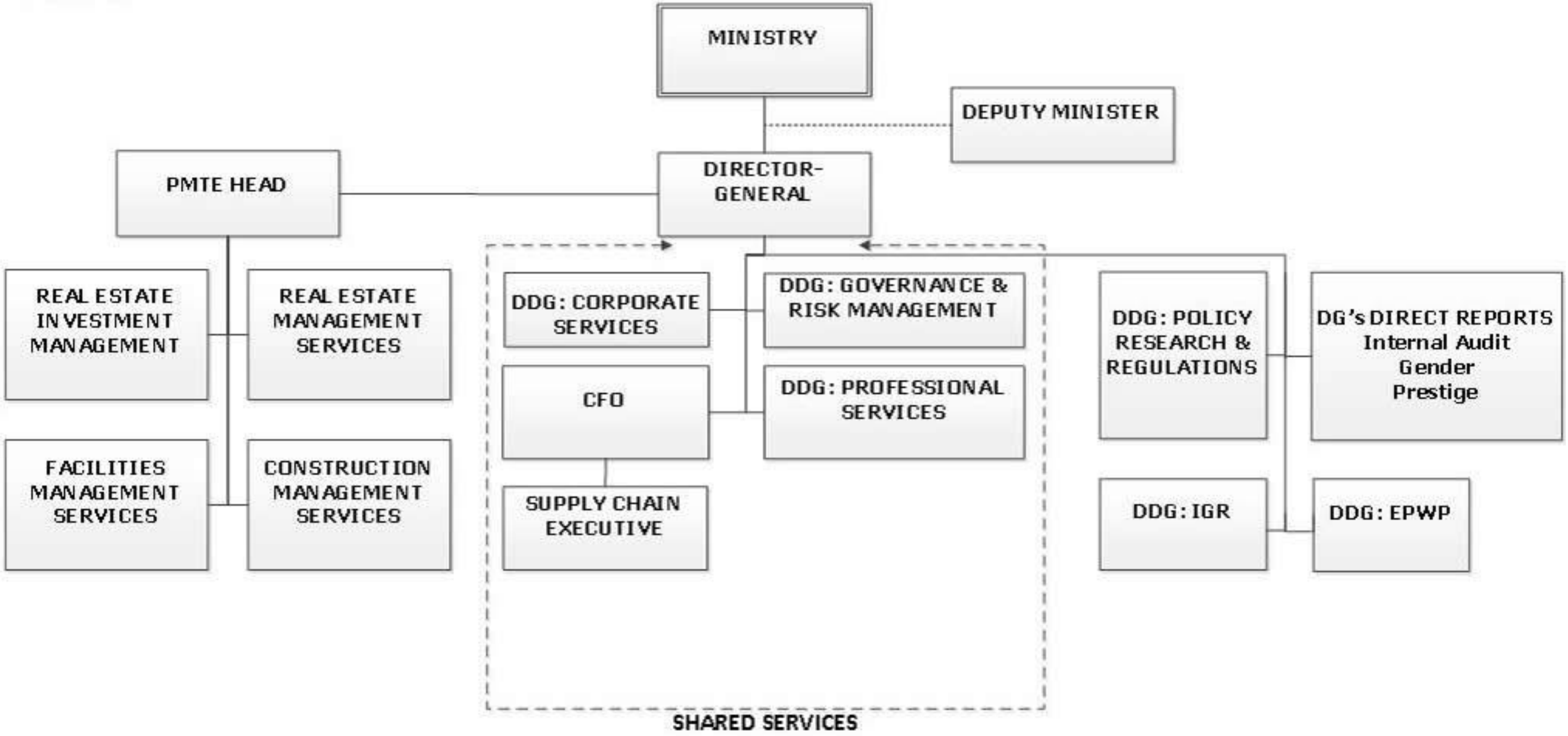
CHAPTER 2
PERFORMANCE INFORMATION

2.1 Overview of Departmental Performance

The Department's programmes have remained relatively the same as the previous financial year for consistency and measurability of progress over time. The main vote (the Department) focused mainly on the intergovernmental coordination, coordination of EPWP programmes, Property and Construction Industry Policy and Research and management of the prestige portfolio. The core business of property management was ring-fenced under the PMTE with emphasis on, inter alia, managing relations between the Department and client departments, planning and precinct development, construction project management, management of immovable asset register and facilities management. The programme structure of the main vote is depicted below.

The PMTE currently manages largest Real Estate portfolio in South Africa. As the custodian and manager of Government's immovable assets, the PMTE directly impacts efficiency and effectiveness of all user departments given the critical role that well-functioning infrastructure plays in enabling service delivery. The business model of the PMTE is based on an interdisciplinary approach with greater synergies between the Department's traditional property and asset management functions and an integrated approach to delivery. The core business of the PMTE consists of three focused operational divisions being Real Estate Investment Services, Real Estate Management Services, and Facilities Management. The programmes are presented in the organogram below.

Figure 2.1 The DPWI Organogram



2.2 Key policy developments and legislative changes

For the period under review, a draft Construction Industry Development Board Amendment Bill was developed and is consultations underway. The intention of the amendment is to identify ways in which regulatory function of the CIDB can be enhanced, determining the effectiveness of the Register of Contractors (RoC) and challenges therein, as well as reviewing the procurement policy implementation in facilitating development and transformation of the construction industry. However, the potential risks associated with the new policy proposals to the draft Construction Industry Development Board Amendment Bill is being explored prior to finalisation.

Other bills include the Infrastructure Development Act and the Public Works bill.

2.3 Progress towards Achievement of Institutional Impacts and Outcomes

The 6th Administration priorities of government reflect the reality of the people and sets out a broad framework to respond to the challenges confronting the nation. These priorities serve as pillars to support the National Development Plan 2030 which will be driven by targets set in the Medium-Term Strategic Framework (MTSF). The priorities are stated as follows:

1. A capable, ethical and developmental state;
2. Economic transformation and job creation;
3. Education, skills and health;
4. Consolidating the social wage through reliable and quality basic services;
5. Spatial integration, human settlements and local government;
6. Social cohesion and safe communities; and
7. A better Africa and World.

These seven priorities have given the reconfigured Department of Public Works and Infrastructure the opportunity to refocus toward the achievement of its existing and new infrastructure mandate in the implementation of quality public services for public good. The outcomes of the Department and its Public Entities were all aligned to one or more of the national seven priorities, to focus on implementation and targeted infrastructure service delivery that addresses the ever-increasing needs across our Country. The focus as government has been on **Infrastructure-led Economic Growth**, which will then facilitate the crowding in of the private sector.

The Department has 7 outcomes all of which contribute to some of the 6th Administration priorities. The level of performance per key performance Indicator is depicted below.

2. 4 Institutional Programme Performance Information

The programmes of the Department are explained below.

Outcome 1: Resilient, Ethical and Capable DPWI

Outcome Statement	DPWI is being restructured to be streamlined and outcomes-based, focused on implementation. Reinventing the organisation to be Agile, Ethical, Compliant and Capable, where everyone wants to work, with improved efficiencies achieved through seamless, automated processes and a robust support infrastructure to enable effective service delivery.

Outcome 2: Integrated Planning AND Coordination

Outcome Statement	Integrated planning and coordination for inclusive economic growth and structural transformation resulting in socio economic returns and development.

Outcome 3: Productive Assets

Outcome Statement	Optimise DPWI asset portfolio management to positively impact the economy, service delivery and the environment.

Outcome 4: Sustainable Infrastructure Investment

Outcome Statement	Sustainable infrastructure investment for inclusive economic growth.

Outcome 5: Transformed Built Environment

Outcome Statement	Contribute towards poverty alleviation and inclusive economic growth through targeted contracting, built environment transformation and skills development and achievement of spatial justice through the strategic use of DPWI public land and building asset portfolio to effect spatial redress.

Outcome 6: Optimised Job Opportunities

Outcome Statement	Contribute towards poverty alleviation and unemployment reduction amongst designated groups through the provision of job opportunities.

Outcome 7: Dignified Client Experience

Outcome Statement	Provide facilities that enable public services to be delivered in a dignified and efficient manner through improved standards and conditions.

Programme: DPWI Administration Purpose: To provide strategic leadership management and support services to the department								
Sub-Programme: Corporate Service								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Resilient, Ethical and Capable DPWI	Good Governance	Ethics and Fraud perception survey	35.4%	31.36%	20% -40%	21.85%	-1.85%	The survey reflects that there is generally some degree of understanding and awareness around Reporting Fraud and Corruption, Fraud and Corruption, Control weaknesses in various areas in the department and Code of conduct/ ethical awareness. The sample was 355 of which 146 responded. This

Programme: DPWI Administration Purpose: To provide strategic leadership management and support services to the department								
Sub-Programme: Corporate Service								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								translates to 41%. The low response rate could also account for the results of the survey.
	Good Governance	Compliance Rate (Basket of key compliance matters)	92%	100%	100%	84%	-16%	The compliance rate is below the 100% target prolonged disciplinary cases that take long to conclude; Irregular Expenditure Investigated (within 30 days); Responses to AGSA RFIs/Coafs

Programme: DPWI Administration Purpose: To provide strategic leadership management and support services to the department								
Sub-Programme: Corporate Service								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								(Submission or response rate within prescribed timeframes to AGSA); Audit Action plans management responses within timeframe (Q1 is the Plan and Q2 through Q4 are responses)
	Performance Measurement	Percentage Performance Information Level	70% (30 of 43)	58%	81% -100%	51% (21 of 41 indicators achieved)	-30 towards 80% and - 49% towards 100%	Number of programmes do not achieve their set targets
	Spent of allocated Budget	Percentage Financial Performance Level	97%	100%	100%	99%	+1%	-

Programme: DPWI Administration Purpose: To provide strategic leadership management and support services to the department								
Sub-Programme: Corporate Service								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
	Vacancy Rate	Percentage Vacancy Rate	11%	11%	10%	11%	-1%	Delays in the filling of positions due to implementation of National Treasury cost containment measures with effect from 31 August 2023 and subsequent DPSA Directive. Impact of the moratorium on the filling of positions.
	Designated Groups empowerment and opportunities	Percentage of Designated Groups in SMS level in the	Women: 40% and PWD: 1.18%	Women: 40.88% and PWD: 1.13%	45% Women and 2% PWD	Women: 40.70% and PWD: 1.19%	Women: -4.30 and PWD - 0.81%	Moratorium on the filling of positions. Implementation of the cost-containment

Programme: DPWI Administration **Purpose: To provide strategic leadership management and support services to the department**								
Sub-Programme: Corporate Service								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
		Department (Women and PWD)						measures to assist departments in closing the fiscal gaps affecting the filling of positions. Salary disparities with the private sector, delayed provision of reasonable accommodation and conducive working environment. Stigma, lack of flexibility and sensitivity by managers in the management of persons with

Programme: DPWI Administration Purpose: To provide strategic leadership management and support services to the department								
Sub-Programme: Corporate Service								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								disabilities resulting in difficulty to retain persons with disabilities. Limited or no applications received from People with Disabilities on advertised positions
	ICT architecture to enable modernization of systems	Percentage Business Process Automated	10%	30%	50%	20%	-30%	• S&T Claims system (Awaiting approval of URS document from SCM) • Lease Property Management (Delays in approval of

Programme: DPWI Administration **Purpose: To provide strategic leadership management and support services to the department**								
Sub-Programme: Corporate Service								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								business case by the business branch) • Lease Portal (Due to delayed training on e-Leave System for regional offices)
	ICT architecture to enable modernization of systems	Percentage of Business Solution for digitisation	42%	24%	50%	0%	-50%	Project put on hold. Project Assessment of business systems is being conducted to determine the best fit systems (integrated) for the Department.

Programme: Intergovernmental Coordination Purpose: Provide sound sectoral intergovernmental relations and strategic partnership								
Sub-Programme: **Intergovernmental Relations and Coordination Public Entities under DPWI**								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Transformed Built Environment	Sector Performance Report	Approved sector plan	New indicator	New indicator	Revised 5 year sector plan approved	Sector plan developed but not yet approved	Approval of revised 5 year sector plan	The Technical MinMec to approve the Sector Plan Review Action Plan was postponed.
	Sector Performance Report	Number of sector performance reports	3 governance clusters tabled at Technical MinMec	2 sector performance reports	2 sector performance reports	2 sector performance reports	-	-

Programme: Intergovernmental Coordination **Purpose: Provide sound sectoral intergovernmental relations and strategic partnership**								
Sub-Programme: **Professional Services**								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Transformed Built Environment	Reduced Built Environment Skills gap	Number of beneficiaries participating in the DPWI skills pipeline interventions programmes	2 008	1 100	1 200	1 200	-	-

Programme: Expanded Public Works Programme Purpose: Coordinate the implementation of Expaned Public Works Programme which aims to create job opportunities and provide training for the unskilled, marginalized and unemployed people in South Africa								
Sub-Programme: Operations, Monitoring and Evaluations, Partnership Support and Coordinating Commission								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Optimized job opportunities	Work opportunities reported	Number of reports on the EPWP-RS validated work opportunities reported by public bodies	New indicator	New indicator	4 reports on the EPWP-RS validated work opportunities reported by public bodies	4 reports on the EPWP-RS validated work opportunities reported by public bodies	-	-

Programme: Construction and Property Industry Policy and Research

Purpose: Promote growth and transformation of construction and property industry. Promote a standardized approach and best practice in the construction and immovable asset management in the public sector

Sub-Programme: Policy

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviation
Transformed Built Environment		Expropriation Bill introduced in Parliament[1]	-	-	-	-	-	-
	Infrastructure Legislative Programme	Public Works Bill submitted to the Minister to introduce to Parliament	Public Works Bill not gazetted	Public Works Bill gazetted	Public Works Bill revised	Public Works Bill was not revised Inputs made by all work stream in response to questions posed by the drafter	Revision of the Public Works Bill	Consultation that culminated into the formation of the Work Streams took longer than anticipated. This prolonged the finalisation of the policy position
		Amendment of Construction	New Indicator	CIDB Amendment Bill	CIDB Amendment Bill	CIDB Amendment Bill	-	-

[1] The target on the Expropriation Bill was achieved in 2020/21 FY and reported as - the Expropriation Bill[B23-2020] has been introducing to parliament for parliamentary process

Programme: Construction and Property Industry Policy and Research **Purpose: Promote growth and transformation of construction and property industry. Promote a standardized approach and best practice in the construction and immovable asset management in the public sector**								
Sub-Programme: Policy								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
	Infrastructure Legislative Programme	Industry Development Board Act, 2000 (Act 38 of 2000)		NOT submitted to the Minister	submitted to Minister towards introduction to Cabinet	submitted to Minister towards introduction to Cabinet		
		Infrastructure Development Act Regulations Gazetted	New Indicator	Infrastructure Development Act Regulations Gazetted	-	-	-	-
		Infrastructure Development Act Amendments submitted to Cabinet	New Indicator	Infrastructure Development Act Amendments Regulations gazetted	Infrastructure Development Act Amendment Bill submitted to Minister for introduction to Cabinet for	Draft Infrastructure Development Act amendment Bill NOT submitted to Minister for introduction to Cabinet for	Submission of IDA Amendment Bill to the Minister for introduction to parliament	The Minister of Finance has not provided feedback on the Department's request for concurrence. The 2018 Guide for creating,

Programme: Construction and Property Industry Policy and Research **Purpose: Promote growth and transformation of construction and property industry. Promote a standardized approach and best practice in the construction and immovable asset management in the public sector**								
Sub-Programme: Policy								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
					public consultations	public consultations		merging, unbundling, rescheduling and disestablishment of entities on the national or provincial sphere of government obligates the Executive Authority (Minister of Public Works & Infrastructure) to consult and seek prior written consent of the Minister of Finance when intending to

Programme: Construction and Property Industry Policy and Research **Purpose: Promote growth and transformation of construction and property industry. Promote a standardized approach and best practice in the construction and immovable asset management in the public sector**								
Sub-Programme: Policy								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								establish a new public entity.
		Number of the implementation reports on the status of Strategic Integrated Projects (SIPs)	New Indicator	4 implementation reports on the status of Strategic Integrated Projects (SIPs)	4 implementation reports on the status of Strategic Integrated Projects (SIPs)	4 implementation reports on the status of Strategic Integrated Projects (SIPs)	-	-
		Development of the Public Works General Laws and Repeal Bill	New indicator	New indicator	Draft Public Works General Laws Amendment and Repeal Bill submitted to Minister for approval to submit to Cabinet	Draft Public Works General Laws Amendment and Repeal Bill submitted to the Minister. The submission requesting Ministerial approval for	-	-

Programme: Construction and Property Industry Policy and Research **Purpose: Promote growth and transformation of construction and property industry. Promote a standardized approach and best practice in the construction and immovable asset management in the public sector**								
Sub-Programme: Policy								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
						gazetting of the Bill for Cabinet consideration is still with the Executive Authority.		
		Draft NIP 2050 Phase 2: Social and Distributed Infrastructure submitted to Cabinet	New Indicator	1 Draft NIP 2050 Phase 2: Social and Distributed Infrastructure submitted to Cabinet	-	-	-	-

Programme: Prestige Policy **Purpose: Provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities of the state functions**								
Sub-Programme: To provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for the state functions								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Dignified client experience	Norms and standards	Number of planned state events supported with movable structures	6 planned state visits	5 planned state events supported with movable structure	5 planned state events supported with movable structures	14 state events supported with movable structures	+8	More events were requested by Presidency
		Percentage of movable assets provided within 120 working days after approval by Prestige clients	100%	100%	100% of movable assets requests provided within 60 working days after approval by Prestige clients	100% of movable assets requests provided within 60 working days after approval by Prestige clients		Funds were cut and the branch could not deliver other items in the conditional assessment register
		Percentage of	New Indicator	80%	80% of provision of	100% of provision of	-	-

Programme: Prestige Policy Purpose: Provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities of the state functions								
Sub-Programme: To provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for the state functions								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
		provisions of movable assets from a condition assessment register of movable assets			movable assets from a condition assessment register of movable assets	movable assets from a condition assessment register of movable assets		

Programme: PMTE Administration **Purpose: Provide leadership and strategic support, governance and administrative support to the Property Management Trading Entity (PMTE)**								
Sub-Programme: Finance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Resilient, Ethical and Capable PMTE	Spent the allocated Budget	Percentage Finance Performance Level	89%	95%	100%	99%	-1%	-

Programme: Real Estate Investment Services **Purpose: To optimize utilization and maximize the value of state property portfolio**								
Sub-Programme:								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Integrated Planning and coordination	CAMP approved	Number of approved CAMPS submitted to NT	1	1	Approved CAMP submitted to NT	Approved CAMP submitted to NT	-	-
	Government Precinct Plans	Number of Government Precinct Development Plans aligned to NSDF, IUDF and Smart City Principle	New indicator	1 Government Precinct Development Plans aligned to NSDF, IUDF and Smart City Principle	1 Government Precinct Development Plans completed for Kunye precinct in Johannesburg	Zero (0) Government Precinct Development Plan was completed for Kunye Precinct in Johannesburg	Completion of Government Precinct Development Plan for Kunye precinct in Johannesburg	Non achievement was impacted upon by the following factors: (1) Revision of the received feasibility study to inform funding required to implement the project; (2) Issuance of Circular 271 of 2023 on Cost Containment Measures, which

Programme: Real Estate Investment Services Purpose: To optimize utilization and maximize the value of state property portfolio								
Sub-Programme:								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								required approval from Accounting Officer to spend in 2023/24; & (3) Subsequent AO approval, there were no responsive bidders which led to cancellation of the tender.

Programme: Construction Project Management Purpose: To provide efficient and effective delivery of accommodation needs for DPWI and user Departments through construction								
Sub-Programme: Construction project planning and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Integrated Planning and Coordination	Accessible buildings	Number of designed solutions completed for identified user Departments	2	87	154	79	-75	Delays in finalizing the project planning stage, caused by the situations within DPWI and the other client departments.
		Number of projects completed within agreed construction period	75	35	99	41	-58	1. Poor performance by contractors due to various reasons that were unforeseen at award stage. 2. Lack of confirmation of additional funding (VOs, Cost containment measures) which

Programme: Construction Project Management **Purpose: To provide efficient and effective delivery of accommodation needs for DPWI and user Departments through construction**								
Sub-Programme: Construction project planning and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								were not budgeted for at award stage.
	Completed projects spend	Number of projects completed within approved Budget	125	95	106	82	-24	1. Poor performance by contractors due to various reasons that were unforeseen at award stage. 2. Lack of confirmation of additional funding (VOs, Cost containment measures) which were not budgeted for at award stage. 3, User Client Departments

Programme: Construction Project Management								
Purpose: To provide efficient and effective delivery of accommodation needs for DPWI and user Departments through construction								
Sub-Programme: Construction project planning and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								withdrawing projects during the course of the implementation process.
		Number of infrastructure sites handed for construction	107	65	168	93	-75	1. User Client Departments withdrawing projects during the course of the implementation process. 2. Lack of confirmation of additional funding (Cost containment measures) which were not budgeted for at award stage.

Programme: Construction Project Management **Purpose: To provide efficient and effective delivery of accommodation needs for DPWI and user Departments through construction**								
Sub-Programme: Construction project planning and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								3, Inability to source responsive bidders during the evaluation / adjudication process. 4. Delays in statutory requirements (approval of safety file and construction permit)
Sustainable Infrastructure Investment	Completed projects	Number of infrastructure projects completed	128	95	109	89	-20	1. Poor performance by contractors due to various reasons that were unforeseen at award stage.

Programme: Construction Project Management Purpose: To provide efficient and effective delivery of accommodation needs for DPWI and user Departments through construction								
Sub-Programme: Construction project planning and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								2. Lack of confirmation of additional funding (VOs, Cost containment measures) which were not budgeted for at award stage. 3, User Client Departments withdrawing projects during the course of the implementation process.

Programme: Real Estate Management Services **Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery needs**								
Sub-Programme: management of freehold, and land administration and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Productive Assets	Lease portfolio size	Number of private leases reduced within the security cluster	3	3	8	0	-8	No identified State Owned have been prepared through programmes such as ROT, normal FM & CPM budgets and ready for occupation by clients departments
	Rand value savings on identified portfolio of assets	Savings realised on identified private leases	R273 220 668, 65	R100 Million	R200 Million	R725 231 906.42	+R525 231 906, 42	Bigger number of expiring being targeted for renewal or being renewed during the earlier part of the Financial Year in order to

Programme: Real Estate Management Services								
Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery needs								
Sub-Programme: management of freehold, and land administration and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								curb the high number expiring leases resulting in a bigger month-to-month numbers.
	Rand value generated	Percentage increase in revenue generation through letting of State-owned properties	2.8%	8%	20%	501%	+472%	The overachievement is a result of the implementation of the interim guideline on letting out. These include properties let out to businesses with higher value lease contracts
	Number of unutilised	Number of unutilized	37	35	134	118	-16	Initial slow process on the

Programme: Real Estate Management Services								
Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery needs								
Sub-Programme: management of freehold, and land administration and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
	vacant state owned properties let out	vacant state owned properties let out						implementation of the interim guideline and a delay experienced in the signing of the leases
Build Transformed Environment	Empowered designated groups (women, youth and PWD)	Number of unutilized vacant state owned properties let out for GBV-F purposes.	New indicator	22	10	13	+3	The provision for GBV properties are made on a request basis and a request for 13 properties were made, of that 10 properties are in 2 user agreements

Programme: Real Estate Management Services Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery needs								
Sub-Programme: management of freehold, and land administration and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Dignified clients experience	Customer centric organisation	Percentage of leases awarded to categories o A, B and D companies of the approved Property Management Empowerment Policy	55%	75% (6 of 8)	55%	84%	+29%	Significant portions of these leases were awarded to specific categories, which resulted in an over-achievement. Going forward, the deire is to award 100% to these categories
Productive Assets	Signed lease agreements empowered designated groups (women, youth and PWD)	Percentage of leases awarded to companies with BBBEE of 4 and above	0,028%	54%	10%	36%	+26%	Over achieved due to high number of approvals which were granted by adjudication Committee

Programme: Real Estate Management Services Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery needs								
Sub-Programme: management of freehold, and land administration and management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
	Customer centric organisation	Percentage of new private leases signed with maintenance plan	100%	100% (9 of 9)	100%	100%	-	-
	Ha released from DPWI portfolio for development of infrastructure programme	Ha released from DPWI portfolio for development of infrastructure programs and socio economic objectives	20 102, 3419 projects were closed	120 997, 71 hectares (110 land parcels)	10 126 hectares	109,6648ha	-9 739	Deficit is due to outstanding land Affairs Board Approvals. (5,8367 Ha) , Investment Analysis in process (8,7556 Ha) and for Human Settlements routed 2,6362 ha

Programme: Real Estate Information and Registry Services Purpose: To develop and maintain Immovable Asset Register (IAR) which support DPWI/PMTE business requirements and to provide oversight, regulation and monitoring of the IAR fr the state								
Sub-Programme: Asset Registry Services and Conveyancing								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Integrated Planning and Coordination	Compliance verification	Number of National and Provincial Immovable Asset Registers assessed for compliance	9	9	12	12	-	-
Productive Assets	Compliance verification	Number of immovable assets physically verified to validate existence and assess conditions	18 692	21 587	22 273	19762	-2511	Critical resources required as Systems and Data DD and Director PV still vacant. Lack of vehicles and cumbersome hiring process was problematic in all regions and

Programme: Real Estate Information and Registry Services **Purpose: To develop and maintain Immovable Asset Register (IAR) which support DPWI/PMTE business requirements and to provide oversight, regulation and monitoring of the IAR fr the state**								
Sub-Programme: Asset Registry Services and Conveyancing								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								HO to get vehicles for extended periods to assist the team conduct PV

Programme: Facilities Management **Purpose: To ensure that immovable assets used by government departments and the public are optimally used and maintained in a safe, secure, healthy and economic environment whilst contributing to job creation, skills development and poverty alleviation**								
Sub-Programme: scheduled maintenance and unscheduled maintenance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
Productive Assets	Conditions of buildings and critical components	Number of condition assessments conducted on identified/prioritised properties	236	107	242	303	+61	The Multidisciplinary Professional Team were appointed to assess facilities nationally and assessed complexes, precincts and multi-tenanted state owned facilities
		Number of critical components assessed to determine conditions of components (lifts, boilers, HVAC and	300	140	484	158	-326	The number of critical components to be assessed was not achieved, as the facilities

Programme: Facilities Management **Purpose: To ensure that immovable assets used by government departments and the public are optimally used and maintained in a safe, secure, healthy and economic environment whilst contributing to job creation, skills development and poverty alleviation**								
Sub-Programme: scheduled maintenance and unscheduled maintenance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
		Gensets and water systems						that were identified through the immovable asset register which is not at component level. In order to be able to identify properties, facilities or buildings with critical components, it is fundamental to have a componetised asset register, which is able to

Programme: Facilities Management **Purpose: To ensure that immovable assets used by government departments and the public are optimally used and maintained in a safe, secure, healthy and economic environment whilst contributing to job creation, skills development and poverty alleviation**								
Sub-Programme: scheduled maintenance and unscheduled maintenance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from Planned Target to Actual Achievement 2023/2024**	**Reasons for Deviation**
								provide data on the type and number of critical components.
Dignified clients experience	Maintained facilities	Number of preventative maintenance contracts to reduce reactive maintenance	238	163	200	385	+185	There is an emphasis on a shift from reactive to preventative maintenance. SCM processes impact on implementation of term contracts positively.

2.5 Strategy to overcome areas of under performance

- **Management of Public Assets (Property Optimisation Strategy**)

The Department is focusing on initiatives to improve the management of public assets. A property optimization strategy has been developed and is being implemented to reposition the Department as an Implementing Agent of Choice. This strategy aims to reduce the department's private leasing portfolio through initiatives like operate and transfer (ROT) and Build, Operate, and Transfer (BOT) programs. The focus is on leasing underutilised assets with holding costs and recovering illegally occupied assets.

- **Infrastructure Delivery and Constructions**

The Department is committed to enhancing infrastructure delivery and completing projects on schedule and within budget. Despite facing construction delays due to various factors such as disruptions on construction sites, delayed budget allocations, and underperformance by contractors, efforts are underway to address these challenges and improve project timelines.

- **Human Resource Capacity and Professionalising the Department**

The Department continues with its intensive recruitment drive to ensure that it has the required skills and competencies continuous improvement to deliver on its mandate and objectives. The focus will be on technical skills required and filling of critical vacant posts. To achieve empowerment targets, such as 50% for women in SMS and 3% for Persons with Disabilities, the Department has decided to reserve these positions. The Department also focused on a skills pipeline project within the built environment.

- **Information and Communication Technology (ICT)**

The IT environment will have to play a significant role in improving the capability of the Department to be resilient and responsive to any form of disaster. The programme should ensure availability and continuity of IT services at a time of need. The ICT function will continue to optimise the controls around governance, risks, security, networks and systems management and reduce exposure to cybersecurity threats.

2.6 Linking performance with budgets

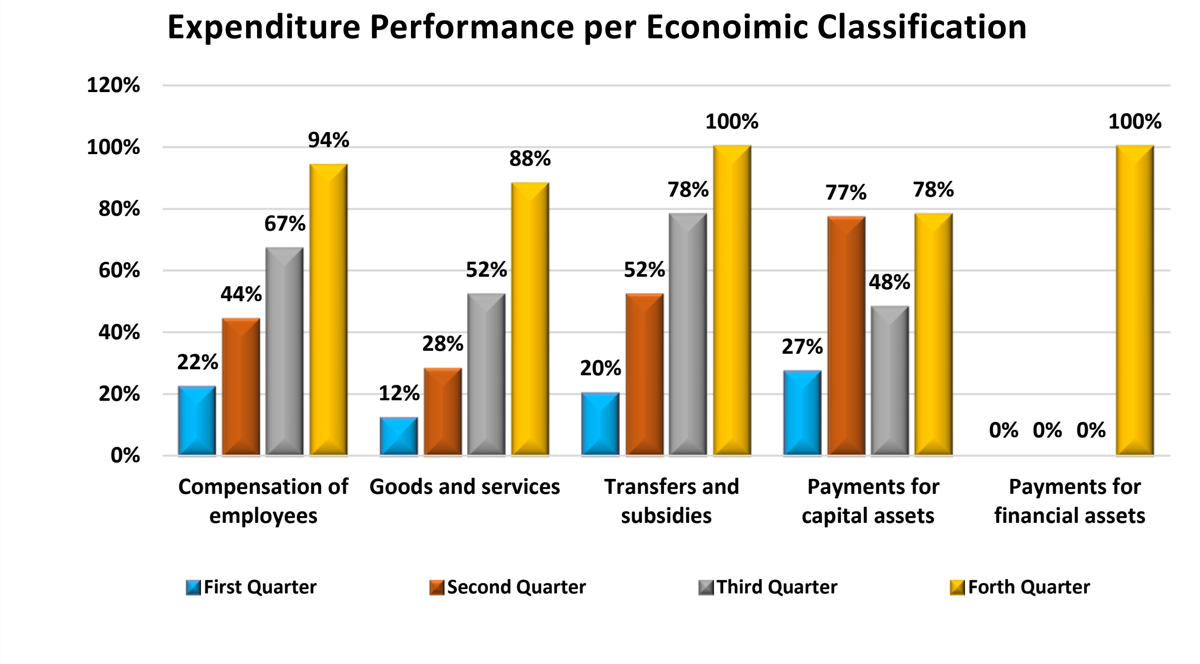
Expenditure Analysis per Programme

	2023/24				2022/23		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as %	Final Appropriation	Actual Expenditure	Expenditure as %
	R'000	R'000	R'000	%	R'000	R'000	%
Administration	590 232	581 309	8 923	98.5%	555 009	501 102	90.3%
Intergovernmental Coordination	55 817	48 322	7 495	86.6%	59 505	47 776	80.3%
Expanded Public Works Programme	2 954 207	2 943 671	10 536	99.6%	3 023 397	2 982 840	98.7%
Property And Construction Industry Policy and Research	4 740 529	4 667 500	73 029	98.5%	4 447 159	4 329 002	97.3%
Prestige Policy	65 181	63 237	1 944	97.0%	67 659	49 447	73.1%
Totals	**8 405 966**	**8 304 039**	**101 927**	**98.8%**	**8 152 729**	**7 910 167**	**97.0%**

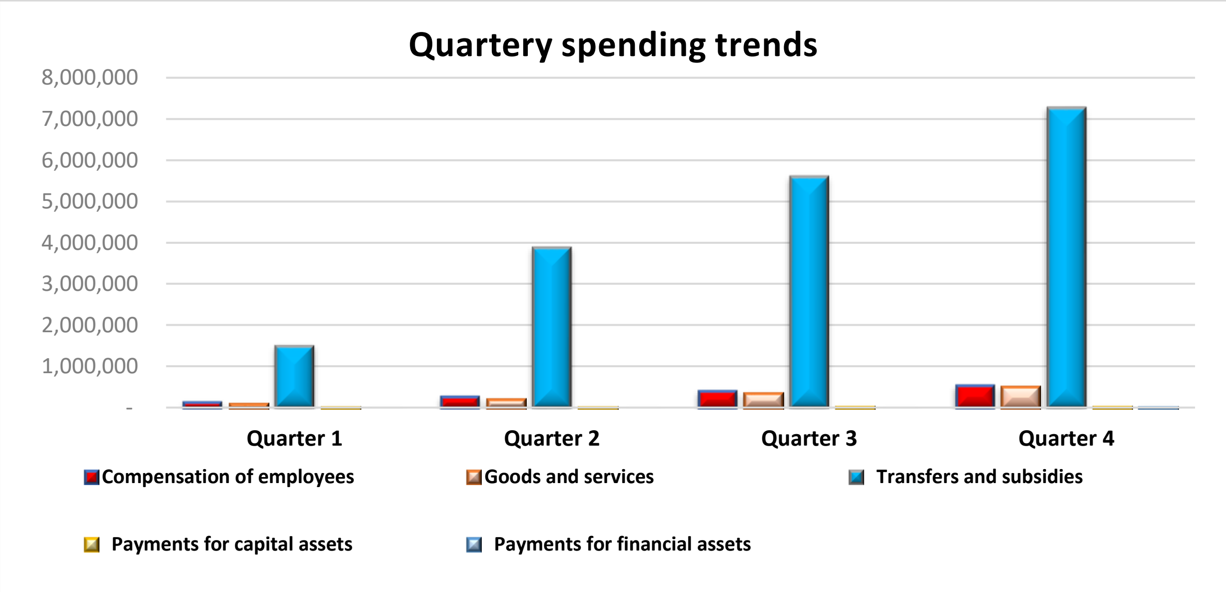
Spending Per Economic Classification – DPWI

	2023/24				2022/23		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation
	R'000	R'000	R'000	%	R'000	R'000	%
Current payments							
Compensation of employees	556 516	524 617	31 899	94.3%	596 930	514 155	86.1%
Goods and services	568 700	502 664	66 036	88.4%	479 358	428 558	89.4%
Transfers & subsidies							
Provinces & municipalities	1 548 500	1 548 498	2	100.0%	1 636 351	1 636 342	100.0%
Departmental agencies & accounts	4 452 608	4 452 608	-	100.0%	4 087 700	4 087 700	100.0%
Foreign governments & international organisations	34 202	34 202	-	100.0%	28 432	28 432	100.0%
Public corporations & private enterprises	164 841	164 841	-	100.0%	260 675	160 675	61.6%
Non-profit institutions	1 052 431	1 052 431	-	100.0%	1 032 693	1 032 693	100.0%
Households	10 010	10 010	-	100.0%	9 894	9 890	100.0%
Payment for capital assets							
Machinery & equipment	18 007	14 017	3 990	77.8%	19 095	10 121	53.2%
Payment for financial assets	151	151	-	100.0%	1 601	1 601	100.0%
Total	**8 405 966**	**8 304 039**	**101 927**	**98.8%**	**8 152 729**	**7 910 167**	**97.0%**

Departmental spending for the period under review is R8.3 billion which represents 99% of the adjusted budget of R8.405 billion. Underspending of R102 million mainly relates to compensation of employees and goods and services .



Spending Trends:



The quarterly expenditure variances for the Department is an average of R2.076 billion with the high spending of R2.631 billion, and the lowest been R1.693 billion in the first and second quarter respectively. High spending for the Department relates to the transfer payments to the PMTE, Provinces and Municipalities for EPWP conditional grants, Non-state Sector programme and other departmental entities. Transfers and subsidies equate to 86% of the Departmental budget allocation, and the balance is allocated to current payments for compensation of employees and goods and services

Details of underspending per programme and economic classification is discussed below:

- **Programme 1: Administration**

The underspent amount of R9 million in Programme 1 relates to:

- Compensation of employees underspent of R7 million is mainly due to delays in the filling of vacant positions and position that became vacant during the financial year and could not be filled as a result of cost containment measures.
- Machinery and equipment underspent of R2 million is due to delays in delivery of the procured equipment.

- **Programme 2: Intergovernmental Coordination**

The underspent amount of R7 million in Programme 2 relates to:

- Compensation of employees underspent of R7 million is mainly due to delays in the filling of vacant positions and position that became vacant during the financial year and could not be filled as a result of cost containment measures.

- **Programme 3: Expanded Public Works Programme**

The underspent amount of R11 million in Programme 3 relates to:

- Compensation of employees underspent of R11 million is mainly due to delays in the filling of vacant positions and position that became vacant during the financial year and could not be filled as a result of cost containment measures.

- **Programme 4: Property and Construction Industry Policy and Research**

The underspent of R73 million in Programme 4 relates to:

- Compensation of employees underspent of R7 million is mainly due to delays in the filling of vacant positions and position that became vacant during the financial year and could not be filled as a result of cost containment measures.
- Goods and services underspent of R66 million is mainly relates to the delay in the implementation of Infrastructure South Africa project preparation

- **Programme 5: Prestige Policy**

The underspent of R1 million in Programme 5 relates to:

Machinery and equipment underspent of R1 million is mainly due to lower than projected spending on the planned acquisition of assets.

2.7 Transfer Payments

NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY	AMOUNT SPENT BY THE PUBLIC ENTITY	ACHIEVEMENTS OF THE PUBLIC ENTITY
Agrément South Africa	• Implementation of Eco Label Scheme. • Agrément certification projects managed and finalized within timeframes. • Quality Assurance on all certificates in use. • Inclusion of eco-labelling (ecoASA and green building rating tool schemes) to promote sustainable development	R34 082 000	R39 606 663	• ASA continued to fulfil its mandate by assessing and certifying innovative and non-standardised products and systems. During the 2023/24 financial year, 13 Agrément certificates were issued. • In developing small, medium, and micro enterprises (SMME), ASA conducted five trainings, as follows: i. Big Five Construct Southern Africa; ii. Two (2) Technical Skills trainings in collaboration with NHBRC and iii. Two (2) trainings in collaboration with the City of Johannesburg under the theme: "Entrepreneurship" Day" with Entrepreneurs and Stakeholders. • ASA utilised find up to R9,1 million out of R18,7 million as procurement spending directed towards designated groups. (Youth: R5,4 million (Women: R3,7 million).
Council for the Built Environment	• Provision of advisory services to Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and such services are derived mainly through research work;	R54 704 000	R57 541 000	• CBE achieved another successive clean audit for the 2023/24 financial year • Organising and hosting the inaugural Sustainability Seminar held in Stellenbosch, Western Cape province, which was a precursor to the inaugural Climate Change Indaba held in Durban, KwaZulu-Natal Province, in collaboration with the DPWI. • As part of the entity's Public Protection function the following were achieved: i. 100% appeals received completed within the statutory period of 60 days.

NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY	AMOUNT SPENT BY THE PUBLIC ENTITY	ACHIEVEMENTS OF THE PUBLIC ENTITY
	• Facilitate inter-governmental co-operation concerning issues relating to the built environment; • Successfully act as an appeals body on matters referred to CBE in terms of the law regulating the Built Environment Professions. Approved programmes for professionals and candidates appointed by the State.			ii. 100% of complaints received completed within 90 days as prescribed. iii. CBE for the first time hosted a workshop to promote Universal Access and Design and ISA was one of the key participants in the workshop. • A Built Environment Women Network (BEWN) was established to support and empower women in the sector. • About 101 candidate professionals were supported on their quest to becoming registered professionals. • 10 career development events were conducted in eight provinces, covering ten districts. • In line with new mandate accorded by Cabinet CBE developed a professionalisation strategy for the Built Environment was developed and submitted to the ministry.
Construction Industry Development Board	• Ongoing administration and management of the national Register of Contractors and Register of Projects • Implementation of the B.U.I.L.D Programme, Stakeholder capacitation conducted countrywide. • Production of industry construction monitors providing insight into the construction industry for policy makers and industry stakeholders	R80 320 000	R242 786 739 This amount comprises expenditure from the from revenue collected from contractor annual fees to a total of R89 754 263	• CIDB achieved a clean audit for the 2023/24 financial year. • As part of the B.U.I.L.D. Programme initiative, training on Construction Management Systems was provided to 160 female contractors in the sector. • The fourth CIDB Empowerment and Recognition of Women in Construction (ERWIC) Awards, held in August 2023, celebrating achievements of women in the construction sector. The Awards were officiated by the Minister of Public Works and Infrastructure. • CIDB developed the Construction Industry Recovery Plan (CIRP) and was submitted

NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY	AMOUNT SPENT BY THE PUBLIC ENTITY	ACHIEVEMENTS OF THE PUBLIC ENTITY
				to the Ministry for the further processing to the Cabinet. • The CIDB has developed two practice guides for clients on the application of the CIDB Standard for Developing Skills through Infrastructure Contracts.
Independent Development Trust	• Number of new or replacement facilities that comply with infrastructure norms completed • Percentage of weighted B-BBEE Spend (Based on total programme spend) • Percentage of projects completed on time • Number of work opportunities created through EPWP (EPWP-NSS excluding IDT programme portfolio) • Number of construction work opportunities created (IDT Portfolio) Value of programme spend	R81 800 0000	100%	• 49% against target of 30% targeted programme expenditure was incurred on designated groups (i.e. 30% of total programme spend). This marks a significant over-achievement. • Significant over-achievement in allocation of projects to youth-owned companies – 59% against of 30% • Also in the same vein 41% from a target of 40% of projects awarded to women-owned companies. • 64 against target of 60 Achieved in terms of contractors participating in the IDT Contractor Development Programme • 16 greenfield infrastructure (facilities) were completed against target of 15. • IDT over-achieved significantly by completing 109 non-greenfield infrastructure (facilities) against a target of 40 • 95% of projects were completed within budget • 37 projects against target of 20 projects allocated to the IDT Contractor Development Programme

2.8 EPWP Conditional Grants

EPWP Integrated Grant for Provinces

The EPWP Integrated Grant for Provinces was allocated an amount of R403.602 million. By 31st March 2024, R403.602 million was transferred to eligible public bodies, which is 100% of the allocation. The Provincial Departments reported an expense of R387.094 million, which is 96% of the grant allocation. Table 1 below provides the detailed breakdown of the EPWP Integrated Grant for Provinces during the period of 1st April 2023 to 31st March 2024.

EPWP Integrated Grant for Provinces

EPWP Integrated Grant for Provinces (Public Works vote 11)	The grant has been transferred to provincial Departments Nationally
Purpose of the grant	To incentivise provincial departments to expand work creation efforts through the use of labour-intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme (EPWP) guidelines: • road maintenance and the maintenance of buildings • low traffic volume roads and rural roads • other economic and social infrastructure • tourism and cultural industries • sustainable land based livelihoods • waste management
Expected outputs of the grant	• Number of people employed and receiving income through the EPWP • Number of days worked per work opportunity created • Number of full-time equivalents (FTEs) to be created through the grant
Actual outputs achieved	The total FTE's created is 23 024
Amount per amended DORA	R403.602 million
Amount transferred	R403.602 million
Reasons if amount as per DORA not transferred	N/A.
Amount spent by the Provincial Departments	R387.098 million
Reasons for the funds unspent by the entity	The delay in implementing grant-funded projects by departments has resulted in unspent funds.
Monitoring mechanism by the, transferring department	The EPWP Integrated Grant for Provinces is monitored through the In-Year Monitoring (IYM) reports submitted every month by Provincial Departments receiving the grant, Quarterly Evaluation reports, public body visits and reports on work opportunities, as extracted from the EPWP reporting system. The

EPWP Integrated Grant for Municipalities

The EPWP Integrated Grant for Municipalities had an allocation of R748.975 million. By the 31st of March 2024, a total of R748.975 million was transferred to eligible municipalities and this is 100% of the allocation. The municipalities reported an expenditure in the amount of R630.900 million which is 84% of the allocation. The implementation of this grant is aligned to the municipal financial year, therefore municipalities incur expenditure up to the end of the municipal financial year, 30 June 2024.

EPWP Integrated Grant for Municipalities

EPWP Integrated Grant for Municipalities (Public Works vote 11)	**The grant has been transferred to municipalities nationally**
Purpose of the grant	To incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines: • road maintenance and the maintenance of buildings • low traffic volume roads and rural roads • basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure) • other economic and social infrastructure • tourism and cultural industries • waste management • parks and beautification • sustainable land-based livelihoods • social services programmes • community safety programmes
Expected outputs of the grant	• Number of Full-Time Equivalents (FTEs) to be created through the grant • Number of people employed and receiving income through the EPWP • Number of days worked per work opportunity created
Actual outputs achieved	The total FTE's created is 26 758
Amount per amended DORA	R748.975 million
Amount transferred	R748.975 million
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Municipalities	R630.900 million
Reasons for the funds unspent by the entity	The implementation of the grant is aligned to the municipal financial year which ends on 30 June each year. The remaining balance will be spent in the fourth quarter of the municipal financial year.
Monitoring mechanism by the transferring Department	The EPWP Integrated Grant for Municipalities is monitored through the In-Year Monitoring reports submitted monthly by the Municipalities, Quarterly Performance reports, public body visits and reports on work opportunities EPWP reporting system.

Social Sector EPWP Incentive Grant for Provinces

The allocation for the Social Sector EPWP Incentive Grant was R395.913 million and 100% of the allocation was transferred to eligible Provincial Departments by the end of the 2023/24 financial year. The total expenditure reported by provinces is R390,357 million which is 99% of the allocation.

Social Sector EPWP Incentive Grant for Provinces

Social Sector EPWP Incentive Grant for Provinces (Public Works vote 11)	The grant has been transferred to provincial Departments Nationally
Purpose of the grant	To incentivise provincial social sector departments, identified in the EPWP social sector plan, to increase work opportunities by focusing on the strengthening and expansion of social sector programmes that have employment potential.
Expected outputs of the grant	– Number of full-time equivalents (FTEs) funded through the grant – Number of people employed and receiving income through the EPWP grant – Average duration of person days for work opportunities created – Number of beneficiaries provided with social services
Actual outputs achieved	– 14 498 FTE's created – 19 351 people were employed – An average duration of 172 person days for work was achieved – 69 975 beneficiaries received the services
Amount per amended DORA	R 395.913 million
Amount transferred	R 395.511 million
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Provincial Departments	R390.357 million
Reasons for the funds unspent by the entity	Some Provincial Departments could not spend the full allocation due to the late start of some projects.
Monitoring mechanism by the transferring department	The Social Sector EPWP Incentive Grant for Provinces is monitored through the In-Year Monitoring (IYM) reports submitted monthly by the provincial Departments, quarterly performance reports and reports on work opportunities as extracted from the EPWP reporting system. The department also conducted public body visits, as part of monitoring.

Challenges experienced in the 2023/24 financial year

- Delays in implementation of grant projects by public bodies that resulted in underspending of the grant allocation. The delays in the implementation of projects are normally due to internal challenges within public bodies.
- Delays in submission of reports and reporting of projects on the EPWP Reporting System
- Further alignment of projects to labour-intensive methods is required for there is an opportunity to create more work opportunities with existing budgets.
- Poor and under-reporting of work opportunities by public bodies.
- Constant amendments of the project list

Measures in place to address the challenges mentioned above:

- DPWI conducts workshops to provide an understanding of the EPWP Integrated Grant and compliance requirements to the Division of Revenue Act, 2023
- DPWI provides technical support to public bodies to ensure better planning and implementation of projects.
- The provision of technical support, as well as the training of officials in terms of the application of labour-intensive techniques and the provision of guidelines are measures aimed at addressing this challenge.
- Provision of support to public bodies to help with the reporting of projects.
- Ensuring accountability of public bodies in terms of record-keeping and reporting through the development of customised indicators and a practice note.

CHAPTER 3
GOVERNANCE

3.1 Introduction

Governance in the Department is understood as an oversight tool and the process to manage and mitigate departmental risks. This tool cuts across the entire organisation and tie into every aspect of the organisation. The substance of governance objectives is closely connected to the well-being of the organisation. The Department has structured its governing bodies in different ways containing three key components that focus on the following tasks: providing strategic leadership, defining the business of the Department and analysing technical environment within which the Department operates, policies and solutions. Some of the main features of governance practices in the Department are discussed below.

3.2 Risk Management

- The Department has approved Risk Management Policy, Risk Management Strategy and an Implementation Plan, the Risk Management Policy and strategy are reviewed every three years, the plan is reviewed annually in line with changes in environment to reflect the current stance on risk management.

- The Department conducts risk assessment/reviews for both strategic and operational risks annually to evaluate the status of risks identified about the progress on the implementation of action plans. The department has identified key risk indicators, which will also assist to monitor progress on implementation of action plans as well as determine the level of risk exposure at residual level of the risks considering the strategic objectives. The Department adopted an outcomes approach as a planning methodology prescribed by the DPME framework, which integrate the elements of risk identification during the planning stage. The department has been intensely involved in the review of Departmental risks through workshops and branch consultations, whereby DPWI branches have been taken through an approach to develop the Risk Management (Risk Appetite and Tolerance) and consider the proposed Operational Risks aligned to the Strategic Risks.

- Emerging risks are identified when monitoring is conducted on a quarterly basis and when there are any changes in the Department's operations and respective units are consulted for further engagements and to bring the emerging risks to the attention of the risk owner. The current risk registers are then updated with such emerging risks, which are also monitored on a quarterly basis. The issue-based risk assessment are also conducted to identify gaps and measures on compliance matters such as OHS, Security Management and Information Communication and Technology.

- The department has a functional Risk Management Committee with sits on quarterly basis as per the RMC Charter, and an independent Chairperson appointed by the DG chairs the committee.
- Discussion and resolutions taken at RMC are escalated to the EXCO meetings for further discussions and decision-making and subsequently progress on risk management status is tabled at the Audit Committee.

- The Audit Committee is responsible for oversight of the Department's control, governance and risk management and provides an independent and objective view of the Department's risk management effectiveness. The Audit Committee monitors the implementation of risk management processes and advise management on how to improve the effectiveness of risk management in the department.

Key Risks per Outcome

- The Department has identified the 12 Institutional Risks in addition to those reflected in the Strategic Plan, which can influence the achievement of outcomes and outputs. The mitigation plans are monitored quarterly to ensure the risks are within the acceptable risk exposure.

OUTCOME	RISK	RISK MITIGATION
Outcome 1: A Resilient, Ethical and Capable DPWI	1.Cyber Security (Cyber-attack or data breach)	• Acquire digital Signature solution • Acquire Enterprise Security solution to address Cyber security • Awareness campaign, Cyber security assessments and vulnerability Management and Intrusion prevention. • Acquire additional IT specialised skilled resources
	2. External shocks/Natural hazards (Covid-19 / Pandemic / Fires)	• Business Continuity Plans • (Crisis Management Plan, Disaster recovery Plan and Business resumption Plans) • Raising awareness campaign, training of Health and Safety members (reps, Fire Fighters, First Aiders and Floor Marshalls • Conduct evacuation drills
	3. Fraud and corruption	• Implementation of Consequence management (disciplinary process is informed by investigation) • Awareness and training. • Issuing of Media Statements to set the record straight (communicating of facts) • Rollout the implementation of the lifestyle
Outcome 2: Integrated planning and Coordination	4.Perceived stakeholder interference/interest and influence	• Conduct EPWP Learning Programmes. • Workshops on Labour intensity. • Framework submitted for approval. • Training sessions by M&E in reporting to public bodies. • Remote validations of compliance conducted. • Public body visits conducted. • National Coordination Committee meetings. • Finanlisation and approval of Prestige guidelines.
Outcome 3: Sustainable Infrastructure Investment	5. Project Hijack	• Development of the standardised guidelines for the Project Steering Committee (PSC) • Subcontracting (mandatory to designated groups) after award of contract within the framework of the various types of contracts (e.g. JBCC, GCC, FIDIC etc.) • Full Advocacy and Implementation of the BUILD Programme • Develop New Social Facilitation
	6. Low Investor Confidence	• Development of a Long-Term Infrastructure investment Plan • Finalisation and approval of Country investment strategy

OUTCOME	RISK	RISK MITIGATION
		• Roll out 5 Case Model (5CM) and Project Delivery Routemap (PDR). (Training interventions) (New mitigation)
Outcome 4: Productive Assets	7. Infrastructure/Asset failures	• Integrated Asset and property management system (ERP) (ICT) • FM to provide PPM with Condition assessment reports for budgeting • Conducting of condition assessment. • Provision of training on building inspection.
	8. Possible Lockouts by Landlords	• Ongoing Stakeholder engagements with (landlords and DPWI and all other stakeholders)
Outcome 5: Transformed Built Environment	9. Possible Collusion and Fronting	• Structured training and development of registered built environment professionals. (Registration of candidates, skills development.) • Training and development of unemployed young people and existing employees within the built environment. • Collaboration with CETA's private sector government department and other funding institutions.
	10.Perceived stakeholder interference/interest and influence	• Determine policy position towards the development of Draft Public Works Bill.
Outcome 6: Optimised Job Opportunities	11. Demand risk for certain designated groups	• Public bodies provided with support on EPWP across all spheres of government. • Public bodies provided with programme coordination support on EPWP.
Outcome 7: Dignified Client Experience	12. Reputational damage.	• Finalisation and approval of Prestige guidelines. • Provide inputs on the draft regulations for infrastructure of different catergories of funerals. • Finanlisation of Communication Strategy and Social Media policy. • Review of Maintenance guidelines, development of FM Policy and Strategy • Implementation of the Recommendations from the results of Condition assessments. (Output of CA - Maintenance Plan).

3.3 Fraud and Corruption

The Department of Public Works and Infrastructure from herein referred to as “Department”, has an approved Fraud Prevention Strategy, The Strategy outlines a high-level plan on how the Department will go about implementing its fraud prevention program. The strategy evolves as the Department makes changes and improvements in its drive to promote good governance, accountability and effectively fight fraud and corruption. The Strategy is reviewed periodically to enable the strategy to be effective in responding to nature of the prevailing challenges.

The Fraud Prevention Strategy: however, does not guarantee that the Department will not be impacted by incidents of fraud and corruption but, is intended to serve as an additional measure to assist in the limitation of the impact of fraud and corruption risks, with a particular focus on creating awareness and promoting ethical business conduct

The Department's Fraud Prevention Strategy is built around 6 Strategic Pillars namely: -

- Promote citizen empowerment and sustainable partnerships between all stakeholders in building a values-based culture of integrity, transparency and accountability in all spheres of society.
- Advance the professionalization and enhance the performance management of employees to optimise their contribution to create corrupt-free workplaces.
- Enhance and capacitate governance, oversight and compliance functions and processes and enforce timeous consequence management for all acts of transgression.
- Improve the integrity and credibility of the public procurement system and administrative processes to maximise the effective and efficient utilisation of resources for enhanced service delivery.
- Strengthen the resourcing, coordination, performance and independence of dedicated anti-corruption agencies.
- Protect vulnerable sectors that are most prone to corruption and unethical practices with effective risk management.

Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption:

Code of conduct for Public Service requires every employee irrespective of position to report corruption to the appropriate authorities.

The Prevention and Combating Corrupt Activities Act no 12 of 2004 requires a person in position of authority in both public and private sector to report corruption, and other crimes involving less or more than R100 000, to the police. If knowingly/ought to had known but fail to report, will be guilty of a crime.

Reporting Mechanisms

The Department is committed to the highest possible standards of openness, probity and accountability. In line with this commitment the Department expect employees and others that the Department deals with, who have knowledge of serious allegations of fraud, corruption and maladministration about any aspect of the Department's work to come forward and voice those allegations of fraud, corruption and maladministration. It is recognized that wherever practical, and subject to any legal constraints, many cases will proceed on a confidential basis.

The Department has a whistle-blowing policy that makes it clear that employees and external stakeholders can do so without fear of victimization, subsequent discrimination or disadvantage.

Open Reporting: The Department receives reports through Walk-in, emails, telephone via Director: Fraud Awareness and Investigations; Deputy Director-General: Governance, Risk and Compliance; Director-General; Deputy Minister and Minister.

Closed reporting: Anonymous - 0800 701 701 (National Anti-Corruption Hotline).

How these cases are reported and what action is taken:

The Department's internal investigating unit maintains an allegation register of all cases reported to the Unit for investigation and to promote and maintain accountability the Unit reports all cases to the Audit Committee on quarterly basis.

Allegations reported to the Department are screened / assessed to establish whether allegations reported meet the minimum elements of fraud, corruption /and/or serious maladministration, whether the allegations made fall within the jurisdiction of the Department to warrant further investigation and on a preliminary basis, the approach or strategy to conduct the investigation.

The Department since 2009/10 FY has conducted 536 investigations on a series of allegations of fraud and corruption, of these 476 investigations have been completed. As a result of these investigations, 490 disciplinary proceedings were initiated against Departmental officials for various misconducts relating to corruption, financial misconduct and non-adherence to Departmental policies and procedures. Of the finalised proceedings, sanctions against officials range from dismissals, final written warnings, suspensions without pay, resignations before finalization of disciplinary hearings etc. A total of 81 cases which consist of criminal acts related to misrepresentation, fraud and corruption have also been referred to the South African Police Services for further investigation and possible prosecution of the perpetrators.

3.4 Minimising Conflict of Interest

To ensure a compliant supply chain and to prevent and detect collusive practices within the procurement value chain, the department has implemented the below control measures to minimise conflicts of interest.

- All officials involved in supply chain processes are required to annually sign Form PA00 "Code of Conduct for all DPWI Officials Engaged in Supply Chain Management". The Form requires officials to declare in writing all business, commercial and financial interests.
- Officials involved in tender processes related to the development of specifications, evaluation and recommendation of tender awards, are required to complete and sign Form PA18 "Declaration of Interest and Confidentiality". This is a mandatory requirement and no tender specification, evaluation or adjudication meeting proceeds if this requirement is not adhered to.
- All SCM officials are required to submit on a quarterly basis a "Related Party Disclosure" Form which requires them to disclose in detail the participation of spouses and close family members in any partnerships, close corporations and / or companies.
- In instances where an official declares a conflict of interest, the members at the meeting then deliberate on the nature of the conflict of interest to determine if it is material to the item under discussion. Legal services opinion is also sought where required. If a declared conflict is considered material, the member is immediately recused from the meeting and the disclosed conflict is recorded.
- All SCM officials are also subjected to a security vetting and screening process.
- The SCM Policy prohibits employees of the State from conducting business with any organ of the state. Bidder(s) that are found to be employed by the State are thus disqualified from the bidding process.
- To promote segregation of duties and to minimise collusive practices, the department processes electronic nomination and rotation of suppliers for quotation transactions by using a sourcing system that interfaces with the National Treasury Central Supplier Database (CSD). The CSD is also utilised to scrutinize ownership and directorship of ALL service providers to determine if they are employed by the State or restricted from doing business with the State.
- The departmental standard bidding procedures make it mandatory for all bidders to complete and submit Form PA11 "Bidders Disclosure". The PA11 requires the bidder to declare any affiliation with any member of the department as well as declare whether they have interest in other companies whether or not they are bidding for the project.
- All external professional service providers that undertake risk assessments on contractors are required to complete a "Consultant Declaration of Interest" Form which requires the external party conducting the risk assessment to declare any potential conflict of interest with the party on whom the risk assessment is being conducted.
- To identify amongst others any potential conflicts of interest, the department introduced the use of external probity auditors to review tender processes.

- Members serving in Bid Adjudication Committees are rotated annually whilst members serving in Bid Specification and Bid Evaluation Committees are rotated per project. This to dilute interest.

3.5. Code of Conduct on Labour Relations Issues

Section 195 (1) (a) of the Constitution requires that “a high standard of professional ethics must be promoted and maintained” in public administration generally. It is against this background that the Code of Conduct for the Public Service was promulgated under the Public Service Act in Chapter 2 of the Public Service Regulations as amended. The Code of Conduct contained in chapter 2 Part 1 of the Public Service Regulations as amended provides employees with sets of rules and standards of conduct expected from Public Servants. The purpose of the Code is to ensure that employees conform to the basic values and principles that govern public administration as provided for in various legislations and prescripts. 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 provide sets standards on how public servants should conduct themselves from an ethical point of view both their individual conducts, the performance of their duties and their relationship with others. The purpose of the Code is to promote ethical conduct, good governance and enhance professionalism in the public service. It serves to promote ethical and professional behaviours among employees in the Public Service in order to enhance service delivery, and to restore confidence and trust in the public service. In the period under review, the Department adhered to the Code of Conduct and the service charter because employees are subjected to disciplinary processes for contravention of same. The Code of Conduct and Service Charter are circulated to all Departmental users to serve as a reminder of their obligation to comply with same. Further, training on the Code of Conduct is conducted for newly appointed employees as part of the induction with an intention to establish and maintain an ethical culture in the Department

3.6. Occupational Health Safety and Environmental Issues

The Occupational Health and Safety Compliance is a Directorate within the Facilities Management Branch responsible for ensuring compliance with the Occupational Health and Safety Act & Regulations (OHS Act), Act 85 of 1993, South African National Standards, and the Municipal By-Laws in the respective local authorities as well as the National Railway Safety Regulator Act no 16 of 2002.

This is achieved through continuous scheduled and unscheduled building inspections as well as construction inspections.

The Department of Public Works and Infrastructure, through its Occupational Health and Safety Compliance directorate has continued to advice and educate staff on the importance of Occupational Health and Safety in the workplace. As part of the awareness, various habitual preoccupations that most office workers are involved in have adverse effects on their physical well-being. Guided by the Occupational Health and Safety Act 85 of 1993, inspections are conducted on both State and Leased facilities as well as Construction Projects to monitor the level of compliance. Most of the Facilities which are found not complying with the requirements of the OHS legislation and municipal By-Laws and other relevant Acts, the reports are compiled with recommendations to the responsible units to address the findings.

One of the Departmental strategic risk is loss of life, either from Construction or from Maintenance Incidents. Within our State and Leased facilities, there is a potential risk of Occupational Diseases, which can result to reputational damage, possibly lawsuits or litigations, to the Department. Part of our controls put in place is to conduct inspections to monitor the level of compliance in all facilities that we provide to our client departments or Construction Projects that we implement on their behalf. Compliance Inspection are also conducted on the Railway sidings managed by the Department in line with the Railway Safety Regulator’s Act No. 16 of 2002 to ensure compliance with the South African National standard (**SANS**) **3000-1**. Some of the sidings are maintained and serviced for the user department like the South African National Defence Force (SANDF) for their railway operations. The

SANDF uses the railway to transport both ammunition and JET fuel for Presidency. The Department applies for a Railway Safety Permit once in 3 years with the National Railway Safety Regulator (an agency of the National Department of Transport). The National Railway Safety Regulator (Act No. 16 of 2002) requires all entities defined as operators to apply to the Railway Safety Regulator (RSR) for a Safety Permit including the Department of Public Works. According to this Act, all entities are obliged to apply to the RSR for a Safety Permit should they be an operator defined in the Act, including being:

• Responsible for the maintenance of any portion of networks/ siding including railway yards.

The Department is in possession of (**27**) railway sidings in different regions and only (**2**) of those are active and the rest are dormant and spiked. As the custodian of railway lines, the Department is classified as a Class B, Network Operator. Network Operators are responsible for the maintenance of their active railway lines and it is their responsibility to ensure that active railway lines are kept in good operational condition to avoid any nature of an occurrence. The Department has suffered a major loss through vandalism and theft of the railway sidings in the previous financial year.

The Department has also generated revenue through leasing two (2) of their sidings to private operators. Both private operators are responsible for the maintenance of the sidings that they are utilizing.

3.7. Portfolio Committee

Resolutions of the portfolio committee on Public Works and Infrastructure in the 2023/24 financial year

PC on PW&I Resolutions	**Date of Meeting**	**Meeting Outcomes**
The Committee had undertaken an oversight visit to small harbours on the Cape West Coast, Cape Town Coast and Robben Island. The oversight visits occurred in the Western Cape from 18-21 April 2023. The aim was to see how the Department of Public Works and Infrastructure managed the small harbours. Members of the Committee visited Saldanha Bay, Yzerfontein, Hout Bay, Kalk Bay, Gordon's Bay and Robben Island.	18 – 21 April 2023	Oversight visit gave the Committee insight on the management of small harbours.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
The Portfolio Committee convened in a virtual meeting to consider and adopt the Small Harbours Oversight Report and to consider and adopt its outstanding minutes.	10 May 2023	The Committee was disappointed that the Executive Authorities (EA) were not available for the oversight visit. The EA did his own oversight, but only after the Committee's visit. The Committee highlighted the need for safety as a matter of urgency in Hout Bay, with recommendations for backup storage systems for CCTV footage, maintenance plans for the infrastructure and ensuring that buildings complied with the occupational health and safety

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		standards. Management confirmed that electrical works within the repair and maintenance programme to the 13 proclaimed fishing harbours allowed for the installation of CCTV cameras at all the harbours and included back-up storage for the purpose of obtaining archived video footage. The DFFE should then procure additional storage system. DFFE and DPWI committed to resuscitate the Harbour Steering Committee (HSC). DPWI and SAPS conducted a detailed security report, which indicted major security upgrades for Hout Bay. As far as the Sea Harvest Company was concerned, management had stated that 60% of the damaged keys were not utilized, rendering the company useless. In Hout Bay, only 40% of the keys were being utilized. This was because it was losing a lot of income that would be able to assist with creating employment for the people of South Africa. DPWI's EPWP will engage clients to ensure they prioritise development of sector specific skills focusing on harbour maintenance, harbour operations, Marine and Aquaculture, marine tourism and hospitality, as well as seafood processing. Through the Operation Phakisa work stream 2, 925 jobs were created as well as the empowerment of over 100 local SMMEs. The harbour programme trained 9 local divers as class 3 commercial divers in conjunction with local communities in Hout Bay Harbour In Kalk Bay, there was an issue of sewage spillage. The management stated that they were experiencing sewage spillage because of the congestion of tourists. This issue was reported to the municipality, but nothing has been done so far.

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		The Department was asked to assist with this issue and promised to look into this matter. Questions were raised about the allocation for repairs and maintenance, where only a fraction of that money was being utilised. DPWI was in the process of appointing a Management Company for the development and effective management of the Harbour. On Integrated Disaster Risk Management, it was requested that employees be trained in firefighting as part of risk management. Robben Island Museum did not have funding for the much-needed water reticulation system. Other challenges correlated with the water crisis. There were also issues with water testing sampling, which had rendered the water at Robben Island unsuitable. The Committee recommended that the matter be investigated because people could not continue consuming water unfit for consumption. In the November 2023 meeting convened to obtain a comprehensive report on issues raised during their oversight, it was indicated that the Robben Island Museum (RIM) has effectively tackled the challenge of ensuring water sustainability on the island by exploring alternative sources, namely boreholes. Department required to revisit the Memorandum of Understanding around harbour management with DFFE. Department required to revive the Tripartite Agreement between DPWI, DSAC and RIM for proper management and maintenance of the Robben Island Museum.

PC on PW&I Resolutions	**Date of Meeting**	**Meeting Outcomes**
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
Engagement with DPWI, SAPS and City of Ekurhuleni: Brackenhurst and Brackendowns Residents Petition; with Minister	17 May 2023 & 30 May 2023	At issue was a parcel of land owned by the Ekurhuleni Metro Municipality, which was occupied by the South African Police Service (SAPS). The Municipality claimed arrear rent amounted to over R1.8 million, which the DPWI disputed. SAPS informed the Committee that the conditions in the current accommodation were not conducive to providing good service to the community. It was agreed that the parties involved find a solution to the challenges raised. The Department of Public Works and Infrastructure (DPWI) held joint meetings with the City of Ekurhuleni and the South African Police Service to resolve the matter. During their meetings, it was established that the DPWI had been paying the required rent, but this had been paid to an incorrect bank account. The reconciliation of the payments was still underway. The property had originally been transferred to the municipality, but should have been transferred back to the DPWI, in line with the Hanekom Commission delegations. A detailed process for the transfer of the property back to the DPWI was agreed on, with a final date of transfer estimated for June 2025. The Committee was, however, concerned about the long timeline for the finalisation of the transfer, as it might impact the renovation, maintenance and erection of the additional accommodation required by the Brackendowns police station. It was agreed that all efforts would be put in place to ensure the transfer was done as quickly as possible, and renovations would commence as soon as the Council decision to donate the land back to the DPWI was passed.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
DPWI / PMTE Q3 2022/23 Performance; with Deputy Minister	24 May 2023	The Department of Public Works and Infrastructure (DPWI) presented its third and fourth quarter performance reports to the Portfolio Committee. Concerns were noted on hiring of people with disabilities, the slow processing of disciplinary cases, vacant positions within the Department, the bank overdraft, lack of oversight and management of projects, upskilling of workers, issues with service delivery, maintenance and fraud, as well as the low number of gender-based violence and femicide (GBVF) shelters. Members were also concerned with slow progress on processing the Public Works Bill and the related policies. There are ongoing consultation sessions with key internal stakeholders to enhance the current draft of the Public Works Bill. The Committee requested a written report on the Department's project sites, active bursary recipients, a list of the 100 unutilised vacant properties and active project sites, and urged it to digitise its asset registry.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
Enterprise Resource Planning (ERP): DPWI/PMTE briefing; with Minister	31 May 2023	Members raised concerns about the over-customisation of the system and the risk of not being supported by the original developers. They were worried about the cancellation of service provider contracts and the amount of money spent on each service provider without the necessary progress and finalisation. The Committee reiterated the need for a comprehensive and integrated system to ensure all government branches and entities could retrieve and submit information and data on the same

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		system, to ensure accurate data and information. The Department confirmed that the first phase of the project, with all modules operationalised, would be completed by the end of the financial year at a total cost of R50 million, whereas the long-term project to incorporate all provinces and entities would be completed at a cost of R200 million.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
Update on the Immovable Asset Register: DPWI briefing; with Deputy Minister	07 June 2023	The Department of Public Works and Infrastructure briefed the Portfolio Committee on Public Works and Infrastructure about the Immovable Asset Register. The Department provided an update on the condition of the register. The total recorded value of the current immovable asset portfolio was R148 billion. Members acknowledged the progress made by the Department but were concerned that challenges remained. Some suggested that the Department lacked the internal capacity to deal with the complexity of the issues involved in compiling and maintaining the register. They sought to gauge the Department's confidence in the overall completeness of the register and the progress made in recording assets of the pre-1994 governments. Among other things, Members asked about the audit disclaimer received by the Department, the security of the asset register, and about the Department's plans to respond to illegal occupations of state-owned properties. They also discussed the Department's procedures for assessing the condition of state-owned properties and the need for the Department to generate revenue from its assets.

PC on PW&I Resolutions	**Date of Meeting**	**Meeting Outcomes**
		Members resolved that the Department should submit a detailed breakdown of all the assets captured on the system, including the total number of assets and their location. Members were extremely doubtful about the total number of properties captured on the system. Management considered issues raised by members. There was an improved audit outcome (from disclaimer) on matters related to the asset register during the period under review (2022/23).
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
State of Parliamentary Villages (Acacia, Pelican and Laboria): DPWI & Parliamentary Villages Board input; with Minister and Deputy Minister	14 June 2023	The Department clarified the process regarding properties that were no longer used by the Department. While engaging with municipalities to transfer these properties was a possibility, it was important to ensure that the Department had exhausted all options for utilising them before proceeding. The Department expressed willingness to consider cooperation or property transfers with municipalities if it aligned with the Department's needs. However, it was importance to first determine that the properties would not be useful in the future. The policy of permanent house rentals was currently based on the premise that houses were allocated to Members of Parliament for work purposes, rather than residential leases. Unless the policy was reviewed, it was unlikely that changes could be made. It was agreed that there was a lack of effective management in Parliamentary Villages, given the fact that the Board had not convened since 2021. The Department was to address the issue promptly. To this end, there

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		was a need for action and a more proactive approach to addressing concerns. This included a suggestion to conduct an independent performance assessment of the contractor responsible for the Parliamentary Villages, ensuring fairness and accountability. Regarding maintenance, there was a proposal to shift maintenance responsibilities from the Prestige unit to the Facilities Management branch. The decision aimed to establish an in-house maintenance capacity and improve efficiency. The importance of evaluating the performance of the company Tefla, and implementing a system for Members to log complaints and ensure prompt resolution; was emphasised.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
DPWI role in Smart City Projects to deal with the infrastructure requirements and service delivery needs of client departments; with Minister and Deputy Minister	05 Sept. 2023	South Africa's enduring ambition to create Smart Post-Apartheid Cities represents a concerted effort to rectify the spatial injustices stemming from apartheid-era policies, most notably the Group Areas Act. The nation's journey toward fostering these Smart Cities commenced in 1994 with the advent of democracy, driven by Infrastructure South Africa's determination to mitigate spatial disparities while advancing racial integration. This vision of Smart Cities has remained at the forefront of the democratic government's agenda. Regarding the four projects that were reported on: in terms of the Smart Cities Framework, the steps provide a guide on time frames that allow for the anticipation of time, hence the planning of a Smart City and being "shovel ready" takes anything between three to five

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		years. All the four presented are behind schedule. The Lanseria project, for instance, ought to be in year one of implementation. However, it has not even been registered on the ISA register as a project. The Nkosi Project is the only one of the four projects that ISA is confident will catch up with time. It is running about six months behind schedule. It will please the Committee to learn that ISA has been able to troubleshoot most of the water license matters promptly. Operation Bring Back was a campaign to ensure that the various pieces of land, as well as assets, such as buildings that have gone either "missing" or unregistered be brought back and registered. Thereafter, the Department would either commercialise those or allocate them to various state organs as needed. It is the campaign that the Department is rolling out, where DPWI engages with municipalities and tries to consolidate those assets into DPWI's register and ensure that those illegally occupied buildings are recovered.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
Refurbish programme to address the poor state of government properties, with Minister and Deputy Minister	06 September 2023	The five properties identified for the first phase are Telkom Towers, Public Works House, the Civitas building, the South African Police Service (SAPS) barracks, and the Department of Defence (DoD) apartments. Approval for the public-private partnership (PPP) involving the first three properties had been received and ISA was in discussion with the National Treasury regarding the other two properties. The first three projects would commence in March 2024. Phase two of the project would involve around 50 properties. Through "Operation Bring Back," the Department would target 1

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		260 hijacked buildings. The operation would consist of three legs -- to recover/identify stolen properties, recover illegally occupied buildings and, where possible, get occupants to pay rent to at least pay rates and taxes. This was a three-year project, starting in January or February 2024. National Treasury governed public-private partnership (PPP) processes, together with specific requirements from the Public Finance Management Act (PFMA) and the involvement of external parties, and this prolonged processes. Phase one of the project involved the properties dealt with in this report, and phase two would deal with an additional 50 buildings. The Department of Public Works and Infrastructure (DPWI) would use the innovation of private sector participants to enable spatial inclusivity, spatial integration, equitable access and inclusive growth. Key challenges that required to be addressed by the technical team after the transfer of the ROTP to ISA were discussed. Mitigation strategies were developed to address key challenges. These involved closer collaboration with the GTAC around the three projects registered as PPPs with National Treasury, and the two projects submitted for consideration to be registered as PPPs, and the finalisation of the appointment of condition assessments teams by the DPWI. ISA also had to finalise the appointment of a transaction advisor to package PPP procurement and continue its engagement with the GTAC on opportunities for fast tracking the implementation of the ROTP, including possible exemptions.

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		The agreed timeline for the first three properties -- Telkom Towers, Public Works House and Civitas -- to be registered for the pilot phase with National Treasury as per Regulation 16 of the PFMA, was during the first quarter. During quarter two, the transaction advisors must be appointed and the drafting and packaging of the Treasury Approval 1 and Approval 11A must commence. The finalisation and submission of Treasury Approval 1 would take place during quarter three, and the completion and submission of Treasury Approval 11A would take place during quarter four, when the RFP would be issued to the market. The SAPS barracks and DoD apartments would follow a different timeline, as they required further technical assessment before registration as PPPs. The projected timelines for phase two would take into consideration lessons and experiences from phase one, and it was currently envisaged to do a high level analysis of facilities on the basis of specific criteria of suitable buildings during the 2023/24 financial year. Feasibility studies and the selection of suitable sites in metros and intermediary cities would take place during the 2024/25 financial year, and a selection of suitable sites in district and local municipalities would take place during the 2025/26 financial year. In summary, the completion of the pilot phase would contribute towards an improved strategy for implementing phase 2 as part of the overall PMTE optimisation of the state-owned fixed asset portfolio strategy. The optimisation of the state-owned fixed asset portfolio would

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		contribute towards revenue-generating opportunities for the state, in which assets could be utilised for commercial ventures. In the long term, the project will contribute to the value retention and enhancement of the portfolio, and also direct the PMTE initiative towards improved financial and asset management sustainability.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
Progress with one-stop service centres & service delivery centres to be constructed in rural towns; with Minister and Deputy Minister	12 September 2023	The Department provided an update on progress with the precinct development programme for the areas of Howick, Mandeni, Secunda, Kwa Mhlanga, Carolina, Christiana, Matlosana, Vredenburg and Mount Fletcher. It gave the investment values and showed the dependency of the Department on user departments to provide agreements and budgets. It explained its strategy for investment in the municipalities and the criteria for investment. The Department also engaged with a number of departments and agencies to ensure integrated development and the availability of bulk engineering services. There was a concern that public-private partnerships (PPP) were being promoted, despite Treasury's incomplete review of PPPs. On collaboration with municipalities, all projects were aligned with integrated development plans (IDPs) and the Spatial Planning and Land Use Management Act (SPLUMA) legislation. The Department was linking to the DDM model in the prioritised areas. Council resolutions were required when municipal land was needed. If the Department owned the land, no municipal resolution was necessary. Regarding the issue of Treasury funding and resources, she said

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		that in terms of specialised resources such as engineers, the Department did not even have a transport engineer, and had to look at municipalities for support, and small towns and rural municipalities did not have these resources. The Department also engaged with technical forums, but this needed to be intensified. Issues of capacity and professional services within the Department had been raised. There needs to be an intensified way to approve the Public Works bill and the Act, otherwise the Department would always be lagging behind in what it wanted to achieve. Notwithstanding the community services which were really needed, the Department had to speedily rectify what would assist in providing these services in a shorter period of time than planned.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
DPWI on support to PMTE; leasing model to client departments; Funding Strategy & Financing Model; with Deputy Minister	13 September 2023	The Department highlighted persistent challenges related to fee collection from client departments within the Trading Entity. During the Committee's discussion session, concerns were raised about the shortage of skilled personnel for managing asset registers and the maintenance issues affecting government buildings. Members inquired about the role of contract positions and why they were not made permanent, particularly if they played a vital role in the daily operations of the Trading Entity. Committee Members emphasised the importance of creating a credible asset register and retaining skilled staff. Public Works responded by committing to motivate filling key positions and seeking assistance from Treasury and the Portfolio

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		Committee if necessary. Contract positions were temporary measures to address urgent needs, with plans to eventually make them permanent. Public Works also outlined its strategy for optimising underutilised properties and improving maintenance. Efforts to retain skilled staff and create permanent positions were highlighted as priorities, although they were contingent on Treasury budget constraints. The significance of a credible asset register for accountability and attracting potential investment was stressed, as were challenges with client departments' payment priorities. Public Works pledged to work on a collection policy in alignment with Treasury guidelines. In closing, the Committee underscored the need to implement and enforce the Public Works Act and the collection policy.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
PMTE strategy to address under capacitation: with Deputy Minister	19 September 2023	The Department of Public Works and Infrastructure (DPWI) presented its Human Resources strategy. PMTE needed to establish a method of engagement with Treasury to secure funding for these critical positions. National Treasury had recently issued guidelines in a 31 August 2023 letter which provided clarity on the cost containment measures. These guidelines clearly indicated the need for an approval process department must adhere to when advertising and filling certain positions, given the current circumstances. PMTE needed to adopt a realistic approach and conduct a thorough prioritization of its critical vacant

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		positions. It was currently in the process of identifying those positions. The number of critical vacant positions would serve as motivation and would be presented before being finalized and signed off by the Director General. National Treasury and the Department of Public Service and Administration (DPSA) would then consider this. The focus would primarily be on critical positions, and filling these positions would significantly impact the efficiency and effectiveness of both PMTE and DPWI. The vacant executive leadership positions had already been advertised and were currently in the advanced stages of recruitment. PMTE maintained continuous advertising of these positions, making use of the DPSA vacancy circular. In cases where planned retirements were anticipated, especially for individuals retiring at the age of 65, a proactive approach was adopted by advertising these positions even before the employees left. This strategy aimed to ensure that as soon as they departed, their positions could be filled promptly, minimizing any leadership gaps. The focus was placed on technical positions as well as senior management roles. Two regional manager positions had recently been advertised, although they were not currently vacant. One incumbent was transferring, and the other was nearing retirement. In filling these positions, alignment with Treasury's cost containment measures would be essential. On the challenge of retaining expertise, short-term contracts made it difficult to retain professionals like accountants and related specialists. PMTE had transitioned from short-term

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		contracts to medium to long-term contracts, with 36-month contracts becoming the norm. Additionally, efforts were underway to convert some contract positions into permanent ones to enhance expertise retention. The economic challenges facing the country, and their impact on project funding, were discussed. Additionally, concerns were voiced about client departments' willingness to pay higher leasing costs in the private sector compared to state properties. Questions were raised about budget allocation and the redirection of funds to address critical issues within Public Works. External factors, such as economic trends, had a significant impact, not only on the fiscal aspect but also on the labour market and the pricing of labour. Specifically, challenges in attracting skilled and expert individuals in the context of labour market dynamics and the value associated with their expertise. The landscape had evolved since 2016, particularly in the context of the built environment. There was the emergence of innovative concepts like the Fourth Industrial Revolution (4IR) and smart instruments that allowed remote monitoring of building performance. This extended to construction methods where remote construction practices were becoming more prevalent. The organization's structural evolution was an ongoing and dynamic process. It involved continuous debate, assessment and evaluation of the structure considering external forces and market trends to ensure alignment.

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		DPWI aims to align the Annual Performance Plan (APP) with the PMTE mandate, despite facing challenges due to the current organisational structural capacity. These capacity challenges did not diminish commitment to achieving the APP targets. Instead, they determined how to effectively manage within the existing structure and capacity, all while preserving their mandate. DPWI was making efforts to further reduce the vacancy rate to below 10%. It was important not solely to focus on the percentage but also consider the actual number of vacant positions. In the 2017/18 financial year when the DPW/PMTE vacancy rate stood at 37%. Approximately 80% of current vacancies had already been advertised, targeting the 10% vacancy rate. The PMTE artisan training programme enrolled general workers and tradesmen who had been part of its workshops for years. These employees, although experienced, were undergoing a recognition process for their artisanship. They were required to go through a series of steps, starting with enrolment at a further education and training (FET) college, followed by mentorship and preparation for tests. The revitalization of the workshops would facilitate the appointment of those who had successfully qualified but had not yet been appointed to positions, partly due to position availability and the pressures on their workforce composition.
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DPWI & PMTE Q1 2023/24 Performance; with Deputy Minister	20 September 2023	The Department of Public Works and Infrastructure (DPWI) and the Property Management Trading Entity (PMTE) presented performance reports for the first quarter of 2023/24. Both entities

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		reported underspending of their allocated budgets. The circular on the letting of properties (Circular 135) though delayed had been approved and would be actioned on 1 October 2023. A survey was done around fraud and corruption to assess how the Department was perceived and if people reported fraud. This assisted the Department in its preparation of fraud awareness campaigns. The delays in EPWP transfers was due to a change in process. The Department wanted to streamline reporting and compliance. Management realised that it had had a negative impact, and was working on a catch-up plan. Additional recruitment had been put in place and there would be no further delays. There were around 59 000 properties for which rates were not received, and 2 500 leased to the private sector. One of the money-generating options the PMTE had was to lease properties to the private sector. The fast-tracking of proactive maintenance would be done through in-sourcing, but due diligence would be done before appointing contractors.
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DPWI/PMTE Audit Outcomes; DPWI/PMTE 2022/23 Annual Reports	10 October 2023	Auditor-General on DPWI/PMTE 2022/23 annual performance: The Office of the Auditor-General of South Africa (AGSA) took the Committee through the Budgetary Review and The report of the Auditor-General (AG) cast light on critical aspects of the entities' performances, with a particular emphasis on financial

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		management, compliance, and their ramifications for service delivery. It accentuated a range of areas of concern, including financial mismanagement, irregular and wasteful expenditure, overpayment for parking bays, and procurement process issues. It pointed out that despite the presence of informed officials about processes within the Department, compliance shortcomings remained a persistent challenge. It underscored the impact of these issues on service delivery and the pressing need for robust consequence management and disciplinary action to redress the mismanagement of state funds. Ensuring property security through deploying security guards was unsustainable, prompting the introduction of a new approach outlined in Circular 135, aimed at enhancing property maintenance and control measures. The roles of various departments, such as the Department of Transport, the South African National Defence Force and Infrastructure South Africa, in projects such as the Welisizwe initiative and the construction of bridges was clarified. The DPWI and PMTE offered additional insights into the Department's operations and its responses to the concerns raised by the AG and the Committee. They clarified the specific mandates of the two entities, explaining that the DPWI focused on asset management, construction, and accommodation provision, whereas the PMTE dealt with strategic infrastructure and intergovernmental functions. Recommendations Report (BRRR), indicating that the continued misuse of state resources and persistent weakness in systems of

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		transparency, accountability and performance were significant concerns for South Africans. All key stakeholders, including leadership and decision-makers, had a role to play in the accountability ecosystem. The PC had seen an improvement in the overall audit outcomes, as the Property Management Trading Entity (PMTE) had resolved the prior year's disclaimer opinion due to producing a reconciliation for the change made to the asset register. The Construction Industry Development Board (CIDB) improved from a qualified opinion in the prior year to an unqualified opinion with findings by adjusting revenue during the audit to the current year and prior year misstatement. On the quality of financial reporting, it was mentioned that internal control systems developed to address prior-year qualifications were ineffective in certain instances. Issues around leases at the PMTE remained, leading to overpayments being made. Weaknesses in financial management controls relating to programme assets and liabilities and prior year irregular expenditure at the IDT were still a concern. Action plans should be intensified to address all weaknesses and be monitored regularly. Further, non-compliance with laws and regulations had been reported within the portfolio. Repeat findings plus new issues were noted. Preventative controls had not been prioritised, but the portfolio had been reactive in responding to compliance issues. Some of the weaknesses identified that hamper progress in infrastructure delivery include inadequate needs assessments

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		and ineffective use of feasibility studies. Ineffective monitoring of project milestones, project costs and build quality; intergovernmental coordination and collaboration failure; and ineffective utilisation of facilities and poor conditions of state buildings. In response, the AG recommended that key role players should plan together the long-term turnaround strategy of SA infrastructure; projects should be adequately planned to reduce delivery delays, unnecessary extensions, and cost increases; the segregation of coordination, monitoring and custodianship roles among multiple role players prevented clear accountability and consequence management on the state of SA infrastructure; and the CIDB should utilise its enforcement powers as one of the regulators of the construction industry.
DPWI/PMTE briefing on the 2022/23 annual report		The DPWI agreed with the Committee that the funding mechanism of the PMTE might be the source of challenges for the entity. However, when looking at their mandates, ISA was responsible for strategic infrastructure and intergovernmental duties, which meant it works with various departments with strategic infrastructure. The PMTE, on the other hand, was responsible for state-owned facilities vested in the national Department of Public Works. The Department was thus responsible for asset management, construction, maintenance, and overall provision of accommodation. These were functions that were not mainly found in ISA. The only component of PMTE that could find solace within ISA was construction project management. ISA consolidates all the infrastructure efforts in the country to have one repository for

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		ease of reporting and accountability. Regarding the safeguarding of state-owned properties, it agreed with the Committee that this approach was not sustainable, hence the formulation of Circular 135, which is currently in implementation. What the Department had decided to do was that instead of going searching in the market, it was better to start with the applications for properties that were already on the table. This would lessen the costs associated with the maintenance of the properties. The Department agreed with the Committee on the issues raised, including the holding to account of officials responsible for the mismanagement of government funds at the DPWI and its entities. 55 officials had been retrenched for mismanagement of funds in the Department. It was prudent for the DPWI to inform the Committee of what the Minister planned to do regarding improving service delivery within the mandate of the Department. The Department intended to implement an accelerated delivery model by using alternative forms of delivery, where projects were implemented through an accelerated process, yet was still not conflicting with the PFMA. This would be effective and promote the deliberate appointment of contractors, especially women, youths, and those living with disabilities.
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IDT & Agrément SA 2022/23 Annual Reports; With Deputy Minister	11 October 2023	The Committee engaged with the Independent Development Trust (IDT) and Agrément SA on their 2022/23 Annual Reports. The IDT aspired to reduce the infrastructure backlogs by

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		building quality public infrastructure that met the goals of its clients. Agrément SA (ASA) presented that despite unfavourable economic conditions due to the COVID-19 pandemic, the entity continued to implement its mandate, improve its operational efficiencies, and support the objectives of the Department of Public Works and Infrastructure (DPWI), to which ASA reported.
Briefing by the IDT on its 2022/23 Annual Report		The IDT was constantly conversing with clients for payments to be made on time and for tranche payments. The contracting model was under discussion for change – the payments would be changed to tranche payments to pay service providers on time. On fraud and corruption cases – there had been six cases in the 2022/23 financial year. On the update of the reconfiguration of the IDT, on the seven-month review on the Presidential SOE Council, following the presentation of the IDT business case on 29 March 2023 by the DPWI, the assessment was meant to be done by July 2023 and concluded by September 2023. That had to be followed by the Departments and entities, and consultations had to be done by the PSEC and those had not taken place. When those things started happen, the Committee would be notified and updated. On the appointment of the CEO, that matter was with the executive authority and the Board, and the outcome would require input from the Cabinet. Proper systems would be in place to monitor the IDT's work, which would help when being audited. All advice

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		and guidance given by the Members would be considered.
Briefing by Agrément SA on its 2022/23 Annual Report		The sixth Agrément South Africa (ASA) Annual Report provided insight into its performance information, financial position, financial performance, human resources information and outlook. Despite unfavourable economic conditions due to the COVID-19 pandemic, ASA continued to implement its mandate, improve its operational efficiencies, and support the Department of Public Works and Infrastructure (DPWI) objectives, to which ASA reported.
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CIDB & CBE 2022/23 Annual Reports; with Minister and Deputy Minister	12 October 2023	The Portfolio Committee was briefed by the Construction Industry Development Board (CIDB) and the Council for the Built Environment (CBE) on their 2022/23 annual reports. The CIDB highlighted its achievements and sustainability, despite the challenges faced by the Department of Public Works and Infrastructure (DPWI) and other departmental entities. It engaged in outreach programmes and communication with stakeholders to better understand their needs and ensure effective service delivery. The CBE said its focus was on transforming the built environment sector, creating skills and building professionals, and empowering women, the youth, and persons with disabilities. It had received a clean audit for the 2022/23 financial year, and had achieved 15 of its 18 targets.
Construction Industry Development Board: 2022/23 annual report		The CIBD provides interventions to assist SOEs and municipalities in spending in various ways, including capacitation processes beyond just classroom training. They considered the adoption of clients where they were assisted in the process to ensure there

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		were fewer risks with the tender documents, ensuring that they were clear, transparent and competitive. Through the CIBD's practice notes, there were guidelines for clients on conducting site briefings and other key issues. This had been focused on municipalities and state-owned entities (SOEs). The entity should look at further improving its internal systems of control, including putting effort into the programmes that require attention. More work was needed to prevent the construction mafia from infiltrating the industry.
Council for the Built Environment (CBE): 2022/23 annual report		The Committee was briefed on CBE's performance for the 2022/23 financial year, with the medium-term focus being on transforming the built environment sector, creating skills and building professionals in the built environment, and expediting the empowerment of women, the youth and persons with disabilities. The transformation work of the CBE, including advancing women, should be based on the core values of quality and professionalism. CBE acknowledged the challenges highlighted by the Committee, and indicated that extensive work was being done to address them, especially issues of transformation. More collaboration with other department entities and tertiary institutions was needed to ensure that the mandates of the Department and its entities were delivered.
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Waterloo Green Residents Petition; with Deputy Minister	15 November 2023	The Portfolio Committee on Public Works and Infrastructure met with the Department of Public Works and Infrastructure (DPWI) and petitioners from Wynberg in

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		Cape Town to discuss the issue of the demolition of two derelict houses in Waterloo Green, which were posing a safety risk to Wynberg residents. Issues raised in the petition were noted and that the Department would work hard to alleviate the issues highlighted. The Chairperson thanked the petitioners noting that the issues touched on what the Committee had repeatedly said – that DPWI must deal with its property portfolio correctly. The Committee committed to compile a report on the engagement for further debate in the National Assembly. The Department was requested to provide a written report on the matter.
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Implementation of Committee recommendations during oversight visit to small harbours; with Deputy Minister	22 November 2023	The Portfolio Committee on Public Works and Infrastructure convened to receive a comprehensive report addressing the implementation of recommendations during their oversight visit to small harbours, including Robben Island, from 18 to 21 April 2023. The Committee Members expressed dissatisfaction with the insufficient interaction and coordination among the involved entities (DPWI, DSAC and DFFE). The absence of DASC and DFFE from the meeting, particularly concerning issues related to harbours, DPWI, and Robben Island, further exacerbated their concerns. Members emphasised the need for DPWI to adopt a proactive rather than a reactive approach and take a leading role in addressing these issues. For RIM, the suggestion for a bridge to Robben Island, falls within the medium to long-term

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		planning considerations, and discussions were underway with the ISA. A public-private partnership is envisioned for its realisation. There was also a need to consider alternatives to expanding the power supply infrastructure. The shift towards employing artisans, carpenters, plumbers, and electricians directly on the island was advocated for by the RIM as a more effective and accountable strategy. Plans for a workshop were outlined, providing a platform to discuss these financial challenges openly. It was stressed that prioritisation would be applied, focusing on crucial and critical areas to ensure effective resource allocation. The plan for Hout Bay involves appointing a management agent responsible for both managing the harbour and attracting investors. This process is preceded by a crucial social facilitation phase involving community engagement to ensure project success. The Department recognises the importance of community involvement in any harbour project, and establishing a committee ensures community buy-in. The next steps include presenting the concept of the management agent to the community, seeking their input, and explaining the benefits that will accrue to the surrounding communities. The approach involves ongoing community participation in harbour management and daily operations. This community-centred strategy is applied to Hout Bay and is hoped to be a model for developing plans for strategic harbours with significant potential, such as Saldana and Hermanas. The focus is on bringing in management companies, working in conjunction with the

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		Department, to attract investments. These responses address the questions raised by the Members.
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Department of Public Works and Infrastructure Q2 2023/24 Performance; Committee Legacy Report; with Deputy Minister	29 November 2023	The Department of Public Works and Infrastructure (DPWI) had spent 51% of its total annual adjusted budget allocation of R8.476m by the second quarter of the current financial year. It had achieved 52% of its targets. It provided these details when it briefed the Portfolio Committee in Parliament, during which it outlined the achievements and challenges in its 11 programmes. The EPWP branch had been told to submit a strategy that was achievable to the Committee, and to go to the provinces that had not done well. No EPWP project would start without an exit strategy. The poor performance of contractors was something that should end. Contracts for service providers were going to have a legal clause dealing with abandoning a site. It was unacceptable for the Department to have an information communication technology (ICT) system that was not integrated. The DM has requested the State Information Technology Agency (SITA) to assess the ICT system of the Department.
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DPWI and PMTE Update on Enterprise Renewal Programme, with Deputy Minister	28 February 2024	The Department of Public Works and Infrastructure (DPWI) briefed the Committee on the enterprise renewal programme. The Committee heard how, in 2011, DPWI approached National Treasury for permission to implement the Enterprise Renewal Programme (ERP). The objective was to move the Department from a Government Transversal system to a Generally Recognised Accounting Practice

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		(GRAP) compliant system. It also decided to digitise the Property Management Trading Entity (PMTE) core business functions. The Committee previously brought up the software issues but without a functioning ICT system, the Department would not be able to achieve what it wanted to. The Chairperson said the Department failed the country considering the software system was never completed. Not all modules have been live. ICT was advancing each day but the Department was stuck with something which was not working.
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PMTE on leasing of government properties; with Ministry	05 March 2024	The Portfolio Committee on Public Works and Infrastructure was briefed on the leasing of government properties and functional accommodation for service delivery departments. PMTE informed the Committee that it faced various challenges of which overdraft is one of the most important which needs more attention. Given the slumping economy and the government budget cut, PMTE cannot rely on fiscal assistance to sustain. It will need to utilise state assets that it oversees and generate profits in order to become self-sustainable. Having a reliable Government Immovable Asset Register is the key to achieving that. The PC was frustrated with the lack of progress on Telkom Towers which had been acquired to house and provide offices for the South African Police Service (SAPS) and to avoid exorbitant private sector leases. The other key discussion was around slow progress on the Public Works Bill, which would play an enforcement role in ensuring client departments pay PMTE what is due;

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		implementation of the Auditor-General's findings, particularly on material irregularities; and skilled employee retention in the Department against private sector poaching. Members urged the Department of Public Works and Infrastructure (DPWI) and PMTE to adopt tough measures against default contractors who had been paid but did not complete their work. The State Immovable Asset Optimisation Strategy seeks to reduce the lease portfolio and enhance government capacity to house departments through utilising government properties. It was also a means to generate income. DPWI developed an audit action plan to address the Auditor-General's findings which would improve its internal governance. The Department was working with National Treasury on the turnaround strategy to improve DPWI's billing capacity. The Department was enhancing its asset register as part of its drive in the new year to ensure that its interface with the local government register in the form of the general valuation roll. The Department's collaborative initiative to work together with local government would help in bringing in additional rates and revenue in order to generate more income. DPWI was conducting condition assessments across the Department's buildings and pushing Total Facility Management (TFM) to maintain habitable buildings. On the Public Works Bill, the Department was engaging the Office of the Chief State Law Advisor to pre-certify the Bill.

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		Meanwhile, DPWI consultation with provinces was underway. The Department is reviewing the implications of the 58 pieces of legislation under DPWI. The entities that have been consulted included Council for Built Environment (CBE), Eskom, the Presidency, DBSA, Department of Water and Sanitation and Department of Human Settlements. It was anticipated that the process would be concluded at the end of August 2024. For a turnaround strategy which is informed by a proper technological solution, DPWI is working around the clock and is going to the market for ICT assistance apart from the assistance received from SITA. The Department hoped that this solution would assist DPWI to build an integrated ICT system that address properties being hijacked. In the absence of such a system, DPWI is unable to instantly be notified when a building has been abandoned or hijacked. The Operation Bring Back will assist DPWI in reclaiming properties.
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Kosi Bay border maintenance project: DPWI and PMTE briefing, with Deputy Minister	06 March 2024	The Committee engaged the Department of Public Works and Infrastructure on the Kosi Bay infrastructure project. Following concerns over heightened criminal activity in the uMkhanyakude District Municipality in northern KZN, notably the illegal movement of persons between SA and Mozambique, the KZN Premier directed that a strategy be developed to improve the integrity of the border and a borderline management committee was established. With the Memorandum of Agreement

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		(MOA) signed by the KZN Department of Transport (DOT), National Department of Public Works and Infrastructure (DPWI) and KZN Office of The Premier (OTP) in October of 2023, phase one of the construction of the border commenced on 17 November that year. The remaining phases will be concluded in 2024. The Committee appreciated that progress and urged the Department to expedite the completion of the project. The new contractor has emphasised that the remaining work will be done in seven months. Due to the strong collaborations identified, this project will be completed.
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DPWI & PMTE Q3 2023/24 Performance	12 March 2024	The Department of Public Works and Infrastructure (DPWI) presented its third quarter performance report for 2023/24 which noted only 45% achievement of targets. Concerns were raised about decreasing performance levels and challenges in meeting targets due to the vacancy rate and lack of process automation. On the Public Works Bill, efforts were underway to consolidate and review the 57 pieces of legislation administered by DPWI. There had been the formation of work streams to address various thematic areas and he expressed confidence in the development of a comprehensive draft bill. Efforts to address challenges in the construction sector, including the adoption of project management units (PMUs) and turnkey methods to improve project implementation efficiency. It was important to utilise internal capacity and reduce dependency on consultants. On contractor management, there were plans to

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		establish panels of contractors and consultants to expedite replacements for abandoned projects. The Department acknowledged the need to strengthen contractual clauses to hold contractors accountable for abandoning sites. The alignment of the Annual Performance Plan (APP), budget and key priorities to improve performance was emphasised by the EA. There were also engagements with the Ministry of Finance and regulatory bodies to establish the PPP unit.
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DPWI & PMTE Audit Action Plan & 2024/25 Annual Performance Plan	13 March 2024	The Audit Action Plan report provided a progress update on the 2022/23 audit findings. DPWI Annual Performance Plan (APP) highlighted its strategic objectives, performance indicators, risks and budget allocation. The budget cuts means DPWI faces a significant shortfall. The EA reiterated the need to align the Annual Performance Plans (APPs) to the budget allocation and ensuring the KPIs talk to the department's performance. The timelines for the audit action plan go up to 31 March 2024. The ROTP was being implemented according to Circular 135 which are the interim guidelines.
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CIDB, CBE, Agrement SA & IDT 2024/25 Annual Performance Plans; with Deputy Minister	20 March 2024	The Portfolio Committee received presentations on entities annual performance plans for the 2024/25 financial year, and followed up with a number of comments and recommendations.
Annual Performance Plans 2024/25		The Committee appreciated the way in which Agrément conducts its work, but the entity had not

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		been heard of prior to its first appearance in front of the Portfolio Committee. She therefore suggested that they focus on improving their marketing by visiting universities or high schools within the country. This would assist with the need to include young people in creating new innovation. In 3 November 2023, Agrément hosted a workshop with municipalities to ensure that they were aware that the organisation was in existence. The workshop was to educate municipalities on the work that Agrément does and how they would be able to engage with the organisation. He noted that they had made arrangements to engage with the Municipal Infrastructure Support Agent (MISA), which supports municipal infrastructure. This would assist in ensuring that municipalities were specifying that products needed to be certified when tendering. On the matter of Telkom Towers, ASA would be engaging with the Department to ensure that the current buildings were environment friendly. Regarding the designated groupings, ASA would continue to engage on the matter, and their reporting would go as far as identifying how much was spent on women and youth within their procurement. With the other initiative the Department would be undertaking, he noted that they would be engaging with the Council for Higher Education (CHE) to strategise how best to utilise their visits to high schools to discuss innovation.
Independent Development Trust Annual Performance Plan 2024/25		IDT's response Members of the Committee would be brought into confidence on the matter and the outcome of the investigation.

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		Responding to the question about the audit and the material irregularities, an audit action plan was in place and was monitored by the audit and risk committee, to ensure that the findings do not recur. The IDT was making an effort to ensure that, moving forward, their audit outcome improved. Responding to the question raised by Members on transformation targets and the inclusion of women, youth and people with disability within the contractor development programme, the IDT had a special target that was related specifically to women, youth and people with disabilities within the contractor development programme, and they planned to ensure that they achieve these targets. Moreover, the IDT has a social development unit that engages with entities that advocate for people with disabilities. The IDT was working very hard to ensure that projects were set aside for women, youth, and people with disabilities throughout the coming quarters. The Committee was reassured that they would see improvements in the allocation of all projects. It was agreed that the audit opinion needed improvement, with the IDT striving for an unqualified opinion in the next audit. To achieve this, they had an audit action plan in place as a form of monitoring management. IDT had taken on additional projects from the Department related to the Department of Justice, the maintenance of the lifts throughout the provinces, and Acacia Park, although the budget still needed to be confirmed for each of these projects.

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
Construction Industry Development Board Annual Performance Plan 2024/25		The Committee appreciated the report, and noted that the CIDB Act needed to be amended. There were discussions about plans to deal with the construction mafia, where law enforcement was robed- in. To ensure meaningful participation from locals, they drafted a model policy that allowed clients to create a framework agreement where locals were able to participate in larger construction projects.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
Council for the Built Environment (CBE) 2024/25 Annual Performance Plan		There was a discussion around governance matters, especially with the councils. On the built environment career programme, when the council visited schools they focused mainly on architecture, or project management. A five-year strategy was in place to measure the performance of the professionals within the built environment.
PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
DPWI Budget Vote Report; Legacy Report; ECSA governance and related matters (with Deputy Minister)	27 March 2024	The Portfolio Committee on Public Works and Infrastructure received a briefing from the Department of Public Works and Infrastructure on the events of the meeting held with the Department and the Engineering Council of South Africa (ECSA) on 20 March 2024. ECSA governance challenges and related matters (such as the functionality of the council, the non-attendance of the Committee meeting on 27 February 2024, concerns raised by the Committee thereafter, matters addressed to the department regarding the suspension of the CFO and former executives heading the legal section and the suspension of council members) were discussed The Committee would make a proposal (and extent of issues faced by ECSA) in its legacy report for the next parliamentary

PC on PW&I Resolutions	Date of Meeting	Meeting Outcomes
		committee to follow up on the matter. Members expressed strong views, proposing that ECSA be dissolved, and its president be barred from serving on a board of any public entity. The Department's call to institute an investigation into the allegations levelled against the ECSA in the letters sent to the Committee and the president's conduct was supported.

3.8. Internal Control Unit

Internal Control Unit reports to the Chief Financial Officer and amongst other things is responsible for the management of financial misconduct within the Department of Public Works and Infrastructure and the Property Management Trading Entity. The Internal Control Unit has continued to perform assessment and determination tests on identified irregular expenditure and fruitless and wasteful expenditure and report same to the National Treasury on a monthly and quarterly basis where necessary. The purpose of the determination test is to ensure that officials responsible for incurring irregular or fruitless and wasteful expenditure are held accountable for the financial misconduct.

The coordination of the annual regulatory audit is managed through the Internal Control Unit. In addition, the Audit Action Plan for 2022/23 financial year was developed and submitted to the National Treasury prior to implementation. The progress on the audit action plan is monitored through the Audit Steering Committees and reported to the National Treasury.

3.9. Audit Committee Report for the year ended 31 March 2024

Department of Public Works and Infrastructure (Inclusive of its trading entity the Property Management Trading Entity)

The Audit Committee ("The Committee") is established as an independent statutory Committee in terms of the PFMA. The Committee functions within approved terms of reference, which are reviewed at least annually to ensure their continued relevance and complies with relevant legislation, regulation and governance codes.

The Committee is pleased to present this report for the financial year ended 31 March 2024, as required by the Treasury Regulations 3.1.9 and 3.1.13 (b) and (c) issued in terms of sections 38 (1) (a)(i) and 76(4)(e) of the PFMA.

Audit Committee members and attendance

In the current year (the year under review), the Department (the Main Vote) and its trading entity, the Property Management Trading Entity (the PMTE), had a functional Audit Committee established in terms of the Public Finance Management Act, Act No. 1 of 1999 (the PFMA). In this report, collectively, we refer to the Department and the PMTE as "The Entity." The attendance of meetings by the Committee members was as follows:

Name of member	Qualifications	Date appointed	Date Retired	Number of Meetings Attended
Mr AN Mhlongo (Chairman)	CA (SA), ACMA, CGMA, ATC, B Com (Hons), B Com.	01/12/2019	Current	**08**
Ms AMM Badimo	MBA, MSc, BSc Hons (CS), BSc (CS), CISM, CGEIT, CISA, CRISC, COBIT.5,	01/12/2019	Resigned 1 March 2024	**08**
Mr P Heeger	Pr CPM, Pr TECH(ENG), Pr TECH (ARCH), MSAICE (JSD)	01/12/2019	Current	**08**
Ms SFS Makhathini	CA(SA), B Compt (Hons), CTA, B Com	01/12/2019	Current	**08**
Mr SM Mamotheti	MBA, CIA, CCSA, B Compt, PGD., HDip Tax,	01/12/2019	Current	**08**
Ms MM Phiri	CA(SA), B Compt (Hons), B Com	01/12/2019	Current	**08**
Ms N Sonjani	CA (SA), CTA, B Compt	01/12/2019	Current	**08**

Audit Committee Responsibilities

The Committee is satisfied that it has complied with its responsibilities as outlined in section 38(1) (a) of the PFMA and Treasury Regulation 3.1. The Committee also reports that it has adopted and reviewed formal terms of reference as its charter and has discharged all its responsibilities as contained therein.

The Committee is required to report amongst others on the effectiveness of the internal controls, the quality of the management reports submitted in terms of the Division of Revenue Act as well as its evaluation of the annual financial statements.

The Effectiveness of Internal Control

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.
The system of internal controls of the Entity is still not considered to be efficient or effective. The impact of these internal control deficiencies is evident in the state of corporate governance within the Entity as well as in the current year audit outcome which is a qualified opinion for PMTE. The key significant areas where the system of internal controls was inadequate or ineffective based on the reports from Internal Audit Unit, AGSA and other assurance providers include the following: -

- The number of suppliers’ overpayments cases remains very high and accordingly the Entity needs to intensify the process of refining accounting reconciliations.
- The Committee remains concern about the status of outstanding debtors which has been deteriorating over the last five years.
- No significant improvements were noted regarding the implementation of the previous years’ internal audit action plans and no significant consequence management have been initiated against the wrong doers.
- Overall improvements in the internal control environment continued to be hampered by inadequate automation of business processes, poorly implemented ICT systems, dependency

on the legacy & outdated systems and the poor internal control environment within ICT systems and processes.
- While significant work has been done on Immovable Assets Register, improvement is still unsatisfactory due to the lack of an appropriate ICT systems to manage them.
- While the top two positions (DG and head of PMTE) have been filled, instability remains with some of the other key positions and accordingly an improvement of the overall control environment.is being hampered.
- Significant challenges around accruals for expenses remain unresolved.

Other than the above-mentioned items, the Committee wishes to highlight the following areas which were identified by internal audit work as having internal control deficiencies:
- Information and Communication Technology (ICT),
- Pre-Determined Objectives,
- Construction Project Management,
- Facilities Management,
- Supply Chain Management,
- Real Estate Management Services

The effectiveness of the Internal Audit Function

The Internal Audit function is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all the significant areas of the Entity and its operations.
The Committee is responsible for ensuring that the internal audit function is independent and has the necessary resources, skills, standing and authority within the Entity to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the Committee.
The Committee reviews and approves the Internal Audit Plan annually. Internal audit function's activities are measured against the approved internal audit plan and the Chief Audit Executive tables progress reports in this regard to the Committee.
The Internal Audit function performed a wide range of operational, financial, compliance and information-technology audits. In addition to these planned audits, the unit also attended to certain management requests.

Enterprise Risk Management

The Committee is also responsible for the oversight of the Entity's risk management activities.

A strategic and operational risk assessment for the year under review was conducted.
The Committee has reviewed the risk registers and risk mitigation action plans on a quarterly basis and has made recommendations where appropriate. Improvements regarding the embedment of the risk management in the daily activities of the Entity is slow.

In-Year Management and Monthly/Quarterly Report

The Committee reports that, during the year under review, it was presented with regular quarterly management reports to enable it to:
- Monitor the integrity, accuracy and reliability of the performance of the Entity.
- Review the disclosure in the financial reports of the Entity and the context in which statements on the financial health of the Entity are made; and
- Review all material information presented together with management accounts.

The reports were discussed with the Entity's management.

Evaluation of Financial Statements

The Committee reviewed the Annual Financial Statements prepared by the entity before submission to the Auditor General of South Africa and consequently also the Audited Annual Financial Statements and discussed the Audited Annual Financial Statements, to be included in the annual report, with the Auditor-General of South Africa and the Accounting Officer and is satisfied that the accounting policies used are appropriate. The Annual Financial Statements were reviewed with the following focus:

- Significant financial reporting judgements and estimates contained in the financial statements.
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context.
- Changes in the Accounting Policies and Practices.
- Significant adjustments resulting from the Audit.
- Compliance with accounting standards and legal requirements.
- Explanation for the accounting treatment adopted; and
- Reasons for significant year-on-year fluctuations.

External Audit: Auditor General South Africa

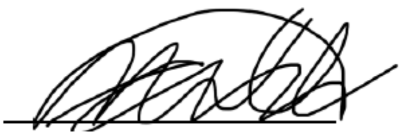
The Committee, in consultation with the Accounting Officer, agreed to the terms of the Auditor General South Africa's engagement letter, audit strategy and audit fees in respect of the 2023/2024 financial year.

The Committee also monitored the implementation of the action plans to address matters arising from the Management Report issued by the Auditor-General South Africa (AGSA) for the 2022/23 Financial Year.

The Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited Annual Financial Statements and Annual Performance Information report be accepted and read together with the report of the Auditor-General South Africa.

The Committee furthermore strongly recommends interaction between the Committee and the management team to discuss and agree on the way forward on the implementation plan for an improved internal control environment within the Entity, thereby addressing the current internal control environment shortcomings of the entity.

Signed on behalf of the Committee by:



Mr AN Mhlongo CA (SA), ACMA, CGMA
Chairman of the Audit Committee
Date: 28 October 2024

CHAPTER 4
GOVERNANCE

4. Introduction

- The strategic objective of Human Resources (HR) is to implement effective HR management to make certain that adequate and sufficient skilled resources are in place and that performance is monitored. Within the approved legislative framework established by the Department of Public Service and Administration (DPSA), and the currently constrained financial environment, the Department of Public Works and Infrastructure (PMTE) provides support to its core functions by means of effective management and implementation of Human Resource (HR) policies, plans, and interventions.

4.2 Status of Human Resources in the Department (DPW)

The Department employed 686 Individuals out of the 783 posts, inclusive of 22 additional employees to the organisational structure.

Additional descriptive statistics are provided in the Tables below.

Two duly authorized employee unions the National Education Health and Allied Workers' Union (NEHAWU) and the Public Service Association (PSA) represent workers. NEHAWU organizes state, health, education and welfare workers. On the management side, the Department deploys a Labour Relations unit to facilitate a conducive working environment for all staff. To this end, the Departmental Bargaining Chamber met four (4) times in the period under review.

4.3 Workforce Planning

The Department has an approved HR Plan for the MTEF period. The aim of the new plan is to ensure the maintenance of processes and policies in HR to ensure that the right employees with the right mix of skills are placed in the right positions. It further promotes the maintenance of healthy attitudes and behaviours, and that employee skills are developed in line with Departmental needs.

The HR Unit also developed a Workplace Skills Plan (WSP) for the Department, following the skills assessment conducted through the submission of Personal Development Plans (PDP's). As part of the implementation of the WSP, several training and development interventions were identified as indicated in the tables related to skills development.

4.4 Performance Management

The DPWI has experienced strides in the improvement of compliance to the Performance Management and Development System (PMDS).

In the financial year under review, the department focused mainly on the following human resource matters:

- Managed human resource policies, planning and provided staffing 3
- Managed human resource benefits;
- Facilitated and monitored the implementation of employment equity;
- Ensured that an effective PERSAL management infrastructure is in place and maintained;
- Facilitated code of conduct, labour relations' guidelines and practices;

- Facilitated labour relations services;
- Managed employee grievances;
- Managed labour disputes;
- Managed collective bargaining;
- Managed the implementation of the Skills Development Act and internship/ Learnerships programmes and Bursaries
- Coordinated and facilitated the training and development of employees;
- The department saw an increased utilisation of the Wellness services provided by the department of which the majority of the cases seen were screenings for non-communicable diseases (hypertension, cholesterol, diabetes, etc.) and the monitoring of those at risk on the disease management programme.

4.1 Personnel related expenditure

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

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

Table 4.1.1 Personnel expenditure by programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment (Including periodic appointment, etc.)
Administration	581 309	271 623	2 769	46.73	689,00	394
Expanded Public Work Programme	2 943 671	174 850	0	5.90	844.69	207
Intergovernmental Coordination	48 322	32 790	0	67.90	910.83	36
Prestige Policy	63 237	30 119	0	47.60	836.64	36
Property &Construction Industrial Policy & Regulation	4 667 500	15 235	0	0.30	1 088.21	14
Total as on Financial Systems (BAS)	**8 304 039**	**524 617**	**2 769**	**6.30**	**763.63**	**687**

In table 4.1.1 to 4.1.4 Employment includes permanent employees and employees in positions additional to the establishment it includes all employees even those not carried against a post e.g. periodic appointment, etc. Periodic appointments and abnormal appointments is how PERSAL identifies the nature of appointment of employees who are paid a stipend/time sheets for example NYS Learners, etc. Compensation of Employees in table 4.1.1 is based on BAS information for Cost of Employees.

Tables 4.1.2 to 4.1.4 is based only on PERSAL information only.

Table 4.1.2 Personnel costs by salary band

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Employee Cost including Transfers	Average Compensation Cost per Employee (R)	Number of Employees
Skilled (Levels 3-5)	34 715	6.50	294 195	118
Highly skilled production (Levels 6-8)	87 104	16.20	486 615	179
Highly skilled supervision (Levels 9-12)	264 053	49.20	946 427	279
Senior management (Levels >= 13)	112 822	21.00	1 465 221	77
Contract (Levels 3-5)	1 900	0.40	211 111	9
Contract (Levels 6-8)	2 114	0.40	528 500	4
Contract (Levels 9-12)	9 317	1.70	847 000	11
Contract (Levels >= 13)	13 499	2.50	1 687 375	8
Contract other	71	0.00	71 000	1
Abnormal Appointment	4	0.00	4 000	1
TOTAL	**525 600**	**98.00**	**765 066**	**687**

* NB Compensation of Employees including transfer cost is. R525 600 000 transfer Cost in terms of PERSAL refers to the payment of Resettlement Cost and Leave Gratuity that is paid on PERSAL but posted against Items in Goods and Services. The number of employees in this table includes filled post as well as abnormal appointments therefore total employees is calculated as **75** (Interns, Learners, etc.).

Table 4.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme including Goods and Services (R'000)
Administration	217 322	80.10	5 867	2.20	9 179	3.40	11 784	4.30	271 287
Expanded Public Works Programme	148 131	81.00	138	0.10	5 895	3.20	4 576	2.50	182 804
Intergovernmental Coordination	30 043	82.80	480	1.30	870	2.40	755	2.10	36 284
Prestige Policy	22 536	78.70	1 408	4.90	590	2.10	1 002	3.50	28 629
Prop & Cons Indus Policy Reg	14 400	82.80	0	0.00	726	4.20	243	1.40	17 398
Total	**432 432**	**80.60**	**7 893**	**1.50**	**17 260**	**3.20**	**18 359**	**3.40**	**536 402**

* **Note Table 4.1.3** Compensation of Employees including transfer cost is R525 600 000. In terms of Table 4.1.3 and Table 4.1.4 Total Personnel Cost also includes Goods and Services meaning transfer costs e.g. Resettlement and Leave Gratuity as well as S & T that is paid through PERSAL. Therefore the difference in the expenditure for Total Personnel Cost.

Table 4.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band Including Good and Services (R'000)
Skilled (Levels 3-5)	22 633	65.00	2 126	6.10	2 191	6.30	4 716	13.60	34 794
Highly skilled production (Levels 6-8)	65 994	75.40	3 091	3.50	3 190	3.60	6 612	7.60	87 477
Highly skilled supervision (Levels 9-12)	223 396	82.30	2 252	0.80	6 201	2.30	6 055	2.20	271 513
Senior management (Levels 13)	96 591	83.90	0	0.00	4 970	4.30	917	0.80	115 141
Contract (Levels 3-5)	1 738	91.00	92	4.80	0	0.00	0	0.00	1 909
Contract (Levels 6-8)	1 877	87.50	151	7.00	0	0.00	0	0.00	2 144
Contract (Levels 9-12)	8 230.00	87.10	182	1.90	13	0.10	52	0.60	9 452
Contract (Levels >= 13)	11 898	85.60	0	0.00	694	5.00	7	0.10	13 896
Contract Other	71	97.30	0	0.00	0	0.00	0	0.00	73
Abnormal Appointment	4	100.00	0	0.00	0	0.00	0	0.00	4
TOTAL	**432 432**	**80.60**	**7 893**	**1.50**	**17 260**	**3.20**	**18 359**	**3.40**	**536 402**

4.2. Employment and Vacancies

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

- programme
- salary band
- critical occupations

Table 4.2.1 Employment and vacancies by programme

Programme	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate %	Number of Posts Filled Additional to the Establishment
Administration	41	36	5	12.20	3
Expanded Public Works Programme	38	36	2	5.30	0
Intergovernmental Coordination	455	394	61	13.40	18
Prestige Policy	229	206	23	10.00	1
Prop & Cons Indus Policy Reg	20	14	6	30.00	0
TOTAL	**783**	**686**	**97**	**12.40**	**22**

Table 4.2.2 Employment and vacancies by salary band

Salary Band	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Skilled (Levels 3-5)	127	118	9	7.10	0
Highly Skilled Production (Levels 6-8)t	195	179	16	8.20	0
Highly Skilled Supervision (Levels 9-12)	319	279	40	12.50	0
Senior Management (Levels 13-16)	109	77	32	29.40	2
Other	1	1	0	0.00	1
Contract (Levels 3-5)	9	9	0	0.00	5
Contract (Levels 6-8)	4	4	0	0.00	4
Contract (Levels 9-12)	11	11	0	0.00	8
Contract (Levels 13-16)	8	8	0	0.00	2
TOTAL	**783.**	**686**	**97**	**12.40**	**22**

Table 4.2.3 Employment and vacancies by critical occupations

Critical Occupations	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate %	Number of Posts Filled Additional to the Establishment
Senior Managers	117	85	32	27.00	4.00

4.3. Filling of Senior Management Service (SMS) Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 4.3.1 SMS post information as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100.00	0	0.00
Salary Level 16	1	0	0.00	1	100.00
Salary Level 15	11	8	73.00	3	27.00
Salary Level 14	29	22	76. 00	7	24.00
Salary Level 13	75	54	72.00	21	28.00
Total	**117**	**85**	**73.00**	**32**	**27.00**

Table 4.3.2 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	1	0	0.00	1	100.00
Salary Level 16	1	0	0.00	1	100.00
Salary Level 15	11	7	64.00	4	36.00
Salary Level 14	30	22	73.00	8	27.00
Salary Level 13	76	57	75.0 0	19	25.00
Total	**119**	**86**	**72.00**	**33**	**28.00**

Table 4.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

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

Table 4.3.4 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 and 31 March 2024

Reasons for vacancies not advertised within six months
Implementation of the moratorium of filling of positions from March to June 2023. Impact of the implementation of the cost containment measures and relevant directives by the MPSA on filling of positions.

Reasons for vacancies not filled within twelve months
Implementation of the moratorium of filling of positions from March to June 2023. Impact of the implementation of the cost containment measures and relevant directives by the MPSA on filling of positions. The re-advertisements of 46 Senior Management positions and delays in the appointment of selection of panels.

Notes: In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

4.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organization. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarizes the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Salary Band	Number of Posts	Number of posts Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Skilled (Levels 3-5)	127	0	0.00	0	0.00	0	0.00
Highly Skilled Production (Levels 6-8)	195	30	15.30	0	0.00	1	3.30
Highly Skilled Supervision (Levels 9-12)	319	11	3.40	0	0.00	0	0.00
Senior Management Service Band A	71	6	8.40	0	0.00	0	0.00
Senior Management Service Band B	28	1	8.60	0	0.00	0	0.00
Senior Management Service Band C	7	0	0.00	0	0.00	0	0.00
Senior Management Service Band D	3	0	0.00	0	0.00	0	0.00
Other	1	0	0.00	0	0.00	0	0.00
Contract (Levels 3-5)	9	0	0.00	0	0.00	0	0.00
Contract (Levels 6-8)	4	0	0.00	0	0.00	0	0.00
Contract (Levels 9-12)	11	0	0.00	0	0.00	0	0.00
Contract Band A	4	0	0.00	0	0.00	0	0.00
Contract Band B	1	0	0.00	0	0.00	0	0.00
Contract Band C	2	0	0.00	0	0.00	0	0.00
Contract Band D	1	0	0.00	0	0.00	0	0.00
TOTAL	**783**	**48**	**6.60**	**0**	**0.00**	**1**	**2.00**

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

Table 4.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	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

The following table summarizes the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 4.4.3 Employees with salary levels higher than those determined by job evaluation by occupation

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
ICT Storeroom Assistant	1	5	6	Labour Relations Act Compliance
	0	0	0	
TOTAL	**1**			

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

Table 4.4.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	0	0	0	0	0
Total	**1**	**0**	**0**	**0**	**1**
Employees with a Disability	0	0	0	0	0

4.5. Employment Changes

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

Table 4.5.1 Annual turnover rates by salary band

Salary Band	Employment at Beginning of Period (April 2023)	Appointments	Terminations	Turnover Rate %
Skilled (Levels 3-5)	119	5	4	3.40
Highly Skilled Production (Levels 6-8)	166	25	8	4.80
Highly Skilled Supervision (Levels 9-12)	277	24	26	9.40
Senior Management Service Band A	52	1	3	5.80
Senior Management Service Band B	19	1	0	0.00
Senior Management Service Band C	6	0	1	16.70
Senior Management Service Band D	2.	0	0	0.00
Other	2	0	0	0.00
Contract (Levels 3-5)	9	9	7	77.80
Contract (Levels 6-8)	6	6	8	100.00
Contract (Levels 9-12)	16	8	13	81.30
Contract Band A	11	0	7	63.60
Contract Band B	1	1	0	0.00
Contract Band C	2	2	2	100.00
Contract Band D	1.	0	1	100.00
TOTAL	**689**	**82**	**80**	**11.60**

Table 4.5.2 Annual turnover rates by critical occupation

Occupation	Employment at Beginning of Period (April 2023	Appointments	Terminations	Turnover Rate %
Senior Managers	94	5	14	14.90

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table. The table below identifies the major reasons why staff left the department.

Table 4.5.3 Reasons why staff left the department

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment at the end of the period
Death	3	3.80	0.40
Resignation	40	50.00	5.80
Expiry of contract	28	35.00	4.10
Discharged due to ill health	2	2.50	0.30
Dismissal-misconduct	2	2.50	0.30
Retirement	5	6.30	0.70
TOTAL	**80**	**100.00**	**11.70**

Resignation consists of permanent and contract employees who resigned during 2023/2024 financial year.

Table 4.5.4 Promotions by critical occupation

Occupation	Employment at Beginning of Period (April 2023)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Senior Managers	94	2	2.10	13	13.80

In this table promotion includes promotion from one level to the next and progression to a higher notch in the same salary level.

Table 4.5.5 Promotions by salary band

Salary Band	Employment at Beginning of Period (April 2023)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Skilled (Levels 3-5)	119	1	0.80	99	83.20
Highly Skilled Production (Levels 6-8)	166	2	1.20	104	62.70
Highly Skilled Supervision (Levels 9-12)	277	7	2.50	175	63.20
Senior Management (Levels 13-16)	79	2	2.50	11	13.90
Contract, Other	2	0	0.00	0	0.00
Contract (Levels 3-5)	9	0	0.00	0	0.00
Contract (Levels 6-8)	6	0	0.00	0	0.00
Contract (Levels 9-12)	16	0	0.00	1	6.30
Contract (Levels 13-16)	15	1	6.70	0	0.00
TOTAL	**689**	**13**	**1.90**	**390**	**56.60**

4.6. Employment Equity

Table 4.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2024

Occupational Categories	**Male**				**Female**				**Total**
	African	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	
Senior Officials and Managers	48	0	1	1	36	2	0	1	89
Professionals	41	1	0	0	64	1	0	2	109
Technicians And Associate Professionals	69	3	0	1	95	4	1	2	175
Clerks	75	3	0	0	123	0	3	7	211
Service Shop and Market Sales Workers	52	0	0	0	43	0	0	0	95
Craft And Related Trade Workers	1	0	0	0	0	0	0	0	1
Labourers And Related Workers	1	0	0	0	5	0	0	0	6
Total	**287**	**7**	**1**	**2**	**366**	**7**	**4**	**12**	**686**
Employees with disabilities	1	0	0	1	2	0	0	0	4

This table includes only Contract and Permanent (Excludes Learners and Periodic Appointments)

Table 4.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2022

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	2	1	0	0	6
Senior Management	38	0	1	1	29	1	0	1	71
Professionally qualified and experienced specialists and mid-management	126	3	0	1	139	3	2	5	279
Skilled technical and academically qualified workers, junior management, supervisors, foremen	51	3	0.	0	116	1	2	6	179
Semi-skilled and discretionary decision making	51	0	0	0	66	1	0	0	118
Not Available	1	0	0	0	0	0	0	0	1.
Contract (Top Management)	3	0	0	0	0	0	0	0	3
Contract (Senior Management)	3	0	0	0	2	0	0	0	5
Contract (Professionally Qualified)	6	1	0	0	4	0	0	0	11
Contract (Skilled Technical)	3	0	0	0	1	0	0	0	4
Contract (Semi-Skilled)	2	0	0	0	7	0	0	0	9.
TOTAL	**287**	**7**	**1**	**2**	**366**	**7**	**4**	**12**	**686**

Table 4.6.3 Recruitment

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	12	0	0	0	12	0	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen	14	1	0	0	10	0	0	0	25
Semi-skilled and discretionary decision making	2	0	0	0	3	0	0	0	5
Contract (Top Management)	2	0	0	0	0	0	0	0.	2
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	4	0	0	0	4	0	0	0	8
Contract (Skilled technical)	5	0	0	0	1	0	0	0	6
Contract (Semi-skilled)	2	0	0	0	7	0	0	0	9
Total	**43**	**1**	**0**	**0**	**38**	**0**	**0**	**0**	**82**
Employees with disability	0	0	0	0.	1	0	0	0.	1

"Not Available" refers to the Leaners appointed under the HCI Learnerhip Programme for Internal Audit, Information Services, etc.

Table 4.6.4 Promotion (Includes promotion to salary level and progressions to another notch within the Salary Level)

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	5	0	1	0	7	0	0	0	13
Professionally qualified and experienced specialists and mid-management	84	2	2	0	91	0	2	1	182
Skilled technical and academically qualified workers, junior management, supervisors, foremen,	29	2	0	0	67	1	1	6	106
Semi-skilled and discretionary decision making	42	0	0	0	57	1	0	0	100
Contract (Top Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	1	0	0	0	0	0	0	0	1
TOTAL	**162**	**4**	**3**	**0**	**222**	**2**	**3**	**7**	**403**
Employees with disability									

Table 4.6.5 Terminations

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management	10	0	1	1	14	0	0	0	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen	3	0	0	0	4	0	0	1	8
Semi-skilled and discretionary decision making	3	0	0	0	10	0	0	0	4
Contract (Top Management)	2	0	0	0	1	0	0	0	3
Contract (Senior Management)	2	0	0	2	1	2	0	0	7
Contract (Professionally qualified)	6	0	0	1	5	1	0	0	13
Contract (Skilled Technical)	2	1	0	0	5	0	0	0	8
Contract (Semi-skilled)	2	0	0	0	3	2	0	0	7
Total	**31**	**1**	**1**	**4**	**37**	**5**	**0**	**1**	**80**

Table 4.6.6 Disciplinary action

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
DISMISSAL	2	0	0	0	0	0	0	0	2
FINAL WRITTEN WARNING	4	0	0	0	3	0	0	0	7
WRITTEN WARNING	4	0	0	0	6	0	0	0	10
VERBAL WARNING	0	0	0	0	2	0	0	0	2
CASES WITHDRAWN/ NOT GUILTY/CASES NOT PURSUED DUE TO INCONCLUSIVE EVIDENCE	3	0	0	0		1	0	0	4
TOTAL	**13**	**0**	**0**	**0**	**11**	**1**	**0**	**0**	**25**

Table 4.6.7 Skills development

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	21	0	4	0	28	4	0	0	57
Professionals	43	1	2	2	52	0	2	0	102
Technicians and Associate Professionals	2	0	0	0	3	0			5
Clerks	59	0	0	0	187	0	2	1	249
Service and Sales Workers	38	0	0	0	33	0	00	0	71
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
Employees with disabilities	1	0	0	0	0	0	0	0	1
TOTAL	**163**	**1**	**6**	**2**	**303**	**4**	**4**	**1**	**484**

4.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 4.7.1 Signing of Performance Agreements by SMS members as on 31 May 2023

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	0	0.00
Salary Level 16	2	2	1	1.00
Salary Level 15	4	6	3	3.00
Salary Level 14	24	22	20	22.00
Salary Level 13	62	54	57	61.00
Total	**93**	**85**	**81**	**87.00**

.SMS at time of PA submission was 93 reduced 85 at 31 March 2024

Notes
In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2020.

Table 4.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
1 dispute was declared, some SMS Members joined during the cycle, some SMS Members resigned from the Department and other failed to submit their Performance Agreements to the Department.

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons
The Department issued letters of reprimand to all SMS Members who failed to submit a Performance Agreement by the due date, and they were also informed that they would not qualify for any performance incentives (Pay Progression) in line with the SMS Handbook and DPSA prescripts

4.8. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability), salary bands and critical occupations.

Table 4.8.1 Performance Rewards by race, gender and disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	0	364	0	0	0
African, Male	0	286	0	0	0
Asian, Female	0	4	0	0	0
Asian, Male	0	1	0	0	0
Coloured, Female	0	7	0	0	0
Coloured, Male	0	7	0	0	0
Total Blacks, Female	0	375	0	0	0
Total Blacks, Male	0	294	0	0	0
White, Female	0	12.	0	0	0
White, Male	0	1	0	0	0
Employees with a disability	0	4	0	0	0
TOTAL	**0**	**686**	**0**	**0**	**0**

No performance bonuses were paid only pay progression

Table 4.8.2 Performance Rewards by salary band for personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')
Skilled (Levels 3-5)	0	118	0	0	0
Highly Skilled Production (Levels 6-8)	0	179	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	279	0	0	0
Other	0	1	0	0	0
Contract (Levels 3-5)	0	9	0	0	0
Contract (Levels 6-8)	0	4	0	0	0
Contract (Levels 9-12)	0	11	0	0	0
TOTAL	**0**	**601**	**0**	**0**	**0**

Table 4.8.3 Performance Rewards by critical occupation

Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')
Senior Managers	0	85	0	0	0

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 4.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')	% of SMS Bill	Personnel Cost SMS (R'000)
Band A	0	54	0	0	0	0	75 907.39
Band B	0	22	0	0	0	0	34 962.39
Band C	0	8	0	0	0	0	12 402.24
Band D	0	1	0	0	0	0	5 764.30
TOTAL	**0**	**85**	**0**	**0**	**0**	**0**	**129 036.32**

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4.9. Foreign Workers

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

Table 4.9.1 Foreign workers by salary band

Salary Band	1 April 2023		31 March 2024		Change	
	Number	%age of Total	Numbe r	% of Total	Number	% Change
None	0	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**

Table 4.9.2 Foreign workers by major occupation

Major Occupation	1 April 2023		31 March 2024		Change	
	Numb er	%age of Total	Number	% of Total	Num ber	% Change
Administrative office workers	0	0	0	0	0	0
TOTAL	**0**	0	**0**	**0**	**0**	**0**

4.10. Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 4.10.1 Sick leave

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Number of days with Medical Certification
Contract (Levels 3-5)	6	83.30	2	0.40	3	6.00	5
Contract (Levels 6-8)	11	45.50	4	0.90	3	19.00	5
Contract (Levels 9-12)	21	76.20	7	1.50	3	55.00	16
Contract (Levels 13-16)	5	60.00	2	0.40	3	24.00	3
Contract Other	1	0.00	1	0.20	1	0.00	0
Skilled (Levels 3-5)	765	82.60	85	18.30	9	672.00	632
Highly skilled production (Levels 6-8)	962	74.80	128	27.60	8	1 723.00	720
Highly skilled supervision (Levels 9-12)	1 533	76.00	193	41.60	8	5 314.00	1 165
Senior management (Levels 13-16)	356	81.70	42	9.10	8	1 758.00	291
TOTAL	**3 660**	**77.50**	**464**	**100.00**	**8**	**9 570.00**	**2 837**

Table 4.10.2 Disability leave (temporary and permanent)

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification
Skilled (Levels 3-5)	15	100.00	1	16.70	15	12.00	15
Highly skilled production (Levels 6-8)	74	100.00	2	33.30	37	116.00	74
Highly skilled supervision (Levels 9-12)	77	100.00	2	33.30	39	304.00	77
Senior management (Levels 13-16)	7	100.00	1	16.70	7	39.00	7
TOTAL	**173**	**100.00**	**6**	**100.00**	**29**	**472.00**	**173**

The table below summarizes the utilization of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.10.3 Annual Leave

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Contract (Levels 3-5)	60	5	11
Contract (Levels 6-8)	63	7	9
Contract (Levels 9-12)	99	7	15
Contract (Levels 13-16)	87	7	12
Contract Other	19	19	1
Skilled (Levels 3-5)	2 208.68	18	125
Highly skilled production (Levels 6-8)	4 253	23	188
Highly skilled supervision (Levels 9-12)	7 045	24	288
Senior management (Levels 13-16)	2 017	24	83
TOTAL	**15 851.68**	**22**	**732**

Table 4.10.4 Capped leave

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period	Number of Employees as at end of period
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
Contract Other	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	30	0	560.76	19
Highly skilled production (Levels 6-8)	0	0	24	0	776.52	32
Highly skilled supervision (Levels 9-12)	0	0	43	0	727.68	17
Senior management (Levels 13-16)	0	0	0	0	0	0
TOTAL	**0**	**0**	**30**	**0**	**2 064.96**	**68**

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

Table 4.10.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORKDAYS)	2 257.00	50	45 140
ANNUAL - DISCOUNTING: UNUSED VACATION CREDITS (WORKDAYS)	490.00	18.	27 222
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT (WORK	825.00	11	75 000
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT (WORK	554.00	4	138 500
TOTAL	**4 126.00**	**83**	**49 711**

4.11. HIV/AIDS & Health Promotion Programmes

Table 4.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Mobility and migration are heavily linked to the spread of HIV particularly in relation to construction sector. Migrant workers are regarded as a key population, as per the National Strategic Plan on HIV, TB&STIs.	As a custodian and main player in the construction sector, the National Department of Public works and Infrastructure(DPWI) developed and implemented an HIV/AIDS strategy for the construction sector to protect and support the industry's workforce

Table 4.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr. Chance Zaba, Acting Chief Director: HRM
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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.	Yes		Wellness and HIV/AIDS Advocacy Units are established within HRM Chief Directorate to promote Health & Wellness and awareness on HIV, STI and TB. Three staff members in Head Office and 10 Wellness Practitioners in the regions.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		Proactive programs addressing health and wellness issues are in place, and Re - active programs are available to

			address psycho-social issues for all employees.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Eleven regions and Head Office have Wellness & HIV/AIDS committees which serves as sports committees as well. Wellness Practitioners serve as Coordinators.
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 reviewed.	Yes		Health & Productivity management policy, Wellness policy and draft HIV, TB & STI management policy are in place to address issues of human rights and fair labour practices.
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		Human rights based approach to HIV management is in place. Key elements include: Advocacy, awareness, education and peer education.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		The department collaborates with GEMS, DoH & NGOs in providing on - site opportunities for HIV Counselling and Testing, including TB screenings.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		The Departmental Strategic Operational Plans on (HIV, TB & STI , Wellness management, Health & Productivity management & SHERQ) are developed and submitted to DPSA on annual basis. They are used as guidelines for monitoring and evaluation. Indicators include: utilization rate of Health and Wellness services. Number of wellness events, workshops and trainings conducted, Sick leave utilisation, Number of employees tested on HIV, Number of employees screened on TB.

4.12. Labour Relations

Table 4.12.1 Collective agreements

Subject Matter	Date
None	

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

Table 4.12.2 Misconduct and disciplinary hearings finalized

Outcomes of disciplinary hearings	Number	Percentage (%) of Total	Total
DISMISSAL	2	8.00	2
FINAL WRITTEN WARNING	7	28.00	7
WRITTEN WARNING	10	40.00	10
VERBAL WARNING	2	8.00	2
CASE WITHDRAWN/ NOT PURSUED DUE TO INCONCLUSIVE EVIDENCE	4	16.00	4
TOTAL	**25**	**100**	**25**

Table 4.12.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage of Total (%)	Total
BRIBES OR COMMIT FRAUD, CORRUPTION AND NEPOTISM	1	4.00	1
NON-COMPLIANCE WITH SCM/PROCUREMENT PROCEDURES	1	4.00	1
NEGLIGENCE / DERELICTION OF DUTIES	8	32.00	8
ABSENT FROM WORK WITHOUT REASON OR PERMISSION	4	16.00	4
FAILURE TO CARRY-OUT LAWFUL INSTRUCTIONS/INSUBORDINATION	5	20.00	5
ASSAULT	1	4.00	1
FACILITATED IRREGULAR APPOINTMENT OF EMPLOYEES	4	16.00	4
BREACH OF THE CODE OF CONDUCT/FAILURE TO PROMOTE SOUND LABOUR RELATIONS TOWARDS SURBORDINATE	1	4.00	1
TOTAL	**25**	**100%**	**25**

Table 4.12.4 Grievances logged

Number of grievances addressed	Number	% of Total	Total
Not resolved	3	50.00	3
Resolved	3	50.00	3
TOTAL	**6**	**100**	**6**

Table 4.12.5 Disputes logged

Number of disputes addressed	Number	% of total
Upheld	1	100
Dismissed	0	0
Total	**1**	100

Table 4.12.6 Strike actions

Strike Actions _	
None	**0**

Table 4.12.7 Precautionary suspensions

Number of Employees placed on precautionary suspension	Number of employees whose suspension exceeded 30 days	Cost (R) of suspensions
Number of Employees whose suspension exceeded 30 days	1	R18 835.25
Number of Employees whose suspension did not exceed 30 days	0	0.00
TOTAL:	**1**	**718 835.25**

4.13. Skills development

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

Table 4.13.1: Training needs identified

Occupational Categories	Gender	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	240	0	240.00
Legislators, senior officials and managers	Male	150	0	150.00
Professionals	Female	229	0	229.00
Professionals	Male	150	0	150.00
Technicians and associate professionals	Female	120	0	120.00
Technicians and associate professional	Male	70	0	70.00
Clerks	Female	404	0	404
Clerks	Male	220	0	220
Service and sales workers	Female	30	0	30
Service and sales workers	Male	130	0	130
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	0	0	0
Craft and related trades workers	Male	0	0	0
Plant and machine operators and assemblers	Female	0	0	0
Plant and machine operators and assemblers	Male	0	0	0
Elementary occupations	Female	0	0	0
Elementary occupations	Male	0	0	0
Gender sub totals	Female	**1023**	**0**	**1023**
Gender sub totals	Male	**720**	**0**	**720**
TOTAL		**1743**	**0**	**1743**

Table 4.13.2 Training provided for the period

Occupational Categories	**Gender**	**Skills Programmes & other short courses**	**Other forms of training**	**Total**
Legislators, senior officials and managers	Female	29	3	32
Legislators, senior officials and managers	Male	22	3	25
Professionals	Female	53	1	54
Professionals	Male	45	3	48
Technicians and associate professionals	Female	1	2	3
Technicians and associate professional	Male	1	1	2
Clerks	Female	162	28	190
Clerks	Male	51	8	59
Service and sales workers	Female	38	0	38
Service and sales workers	Male	33	0	33
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	0	0	0
Craft and related trades workers	Male	0	0	0
Plant and machine operators and assemblers	Female	0	0	0
Plant and machine operators and assemblers	Male	0	0	0
Elementary occupations	Female	0	0	0
Elementary occupations	Male	0	0	0
Gender sub totals	**Female**	**283**	**34**	**317**
Gender sub totals	**Male**	**152**	**15**	**167**
TOTAL		**435**	**49**	**484**

Table 4.14.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	3	100

Table 4.15.1 Report on consultant appointments using appropriated funds

Project Title:	Total number of consultants that worked on the project:	Duration	Contract value in Rand:
0	0	0	0

Part B – Property Management Trading Entity (PMTE)

4.1 Personnel related expenditure

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

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

Table 4.1.1 Personnel expenditure by programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	872 837	597 528	6 052	68.00	491	1 217
Construction Project Management	159 579	145 150	7	91.00	297	489
Facilities Management Services	454 613	370 217	366	81.00	126	2 929
Real Estate Information And Registry Services	148 993	136 151	106	91.00	1 216	112
Real Estate Investment Services	82 492	64 919	47	79.00	377	172
Real Estate Management Services	910 188	808 881	122	89.00	3 762	215
Total	2 628 702	2 122 846	6 700	81.00	413	5 134

Note: In table 4.1.1 to 4.1.4 Employment includes permanent employees and employees in positions additional to the establishment it includes all employees even those not carried against a post e.g. periodic appointments, etc. Periodic appointments and abnormal appointments is how PERSAL identifies the nature of appointment of employees who are paid a stipend/time sheets for example NYS Learners, Leaners, etc. Compensation of Employees in table 4.1.1 is based on SAGE information for Cost of Employees. Tables 4.1.2 to 4.1.4 is based only on PERSAL information only.

Table 4.1.2 Personnel costs by salary band

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Employee Cost including Transfers	Average Compensation Cost per Employee (R)	Number of Employees
Lower skilled (Levels 1-2)	52 343	2.40	190 338	275
Skilled (Levels 3-5)	503 169	23.50	280 161	1 796
Highly skilled production (Levels 6-8)	551 982	25.80	500 891	1 102
Highly skilled supervision (Levels 9-12)	703 358	32.90	926 690	759
Senior management (Levels >= 13)	114 923	5.40	1 320 954	87
Other	670	0.00	335 000	2
Contract (Levels 1–2)	685	0.00	171 250	4
Contract (Levels 3-5)	44 595	2.10	205 507	217
Contract (Levels 6-8)	12 550	0.60	464 815	27
Contract (Levels 9-12)	87 223	4.10	908 573	96
Contract (Levels >= 13)	7 809	0.40	1 952 250	4
Contract Other	15 672	0.70	82 484	190
Periodical Remuneration	17 457	0.80	31 856	548
Abnormal Remuneration	1 089	0.10	40 333	27
TOTAL	**2 113 525**	**98.70**	**411 672**	**5 134**

Note: Compensation of Employees including transfer cost is R2 113 525 000. Transfer Cost in terms of PERSAL refers to the payment of Resettlement Cost and Leave Gratuity that is paid on PERSAL but posted against Items in Goods and Services. “Compensation of Employees including Transfers” will include payments for resettlement and leave gratuity. In table 4.1.3 and 4.1.4 Total Personnel Cost including Good & Services refer to Cost of Employees including payments for resettlement, leave gratuity and S&T which is paid through PERSAL but posting against Good and Services Items.

Table 4.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (including Good and Services) (R'000)
Administration	462 596	78.20	22 736	3.80	17 443	3.00	33 788	5.70	591 178
Construction Project Management	315 826	86.50	340	0.10	4 992	1.40	6 290	1.70	365 164
Facilities Management Services	589 886	71.00	29 892	3.60	263	5.20	80 505	9.70	830 650
Real Estate Information And Registry Services	53 977	81.60	4 232	6.40	1 280	1.90	1 579	2.40	66 163
Real Estate Investment Services	125 095	84.50	115	0.10	3 136	2.10	4 372	3.00	148 124
Real Estate Management Services	111 513	79.90	2 027	1.50	3 792	2.70	6 374	4.60	139 505
Total	**1 658 892**	**77.50**	**59 343**	**2.80**	**73 905**	**3.50**	**132 909**	**6.20**	**2 140 785**

Table 4.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower Skilled (Levels 1-2)	34 078	64.80	1 649	3.10	4 013	7.60	7 890	15.00	52 571
Skilled (Levels 3-5)	335 261	66.50	22 279	4.40	33 711	6.70	63 465	12.60	504 526
Highly skilled production (Levels 6-8)	413 710	74.30	22 204	4.00	20 505	3.70	40 987	7.40	556 757
Highly skilled supervision (Levels 9-12)	593 683	82.40	9 649	1.30	12 475	1.70	19 384	2.70	720 219
Senior management (Levels 13-16)	100 831	86.10	0	0.00	2 935	2.50	1 068	0.90	117 168
Other	512	76.40	28	4.20	20	3.00	49	7.30	670
Contract (Levels 1-2)	685	100.00	0	0.00	0	0.00	0	0.00	685
Contract (Levels 3-5)	42 943	95.70	1 482	3.30	0	0.00	0	0.00	44 856
Contract (Levels 6-8)	11 702	92.60	740	5.90	0	0.00	0	0.00	12 636
Contract (Levels 9-12)	84 272	95.20	1 267	1.40	72	0.10	37	0.00	88 503
Contract (Levels 13-16)	7 241	92.10	0	0.00	174	2.20	29	0.40	7 859
Other Contracts	15 428	97.80	44	0.30	0	0.00	0	0.00	15 781
Periodical Appointments	17 457	99.90	0	0.00	0	0.00	0	0.00	17 466
Abnormal Appointments	1 089	100.00	0	0.00	0	0.00	0	0.00	1 089
TOTAL	**1 658 892**	**77.50**	**59 343**	**2.80**	**73 905**	**3.50**	**132 909**	**6.20**	**2 140 785**

Other contracts are Intern and Learnerships not linked to a specific salary level e.g. paid a stipend

4.2. Employment and Vacancies

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

- programme
- salary band
- critical occupations

Table 4.2.1 Employment and vacancies by programme

Programme	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate %	Number of Posts Filled Additional to the Establishment
Administration	551	470	81	14.70	159
Construction Project Management	2 600	2 388	212	8.20	55
Facilities Management Services	1 331	1 202	129	9.70	261
Real Estate Information And Registry Services	119	112	7	5.90	46
Real Estate Investment Services	200	172	28	14.00	5
Real Estate Management Services	250	215	35	14.00	15
Total	**5 051**	**4 559**	**492**	**9.70**	**541**

Table 4.2.2 Employment and vacancies by salary band

Salary Band	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower Skilled (Levels 1-2)	348	275	73	21.00	0
Skilled (Levels 3-5)	1 897	1 796	101	5.30	0
Highly Skilled Production (Levels 6-8)t	1 245	1 102	143	11.50	1
Highly Skilled Supervision (Levels 9-12)	902	759	143	15.90	1
Senior Management (Levels 13-16)	119	87	32	26.90	1
Contract, Other	192	192	0	0.00	191
Contract (Levels 1-2)	4	4	0	0.00	4
Contract (Levels 3-5)	217	217	0	0.00	217
Contract (Levels 6-8)	27	27	0	0.00	27
Contract (Levels 9-12)	96	96	0	0.00	96
Contract (Levels 13-16)	4	4	0	0.00	3
TOTAL	**5 051**	**4 559**	**492**	**9.70**	**541**

“Other” in terms of the salary band refers to employees on HCI programmes for example Water Treatment that are not linked to a specific salary level (referring to salary levels 1 to 16 for the Public Service).

Table 4.2.3 Employment and vacancies by critical occupations

Critical Occupations	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Architects Town and Traffic Planners	68	47	6	9%	15
Civil Engineering Technicians	24	7	5	21%	12
Engineers And Related Professionals	101	56	24	24%	21
Quantity Surveyors & Related Prof Not Class Elsewhere	35	18	9	26%	8

4.3. Filling of Senior Management Service (SMS) Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 4.3.1 SMS post information as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100.00	0	0.00
Salary Level 16	0	0	0.00	0	0.00
Salary Level 15	6	4	67.00	2	33.00
Salary Level 14	31	22	71.00	9	29.00
Salary Level 13	85	64	75.00	21	25.00
Total	**123**	**91**	**74.00**	**32**	**26.00**

Table 4.3.2 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	2	1	50.00	1	50.00
Salary Level 16	0	0	0.00	0	0.00
Salary Level 15	3	3	50.00	3	100.00
Salary Level 14	32	26	81.00	6	19.00
Salary Level 13	85	61	72.00	24	28.00
Total	**122**	**91**	**73.00**	**34**	**37.00**

Table 4.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

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

Table 4.3.4 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 and 31 March 2024

Reasons for vacancies not advertised within six months
Implementation of the moratorium of filling of positions from March to June 2023. Impact of the implementation of the cost containment measures and relevant directives by the MPSA on filling of positions.

Reasons for vacancies not filled within twelve months
Implementation of the moratorium of filling of positions from March to June 2023. Impact of the implementation of the cost containment measures and relevant directives by the MPSA on filling of positions.

Notes: In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

4.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 4.4.1 Job Evaluation by salary band

Salary Band	Number of Posts	Number of posts Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower Skilled (Levels 1-2)	348	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	1 897	6	0.31	6	100.00	0	0.00
Highly Skilled Production (Levels 6-8)	1 245	39	3.13	2	5.26	0	0.00
Highly Skilled Supervision (Levels 9-12)	902	38	4.21	0	0.00	0	0.00
Senior Management Service Band A	82	5	6.00	0	0.00	0	0.00
Senior Management Service Band B	31	0	0.00	0	0.00	0	0.00
Senior Management Service Band C	6	0	0.00	0	0.00	0	0.00
Contract, Other	192	0	0.00	0	0.00	0	0.00
Contract (Levels 1-2)	4	0	0.00	0	0.00	0	0.00
Contract (Levels 3-5)	217	0	0.00	0	0.00	0	0.00
Contract (Levels 6-8)	27	0	0.00	0	0.00	0	0.00
Contract (Levels 9-12)	96	0	0.00	0	0.00	0	0.00
Contract Band A	3	0	0.00	0	0.00	0	0.00
Contract Band D	1	0	0.00	0	0.00	0	0.00
TOTAL	**5 051**	**88**	**1.74**	**8**	**9.09**	**0**	**0.00**

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

Table 4.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	0	3
Male	2	0	0	0	2
Total	**5**	**0**	**0**	**0**	**5**
Employees with a Disability	0	0	0	0	0

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

Table 4.4.3 Employees with salary levels higher than those determined by job evaluation by occupation

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
	0	0	0	0

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

Table 4.4.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiaries	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

4.5. Employment Changes

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

Salary Band	Employment at Beginning of Period (April 2023)	Appointments	Terminations	Turnover Rate %
Lower Skilled (Levels 1-2)	231	49	4	1.70
Skilled (Levels 3-5)	1 859	50	94	5.10
Highly Skilled Production (Levels 6-8)	1 113	52	66	5.90
Highly Skilled Supervision (Levels 9-12)	747	34	32	4.30
Senior Management Service Band A	58	1	1	1.70
Senior Management Service Band B	24	0	1	4.20
Senior Management Service Band C	3	0	0	0.00
Contract, Other	192	146	166	86.50
Contract (Levels 1-2)	4	5	5	125.00
Contract (Levels 3-5)	137	153	67	48.90
Contract (Levels 6-8)	27	16	15	55.60
Contract (Levels 9-12)	131	78	111	84.70
Contract Band A	5	1	2	40.00

Contract Band B	1	0	1	100.00
Contract Band C	1	0	1	100.00
Contract Band D	1	1	1	100.00
TOTAL	**4 534**	**586**	**567**	**12.50**

Table 4.5.1 Annual turnover rates by salary band

The appointment number also includes re-appointments as a result of contract extensions which will reflect on the PERSAL System as appointments. "Other" refers to contract appointments of HCI Programmes (e.g. Presidential Stimulus Programme) employees were not appointed against a specific salary level. Employees are paid a stipend.

Table 4.5.2 Annual turnover rates by critical occupation

Occupation	Employment at Beginning of Period (April 2023)	Appointments	Terminations	Turnover Rate %
Architects Town And Traffic Planners	72	16	31	43.10
Civil Engineering Technicians	20	6	8	40.00
Engineers and Related Professionals	139	13	30	21.60
Quantity Surveyors & Related Professionals	2	0	0	0.00

Notes The CORE classification, as prescribed by the DPSA, should be used for completion of this table. The table below identifies the major reasons why staff left the department.

Table 4.5.3 Reasons why staff left the department

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment
Death	24	4.20	0.50
Resignation	176	31.00	3.90
Expiry of contract	284	50.10	6.20
Discharged due to ill health	4	0.70	0.10
Dismissal-misconduct,	9	1.60	0.20
Retirement	70	12.30	1.50
TOTAL	**567**	**100.00**	**12.40**

Resignations include employees that resigned from contract positions to assume duty in a permanent position as a result of a recruitment process.

Table 4.5.4 Promotions by critical occupation

Occupation	Employment at Beginning of Period (April 2023)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Architects Town And Traffic Planners	72	0	0.00	24	33.30
Civil Engineering Technicians	20	0	0.00	5	25.00
Engineers and Related Professionals	139	6	4.30	52	37.40
Quantity Surveyors & Related Professionals	2	0	0.00	2	100.00

Promotion in terms of Critical occupations includes in this table promotions to next salary level as well as progression to a higher notch.

Table 4.5.5 Promotions by salary band

Salary Band	Employment at Beginning of Period (April 2023)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower Skilled (Levels 1-2)	231	0	0.00	17	7.40
Skilled (Levels 3-5)	1 859	10	0.50	1 405	75.60
Highly Skilled Production (Levels 6-8)	1 113	23	2.10	676	60.70
Highly Skilled Supervision (Levels 9-12)	747	19	2.50	445	59.60
Senior Management (Levels 13-16)	85	1	1.20	7	8.20
Contract, Other	192	0	0.00	2	1.00
Contract (Levels 1-2)	4	0	0.00	0	0.00
Contract (Levels 3-5)	137	0	0.00	4	2.90
Contract (Levels 6-8)	27	0	0.00	0	0.00
Contract (Levels 9-12)	131	0	0.00	10	7.60
Contract (Levels 13-16)	8	0	0.00	0	0.00
TOTAL	**4 534**	**53**	**1.20**	**2 566**	**56.60**

4.6. Employment Equity

Table 4.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2024

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials And Managers	48	3	2	5	31	0	4	2	95
Professionals	170	12	16	31	134	10	3	10	386
Technicians And Associate Professionals	256	10	4	9	308	17	1	39	644
Clerks	345	17	3	13	592	20	11	42	1 043
Service Shop And Market Sales Workers	165	3	0	10	171	1	0	2	352
Craft And Related Trade Workers	147	35	5	19	57	1	0	0	264
Plant And Machine Operators And Assemblers	40	2	1	0	13	3	0	0	59
Labourers And Related Workers	535	101	5	2	1 000	71	1	1	1 716
Total	**1 706**	**183**	**36**	**89**	**2 306**	**123**	**20**	**96**	**4 559**
Employees with disabilities	24	7	1	4	14	3	0	6	59

Table 4.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2024

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	2	0	1	0	4
Senior Management	45	3	2	3	25	0	3	2	83
Professionally qualified and experienced specialists and mid-management	368	15	23	41	264	15	4	29	759
Skilled technical and academically qualified workers, junior management, supervisors, foremen	343	39	3	27	593	25	10	62	1 102
Semi-skilled and discretionary decision making	651	118	7	5	936	77	1	1	1 796
Unskilled and defined decision making	78	5	0	0	189	3	0	0	275
Contract, Unavailable	72	1	0	0	119	0	0	0	192
Contract (Top Management)	1	0	0	0	0	0	0	0	1

Contract (Senior Management)	0	0	0	1	2	0	0	0	3
Contract (Professionally qualified)	46	1	1	12	31	2	1	2	96
Contract (Skilled technical)	10	1	0	0	16	0	0	0	27
Contract (Semi-skilled)	90	0	0	0	126	1	0	0	217
Contract (Unskilled)	1	0	0	0	3	0	0	0	4
Total	**1 706**	**183**	**36**	**89**	**2 306**	**123**	**20**	**96**	**4 559**

Table 4.6.3 Recruitment

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	22	1	0	1	10	0	0	0	34
Skilled technical and academically qualified workers, junior management, supervisors, foremen	17	1	0	0	33	1	0	0	52
Semi-skilled and discretionary decision making	18	1	0	0	31	0	0	0	50
Unskilled and defined decision making	14	1	0	0	32	2	0	0	49
Not Available	57	1	0	0	88	0	0	0	146
Contract (Top Management)	1	0	0	0	0	0	0	0	1
Contract (Senior Management)	0	0	0	1	0	0	0	0	1

Contract (Professionally qualified)	36	1	2	12	24	0	1	2	78
Contract (Skilled technical)	5	1	0	0	10	0	0	0	16
Contract (Semi-skilled)	66	0	0		87	0	0	0	153
Contract (Unskilled)	1	0	0		4	0	0	0	5
Total	**237**	**7**	**2**	**14**	**320**	**3**	**1**	**2**	**586**
Employees with disabilities	0	0	0	0	1	0	0	0	1

Occupational Band "Not Available refers to employees appointed on contract for example Learners who do not have an occupational band to be linked to in the PERSAL System and the occupational band of "Other Occupations" were used.

Table 4.6.4 Promotion (Includes promotion to salary level and progressions to another notch within the Salary Level)

Occupational Bands	Male				Female				Total
	African	Coloure d	Indian	White	African	Coloured	Indian	White	
Senior Management	2	0	0	0	5	0	0	1	8
Professionally qualified and experienced specialists and mid-management	221	8	7	32	172	8	3	13	464
Skilled technical and academically qualified workers, junior management, supervisors, foremen	214	30	3	16	376	14	7	39	699
Semi-skilled and discretionary decision making	489	73	4	4	784	59	1	1	1 415
Contract, Not available	4	0	0	0	13	0	0	0	17
Contract (Top Management)	2	0	0	0	0	0	0	0	2

Contract (Professionally qualified)	4	0	0	0	6	0	0	0	10
Contract (Skilled technical)	3	0	0	0	1	0	0	0	4
TOTAL	**939**	**111**	**14**	**52**	**1 357**	**81**	**11**	**54**	**2 619**
Employees with disability	16	1	0	1	11	2	0	5	36

Table 4.6.5 Terminations

Occupational Bands	**Male**				**Female**				**Total**
	African	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	
Senior Management	0		0	1	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	14	3	0	8	5	0	0	2	32
Skilled technical and academically qualified workers, junior management, supervisors, foremen	23	5	0	2	27	2	0	7	66
Semi-skilled and discretionary decision making	38	12	0	2	41	1	0	0	94
Unskilled and defined decision making	1	0	0	0	3	0	0	0	4
Not Available	62	1	1	1	99	2	0	0	166
Contract (Top Management),	1	0	0	1	0	0	0		2
Contract (Senior Management)	0	1	0	2	0	0	0	0	3
Contract (Professionally qualified)	53	0	5	5	45	1	2	0	111
Contract (Skilled technical)	4	2	0	0	9	0	0	0	15
Contract (Semi-skilled)	34	0	0	0	33	0	0	0	67
Contract (Unskilled)	1	0	0	0	4	0	0	0	5
TOTAL	**231**	**24**	**6**	**22**	**267**	**6**	**2**	**9**	**567**
Employees with disabilities	2	0	0	3	1	0	0	1	7

Table 4.6.6 Disciplinary action

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	4	1	0	0	4	0	0	0	9
Suspension From Work without Payment	6	1	1	0	3	0	0	0	11
Final Written Warning	10	0	1	1	3	0	1	0	16
Written Warning	18	1	0	1	6	0	0	0	26
Verbal Warning	4	0	0	0	1	0	0	1	6
Cases Withdrawn/ Not Guilty/Cases Not Pursued Due To Inconclusive Evidence	6	0	0	0	1	0	0	0	7
Retirement / Resignation and Death	2	2	0	0	1	0	0	0	5
TOTAL	**50**	**5**	**2**	**2**	**19**	**0**	**1**	**1**	**80**

Table 4.6.7 Skills development

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	24	1	1	0	8	1	0	1	36
Professionals	86	5	6	12	70	2	2	3	186
Technicians and Associate Professionals	32	0	1	1	24	0	0	0	58
Clerks	172	6	0	5	377	9	2	15	586
Service and Sales Workers	16	0	0	0	9	0	0	0	25
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	75	1	0	3	36	0	0	0	115
Plant and Machine Operators and Assemblers	30	0	0	3	16	0	0	0	49
Elementary Occupations	43	0	0	0	96	0	0	1	140
Employees with disabilities	10	0	0	2	3	0	0	0	15
TOTAL	**478**	**13**	**8**	**24**	**636**	**12**	**4**	**20**	**1 195**

4.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 4.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of number of SMS members per level
Salary Level 16	1	1	1	100.00
Salary Level 15	4	4	3	75.00
Salary Level 14	23	23	23	100.00
Salary Level 13	63	63	62	98.00
Total	**91**	**91**	**89**	**98.00**

Notes
In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2020.

Table 4.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons

4.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability), salary bands and critical occupations.

Table 4.8.1 Performance Rewards by race, gender and disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	6	6	100.00	86	14 344
African, Male	0	1 682	0.00	0	0
Asian, Female	0	20	0.00	0	0
Asian, Male	0	35	0.00	0	0
Coloured, Female	0	120	0.00	0	0
Coloured, Male	0	176	0.00	0	0
Total Blacks, Female	6	2 432	0.20	86	14 344
Total Blacks, Male	0	1 893	0.00	0	0
White, Female	1	90	1.10	19	19 144
White, Male	2	85	2.40	91	45 726
Employees with a disability	0	59	0.00	0	0
TOTAL	**9**	**4 559**	**0.20**	**197**	**21 851**

No payment of performance bonus in the 2023/2024 cycle. 9 beneficiaries was payment of a previous cycle.

Table 4.8.2 Performance Rewards by salary band for personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')
Lower Skilled (Levels 1-2)	0	275	0.00	0	0
Skilled (Levels 3-5)	0	1 796	0.00	0	0
Highly skilled production (Levels 6-8)	6	1 102	0.50	77	12 769
Highly skilled supervision (Levels 9-12)	3	759	0.40	120	40 015
Other	0	192	0.00	0	0
Contract (Levels 1-2)	0	4	0.00	0	0
Contract (Levels 3-5)	0	217	0.00	0	0
Contract (Levels 6-8)	0	27	0.00	0	0
Contract (Levels 9-12)	0	96	0.00	0	0
TOTAL	**9**	**4 468**	**0.20**	**197**	**21 851**

No payment of performance bonus in the 2023/2024 cycle. 9 beneficiaries was payment of a previous cycle

Table 4.8.3 Performance Rewards by critical occupation

Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')
Architects Town and Traffic Planners	0	60	0.00	0	0
Civil Engineering Technicians	0	19	0.00	0	0
Engineers and Related Professionals	0	123	0.00	0	0
Quantity Surveyors & Related Prof not class Elsewhere	0	2	0.00	0	0

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 4.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')	Personnel Cost SMS (R'000)
Band A	0	63	0.00	0	0	0
Band B	0	23	0.00	0	0	0
Band C	0	4	0.00	0	0	0
Band D	0	1	0.00	0	0	0
TOTAL	**0**	**91**	**0.00**	**0**	**0**	**0**

4.9. Foreign Workers

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

Table 4.7.1 Foreign workers by salary band

Salary Band	1 April 2023		31 March 2024		Change	
	Number	%age of Total	Numbe r	% of Total	Number	% Change
Highly skilled supervision (Levels 9-12)	7	100.00	0	100.00	-7	100.00
TOTAL	**7**	**100.00**	**0**	**100.00**	**-7**	**100.00**

6 Cuban Professionals employed as Technical Advisors.

Table 4.9.2 Foreign workers by major occupation

Major Occupation	1 April 2023		31 March 2024		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Administrative office workers	1	14.30	0	100.00	-1	14.30
Professionals and managers	6	85.70	0	100.00	-6	85.70
TOTAL	**7**	**100.00**	**0**	**100.00**	**-7**	**100.00**

4.10. Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 4.10.1 Sick leave

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Number of days with Medical Certification
Contract (Levels 3-5)	333	70.60	75	2.30	4	344	235
Contract (Levels 6-8)	124	54.80	20	0.60	6	200	68
Contract (Levels 9-12)	345	68.70	67	2.10	5	941	237
Contract (Levels 13-16)	26	88.50	3	0.10	9	131	23
Contract Other	220	60.00	48	1.50	5	117	132
Unskilled (Levels 1-2)	1 613	86.50	193	6.00	8	1 019	1 395
Skilled (Levels 3-5)	11 697	84.30	1 302	40.30	9	9 833	9 861
Highly skilled production (Levels 6-8)	7 416	75.90	919	28.40	8	12 918	5 631
Highly skilled supervision (Levels 9-12)	4 309	79.50	545	16.90	8	14 153	3 427
Senior management (Levels 13-16)	546	83.90	59	1.80	9	2 666	458
TOTAL	**26 629**	**80.60**	**3 231**	**100.00**	**8**	**42 323**	**21 467**

Table 4.10.2 Disability leave (temporary and permanent)

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	48	100.00	3	3.80	16	32	48
Skilled (Levels 3-5)	1 093	100.00	31	38.80	35	928.	1 093
Highly skilled production (Levels 6-8)	1 831	100.00	27	33.80	68	3 245	1 831
Highly skilled supervision (Levels 9-12)	583	100.00	18	22.50	32	2 524	583
Senior management (Levels 13-16)	62	100.00	1	1.30	62	366	62
TOTAL	**3 617**	**100.00**	**80**	**100.00**	**45**	**7 095**	**3 617**

The table below summarizes the utilization of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.10.3 Annual Leave

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Contract (Levels 1-2)	3	3	1
Contract (Levels 3-5)	1 359	9	146
Contract (Levels 6-8)	416	13	31
Contract (Levels 9-12)	1 653	12	137
Contract (Levels 13-16)	85	11	8
Contract Other	1 428	8	175
Lower Skilled (Levels 1-2)	3 821	15	256
Skilled (Levels 3-5)	40 624	22	1 880
Highly skilled production (Levels 6-8)	27 398.25	24	1 149
Highly skilled supervision (Levels 9-12)	18 726	24	783
Senior management (Levels 13-16)	2 199	25	89
Other	27	27	1
TOTAL	**97 739.43**	**21**	**4 656**

Table 4.10.4 Capped leave

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period	Number of Employees as at End of Period
Contract (Level 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
Contract Other	0	0	0	0	0	0
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	164	16	50	10	14 067.92	283
Highly skilled production (Levels 6-8)	19	2	28	9	5 272.69	190
Highly skilled supervision (Levels 9-12)	5	3	38	2	4 298.75	114
Senior management (Levels 13-16)	0	0	26	0	488.45	19
Other	0	0	0	0	0	0
Total	**188**	**9**	**40**	**21**	**24 127.81**	**606**

Table 4.10.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Annual - Discounting With Resignation (Work Days)	3 421	123	27 813
Annual - Discounting: Contract Expiry (Work Days)	206	17	12 118
Annual - Discounting: Unused Vacation Credits (Work Days)	1 397	52	26 865
Annual - Gratuity: Death/Retirement/Medical Retirement(Work	2 552	80	31 900
Capped - Gratuity: Death/Retirement/Medical Retirement(Work	3 759	51	73 706
TOTAL	**11 336**	**323**	**35 096**

4.11. HIV/AIDS & Health Promotion Programmes

Table 4.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Construction workers as they categorized as vulnerable population because of migration	HIV/AIDS strategy on the construction sector is in place

Table 4.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Act Chief Director: Human Resource Management Mr. C Zaba
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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		11 EHW Practitioners based at the regions and 3 Assistant Directors in Head Office
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		Pro - active programmes are conducted on regular basis, attendance has declined due to COVID 19 restrictions
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The department has established HIV/AIDS,Wellness and Sports Committees in Head Office and 11 Regional Offices. Wellness Practitioners serve as coordinators.
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 reviewed.	Yes		HIV/AIDS policy, Health and Productivity and Wellness 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		Human Rights based approach to HIV Management; Advocacy and Stigma Mitigation Programmes are in place.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		The department in collaboration with GEMS conducts Quarterly on site HIV Counselling and Testing and Health Screenings.

8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		The DSOP submitted to DPSA on annually basis and the Systems Monitoring Tool developed by the DPSA are used as guidelines for monitoring and evaluation. Indicators include: Utilization rate of Health and Wellness Services; Sick leave Utilization; Number of employees living openly with HIV.

4.12. Labour Relations

Table 4.10.1 Collective agreements

Subject Matter	Date
None	

The following table summarizes the outcome of disciplinary hearings conducted within the department for the year under review.

Table 4.12.2 Misconduct and disciplinary hearings finalized

Outcomes of disciplinary hearings	Number	Percentage (%) of Total	Total
DISMISSAL	9	11.25	9
SUSPENSION FROM WORK WITHOUT PAYMENT	11	13.75	11
FINAL WRITTEN WARNING	16	20.00	16
WRITTEN WARNING	26	32.50	26
VERBAL WARNING	6	7.50	6
CASES WITHDRAWN/ NOT GUILTY/CASES NOT PURSUED DUE TO INCONCLUSIVE EVIDENCE	7	8.75	7
RETIREMENT / RESIGNATION and DEATH	5	6.25	5
TOTAL	**80**	**100.00**	**80**

Table 4.12.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage (%) of Total	Total
BRIBES OR COMMIT FRAUD, CORRUPTION AND NEPOTISM	4	5.00	4
ABSENT FROM WORK WITHOUT REASON OR PERMISSION	12	15.00	12
NON-COMPLIANCE WITH SCM/PROCUREMENT PROCEDURES	8	10.00	8
MISUSE, ABUSE OR UNAUTHORISE USE OF STATE VEHICLE OR PROPERTY	1	1.25	1
NEGLIGENCE / DERELICTION OF DUTIES	28	35.00	28
FAILURE TO CARRY-OUT LAWFUL INSTRUCTIONS/INSUBORDINATION	8	10.00	8
THEFT	1	1.25	1
ASSAULT	2	2.5	2
FACILITATED IRREGULAR APPOINTMENT OF EMPLOYEES	6	7.5	6
DISPLAYED DISRESPECT, DISGRACEFUL AND UNACCEPTABLE BEHAVIOUR	3	3.75	3
BEING INTOXICATED OR UNDER THE INFLUENCE OF OF ALCOHOL	2	2.5	2
UNLAWFUL REMOVAL OF STATE PROPERTY	1	1.25	1
OTHER CONTRAVENTION/BREACH OF THE CODE OF COONDUCT	4	5.00	4
TOTAL	**80**	**100.00**	**80**

Table 4.12.4 Grievances logged

Number of grievances addressed	Number	% of Total
Not resolved	9	20.00
Resolved	17	80.00
TOTAL	**26**	**100.00**

Table 4.12.5 Disputes logged

Number of disputes addressed	Number	% of total
Upheld	9.00	70.00
Dismissed	2.00	30.00
Total	**11.00**	**100.00**

Table 4.12.6 Strike actions

Employees who participated in strike Actions	Number of days lost	Total cost(R'000) of working days lost	Amount (R'000) recovered as a result of no work no pay
Total number of person working days lost	0	0	0
TOTAL:	**0**	**0**	**0**

Table 4.12.7 Precautionary suspensions

Precautionary Suspensions _	
Number of Employees placed on precautionary suspension	**Cost (R)**
None	0
Total	**0**

4.13 Skills development

This section highlights the efforts of the department with regard to skills development. Skills development in terms of Leanerships are included under Human Capital Investment (HCI) Programmes.

Table 4.13.1: Training needs identified

Occupational Categories	Gender	Skills Programmes & other short courses	Other forms of trainin0g	Total
Legislators, senior officials and managers	Female	290	0	290
Legislators, senior officials and managers	Male	360	0	360
Professionals	Female	343	0	343
Professionals	Male	400	0	400
Technicians and associate professionals	Female	193	0	193
Technicians and associate professionals	Male	203	0	203
Clerks	Female	430	0	430

Clerks	Male	249	0	249
Service and sales workers	Female	340	0	340
Service and sales workers	Male	249	0	249
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	320	0	320
Craft and related trades workers	Male	350	0	350
Plant and machine operators and assemblers	Female	0	0	0
Plant and machine operators and assemblers	Male	0	0	0
Elementary occupations	Female	450	0	450
Elementary occupations	Male	390	0	390
Gender sub totals	**Female**	**2366**	**0**	**2366**
Gender sub totals	**Male**	**2246**	**0**	**2246**
TOTAL		**4612**		**4612**

Table 4.13.2 Training provided for the period

Occupational Categories	Gender	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	11
Legislators, senior officials and managers	Male	24	1	25
Professionals	Female	67	1	77
Professionals	Male	99	10	109
Technicians and associate professionals	Female	15	9	24
Technicians and associate professionals	Male	23	11	34
Clerks	Female	400	3	403
Clerks	Male	180	3	183
Service and sales workers	Female	9	0	9
Service and sales workers	Male	16	0	16
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	36	0	36
Craft and related trades workers	Male	79	0	79
Plant and machine operators and assemblers	Female	16	0	16
Plant and machine operators and assemblers	Male	33	0	33
Elementary occupations	Female	97	0	97
Elementary occupations	Male	43	0	43
Gender sub totals	**Female**	**651**	**22**	**673**
Gender sub totals	**Male**	**497**	**25**	**522**
TOTAL		**1 148**	**47**	**1 195**

4.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 4.14.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	16	88.89
Temporary Total Disablement	2	11.11
Permanent Disablement	0	0.00
Fatal	0	0.00
Total	**18**	100.00

A) Main Vote

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

5.1 Irregular expenditure

Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	122,734	116 787
Adjustment to opening balance	-	1,423
Opening balance as restated	122,734	118,210
Add: Irregular expenditure confirmed	3,988	4,524
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable[2]	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**126,722**	**122,734**

The adjustment to the opening balance is as a result of an investigation that was conducted and revealed that various officials were responsible for irregular expenditure. The matter has since been referred to Labour Relations for the implementation of disciplinary proceedings.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment		
Irregular expenditure that relates to the prior year and identified in the current year		585
Irregular expenditure for the current year	3,988	3,939
Total	**3,988**	**4,524**

[2] Transfer to receivables

Details of irregular expenditure (under assessment, determination, and investigation)

Description[3]	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	-	4,914
Irregular expenditure under determination	10,721	10,721
Irregular expenditure under investigation	-	-
Total	**10,721**	**15,635**

Details of irregular expenditure condoned

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

Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable		
Total		

[3] Group similar items

Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off		
Total		

Additional disclosure relating to Inter-Institutional Arrangements

Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)

Description
Total

Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)[4]

Description	2023/2024	2022/2023
	R'000	R'000

[4] Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

Total		

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

Disciplinary steps taken	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure - salaries	**3,988**	**3,939**
Irregular expenditure - other non-compliances		**37**

An investigation was conducted by the Public Service Commission relating to the irregular appointment of several Senior Member Service officials. The panel members that were responsible for the appointment of these officials were subsequently disciplined and the matter was concluded in the current financial year.

5.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	56,778	55,514
Adjustment to opening balance	-	1,381
Opening balance as restated	56,778	56,896
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable[5]	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-118
Closing balance	**56,778**	**56,778**

The adjustment to the opening balance is as a result of an investigation that was conducted and revealed that various officials were responsible for irregular expenditure. The matter has since been

[5] Transfer to receivables

referred to Labour Relations for the implementation of disciplinary proceedings. The matter was recommended to be referred to the State Attorney for the recovery of damages and losses.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	55,396
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**-**	**55,396**

Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description[6]	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	55,396	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**55,396**	**-**

Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	**-**	**-**
Total	**-**	**-**

Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	**-**	**-**

[6] Group similar items

Total	**-**	**-**

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

Disciplinary steps taken
Total

5.3 Unauthorised expenditure

Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	255 079	255 079
Adjustment to opening balance		
Opening balance as restated		
Add: unauthorised expenditure confirmed		
Less: unauthorised expenditure approved with funding		
Less: unauthorised expenditure approved without funding		
Less: unauthorised expenditure recoverable[7]		
Less: unauthorised not recoverable and written off[8]		
Closing balance	**255 079**	**255 079**

During the financial year, there was no unauthorised expenditure incurred. The expenditure relates to 2007/08 to 2011/12 financial years.

[7] Transfer to receivables
[8] This amount may only be written off against available savings

5.4 Late And/or Non-Payment of Suppliers

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	20 040	6 825 387
Invoices paid **within** 30 days or agreed period	19 855	6 824 338
Invoices paid **after** 30 days or agreed period	185	1 048
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	-	-
Invoices older than 30 days or agreed period (***unpaid and in dispute***)	-	-

Reasons for late payment of invoices:

- *Late submission by the units.*
- *System challenges at some regions.*
- *Changes in Service Providers banking details.*

B) Property Management Trading Entity

5.5 Irregular expenditure

Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	1,975,237	1,816,149
Adjustment to opening balance		(93,024)
Opening balance as restated	1,975,237	1,723,126
Add: Irregular expenditure confirmed	257,142	258,101
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(6,628)	(5,900)
Less: Irregular expenditure recoverable[9]	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**2,225,840**	**1,975,327**

The opening balance of 2022/2023 was adjusted by a net reduction of R93 million. Included in the R93 million reduction is an amount of R50 million which relates to various transactions that were removed, R40 million for prior period error where transactions did not meet the definition of irregular expenditure, and not condoned not recoverable amounting to R15,4 million which relates to the dispensation that was granted by National Treasury. There was also an addition to this opening balance amounting to R12,8 million as a result of additional contracts found to be irregular during the

[9] Transfer to receivables

year under audit. All these amounts were dealt with in accordance with the PFMA Compliance and Reporting Framework.

The comparative amount of additions to the balance increased by an amount of R96 million where all amounts were alleged to be irregular expenditure in previous financial year but only confirmed in the current financial year.

The addition of R257 million is as a result of various multi-year contracts that were found to be irregular. Several of these matters amounting to R187 million have already been assessed and referred for consequence management to be implemented.

The balance of irregular expenditure was also reduced by an approval for removal which was granted in the current financial year. This approval reduced the balance by R6,6 million and R5,9 million in the 2023/24 and 2022/23 financial years, respectively.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	96,464
Irregular expenditure for the current year	257,142	161,637
Total	**257,142**	**258,101**

The amount of R96 million was assessed in the current financial year and confirmed to meet the definition of irregular expenditure. This amount was confirmed to have incurred in the 2022/23 financial year.

Details of irregular expenditure (under assessment, determination, and investigation)

Description[10]	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	102,852	86,163
Irregular expenditure under determination	910,022	1,107,790
Irregular expenditure under investigation	546, 589	541,186
Total	**1,559,463**	**1,735,139**

The amounts under assessment in the current financial year emanate from the previous year's findings and from other internal reports. Assessments are still on-going.

[10] Group similar items

Details of irregular expenditure condoned

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

Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	6,628	5,900
Total	**6,628**	**5,900**

These amounts were approved for removal by the delegated authority in terms of the PFMA Compliance and Reporting Framework.

Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)

Description
None
Total

Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)[11]

Description	2023/2024	2022/2023
	R'000	R'000
Total		

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

Disciplinary steps taken	2023/2024	2022/2023
	R'000	R'000
Irregularly appointed officials – 8 officials received final written warnings	6,628	5,900
Pre-qualifying criterial not met – 3 officials received written warnings	743	-
Emergency not justifiable – 1 official received a written warning	-	245

[11] Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

5.6 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	158,195	137,349
Adjustment to opening balance	-	20,842
Opening balance as restated	158,195	158,191
Add: Fruitless and wasteful expenditure confirmed	-	4
Less: Fruitless and wasteful expenditure recoverable[12]	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**158,195**	**158,195**

The adjustment to the comparative opening balance is a result of the completion of assessments in the current year but the occurrence thereof was in the prior financial years.

Reconciling notes

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	**-**	4
Total	-	4

Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description[13]	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	86,602	68,453
Fruitless and wasteful expenditure under determination	153,505	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**240,107**	**68,453**

[12] Transfer to receivables
[13] Group similar items

The amounts under assessment in the current financial year emanate from both current and previous year's audit findings and from other internal reports. Assessments are still on-going due to them being technical in nature.

Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

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

Disciplinary steps taken	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful incurred – 1 official dismissed	-	378
Total	-	378

5.7 Late And/or Non-Payment Of Suppliers

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	150 951	12 590 995
Invoices paid **within** 30 days or agreed period	145 174	12 019 124
Invoices paid **after** 30 days or agreed period	5 750	562 979
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	27	8 892
Invoices older than 30 days or agreed period (***unpaid and in dispute***)	1	7 954

In general the main reason for late payment or unpaid invoices without dispute relate to late confirmation of funds by client department or late applications for additional funding by line function. At the core of the dispute reported above is the allegations that no work was done for the invoice in question and there was no evidence provided to PMTE to prove otherwise.

Report of the auditor-general to Parliament on vote no. 13: Department of Public Works and Infrastructure

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Public Works and Infrastructure set out on pages 213 to 290, 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 Infrastructure 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) and the requirements of 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 in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matter

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

Impairment of receivables

7. As disclosed in note 10.5 to the financial statements, impairment of receivables of R77 431 000 was incurred as a result of irrecoverable long outstanding debtors.

Other matters

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

Unaudited supplementary schedules

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

Responsibilities of the accounting officer for the financial statements

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

11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

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

Report on the audit of the annual performance report

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

15. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Expanded Public Works Programme	41	Coordinate the implementation of Expanded Public Works Programme which aims to create job opportunities and provide training for the unskilled, marginalized and unemployed people in South Africa
Construction and Property Industry Policy and Research	42-46	Promote growth and transformation of construction and property industry. Promote a standardized approach and best practice in the construction and immovable asset management in the public sector
Construction Project Management	52-56	To provide efficient and effective delivery of accommodation needs for DPWI and user Departments through construction

Programme	Page numbers	Purpose
Real Estate Management Services	57-61	To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery needs
Facilities Management	64-66	To ensure that immovable assets used by government departments and the public are optimally used and maintained in a safe, secure , healthy and economic environment whilst contributing to job creation, skills development and poverty alleviation

16. 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.

17. I performed procedures to test whether:

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

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

19. The material findings on the reported performance information for the selected programmes are as follows:

Expanded Public Works Programme

Missing indicator

20. The department is responsible for the *number of validated EPWP work opportunities reported by public bodies into the EPWP-RS* in terms of the Medium-Term Strategic Framework (MTSF). However, an indicator to measure performance on this objective was not included in the approved

planning documents. Management indicated that this was because they are the coordinators for this MTSF indicator. Consequently, the achievement of this objective was not planned or accounted for, which is likely to result in it not being delivered. It further undermines transparency and accountability on the progress towards achievement of the MTSF.

Construction Project Management

Number of infrastructure sites handed for construction

21. An achievement of 93 was reported against a target of 168. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Real Estate Management Services

Percentage increase in revenue generation through letting of State-owned properties

22. An achievement of 501% was reported against a target of 20%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Missing indicator

23. The department is responsible for *% of approved land reform projects provided with post settlement support* in terms of the Medium-Term Strategic Framework (MTSF). However, an indicator to measure performance on this objective was not included in the approved planning documents. Management indicated that this was because the MTSF indicator is not within the department's mandate but could not provide the evidence to support the reason. Consequently, the achievement of this objective was not planned or accounted for, which is likely to result in it being delivered. It further undermines transparency and accountability on the progress towards achievement of the MTSF.

Facilities Management

Missing indicator

24. In terms of the Government Immovable Asset Management Act 19 of 2007 (GIAMA), the department is responsible for maintenance of state properties. However, an indicator to measure performance on this responsibility was omitted from the approved planning documents. Management did not provide a reason for this. Consequently, the achievement of this legislative mandate was not planned or accounted for, which is likely to result in it not being delivered and undermine transparency and accountability for delivery on mandate.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

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

27. The table that follows 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 xx to xx.

Construction and Property Industry Policy and Research

Targets achieved: 60% *Budget spent: 98%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Public Works Bill submitted to the Minister to introduce to Parliament	Public Works Bill revised	Public Works Bill was not revised Inputs made by all work stream in response to questions posed by the drafter
Infrastructure Development Act Amendments submitted to Cabinet	Infrastructure Development Act Amendment Bill submitted to Minister for introduction to Cabinet for public consultations	Draft Infrastructure Development Act amendment Bill NOT submitted to Minister for introduction to Cabinet for public consultations

Construction Project Management

Targets achieved: 0% *Budget spent: 91%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Number of designed solutions completed for identified user departments	154	79
Number of projects completed within agreed construction period	99	41
Number of projects completed within approved budget	106	82
Number of infrastructure sites handed for construction	168	93
Number of infrastructure projects completed	109	89

Real Estate Management Services

Targets achieved: 67% *Budget spent: 95%*

Key service delivery indicator not achieved	Planned target	Reported achievement
Number of private leases reduced within the security cluster	8	0
Number of unutilized vacant state owned properties let out	134	118
Ha released from DPWI portfolio for development of infrastructure programs and socio economic objectives	10 126 hectares	109,6648ha released

Facilities Management

Targets achieved: 67% *Budget spent: 97%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Number of critical components assessed to determine conditions of components (lifts, boilers, HVAC and Gensets and water systems	484	158

Material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Expanded Public Works Programme, Construction and Property Industry Policy and Research Construction Project Management, Real Estate Management Services and Facilities Management. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

29. 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.

30. 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.

31. 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.

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

Consequence management

33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h) (iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.

Other information in the annual report

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

35. 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.

36. 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.

37. The other information I obtained prior to the date of this auditor's report is PFMA compliance report, and the general information, governance, and human resource management are expected to be made available to us after 31 July 2024.

38. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

39. I have nothing to report in this regard.

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

Internal control deficiencies

41. 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.

42. 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.

43. Management did not prepare regular, accurate and complete performance reports that are supported and evidenced by reliable information because material misstatements were identified in the annual performance report.

44. Management did not review and monitor compliance with applicable laws and regulations because non-compliance on consequence management was identified.

45. Management did not implement controls over daily and monthly processing and reconciling performance information because the supporting schedules did not agree to the annual performance report.

Material irregularities

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

Material irregularities identified during the audit

Overpayment on purchase of bridge materials in 2022-23

47. The Welisizwe Rural Bridges project was gazetted on 24 July 2020 (Gazette number 43547), as part of the 62 Strategic Integrated Projects included in the Infrastructure Investment Plan. The project is aimed at bringing lifesaving social infrastructure to rural communities by providing safe passage and access to amenities. The strategic project is a triparty partnership between the Department of Public Works and Infrastructure (DPWI), the KwaZulu-Natal Department of Transport, and the Department of Defence. The responsibilities of each party are outlined in the agreements signed between the parties and DPWI.

48. The service provider was appointed through competitive bidding on 20 September 2019 to supply old generation type Bailey bridge components, materials, and equipment for the construction of bridges. The service provider was awarded a three (3) year term contract that expired on 30 September 2019, after which DPWI approved a further 6-month extension to the contract to finalise the remaining projects.

49. During the physical verification, on 07 December 2022, conducted on the KZN bridges (Welisizwe bridges), differences were noted between the actual lengths of the bridge components versus those charged per the invoices. Furthermore, the transport cost of the components is amongst others based on the weight of the materials. During a site visit on 7 December 2022 at the service provider's workshop it was established that the cumulative weights of the bridge components differed from the standard 24-ton truck weight used on all the invoices paid

50. Effective internal controls were not in place for approval and processing of payments, as required by Treasury Regulation 8.1.1 to ensure that the correct amounts are paid to the service provider regarding both the materials and the transport cost. These controls would have provided management with reasonable assurance that payments to be made were necessary and appropriate. The irregularity is likely to result in a material financial loss.

51. The accounting officer was notification of the material irregularity on 31 July 2023 and invited to make written submissions on the actions taken and that will be taken to address this matter. The response was received on 20 September 2023. The response from management including the supporting annexures, indicated that the following steps were taken to address the MI:

   - The department has developed standard operating procedures for the programme, to enhance the internal controls, which are in the process of finalisation and will be finalised by end of December 2023.

   - The department has put in place new controls (such as provider to provide google maps printout supported by weight reports for all invoices and all payments are done on the actual tonnage of goods as received) to prevent transport overpayments.

   - The department has written two letters to the service provider outlining the overpayment and the service provider acknowledged and indicated the method of crediting the overpayment to the department. The amount of R2 904 700, 23 was deducted and credited to the department. It was confirmed in the letter to the service prover dated 03 August 2023.

- The amount or R1 952 010 was agreed to be credited to the department. The second credit note has been processed through the invoice no. 10056412 on 08 September 2023.

52. The audit team made a determination that on the appropriateness of the actions taken on 26 October 2023 and concluded based on the representations made and the substantiating documents provided, that appropriate actions are being taken to address the material irregularity.

53. A follow up letter was sent on 16 May 2024 wherein we requested information on progress made in addressing the material irregularity and the response was received on 10 July 2024 detailing the actions already taken and the planned actions to address the MI.

54. The accounting office communicated and presented evidence that the following progress has been made on the MI:

    - The financial loss of R2 904 700.23 and R1 952 010 was recovered by the accounting officer. This was done by deducting the amount of the financial loss from the invoices that were due to the supplier in August and September 2023. Calculation of the loss was performed, and the full amount has been recovered.

    - Approved the standard operating procedures on identification of bridges by province, procurement of bridge components and materials, and transfer of funds in April 2024.

    - Initiation of the procurement of consultants (technical staff) to enhance the internal controls was approved on 12 February 2024.

55. I will follow up the implementation of further actions taken, which include the implementation of the standard operating procedures, the finalisation of the appointment of technical consultants and the determination if disciplinary actions needs to be instigated against any official responsible for the overpayments, during my next audit.

Auditor - General

Pretoria

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.

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1, 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); 38 (1)(j); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43 (1); 43(4); 44 (1); 44(2) ; 45(b);
Treasury Regulations, 2005	4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 ; 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c'); 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a), 16A6.2(b); 16A 6.3(a); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A8.3;16A 8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A; 9.1(e);16A9.1(f); 16A9.2(a)(ii);16A9.2(a)(iii); 17.1.1; 18.2; 19.8.4.
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act No. 5 of 2022	Section 16(1)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9
National Treasury Instruction No.1 of 2021/22	Paragraph 4.1
National Treasury SCM Instruction 4A of 2016/17	Paragraph 6
National Treasury Instruction No 7 of 2017/18	Paragraph 4.3
PFMA National Treasury SCM Instruction No. 03 2021/22	Paragraph 4.1; 4.2 (b); 4.4; 7.2
National Treasury SCM Instruction No. 11 2020/21	Paragraph 3.4 (a); 3.4(b); 3.9
National Treasury SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4; ; 3.3.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2; 4.3.2 and 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4

Legislation	Sections or regulations
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Practice Note 5 of 2009/10	Paragraph 3.3
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations 2022	Regulation 4.4; 5.4
Preferential Procurement Regulation 2017 (PPR)	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.8; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
State Information Technology Agency Act 88 of 1998	Section 7(3)

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Appropriation per programme

	2023/24							2022/23	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Programme									
1. Administration	542 052	-	48 180	590 232	581 309	8 923	98.5%	555 009	501 102
2. Intergovernmental Coordination	59 787	-	(3 970)	55 817	48 322	7 495	86.6%	59 505	47 776
3. Expanded Public Works Programme	2 958 079	-	(3 872)	2 954 207	2 943 671	10 536	99.6%	3 023 397	2 982 840
4. Property and Construction Industry ----Policy and Research	4 777 745	-	(37 216)	4 740 529	4 667 500	73 029	98.5%	4 447 159	4 329 002
5. Prestige Policy	68 303	-	(3 122)	65 181	63 237	1 944	97.0%	67 659	49 447
Total	**8 405 966**	-	-	**8 405 966**	**8 304 039**	**101 927**	**98.8%**	**8 152 729**	**7 910 167**
Departmental receipts				32 170				33 315	
Actual amounts per statement of financial performance (total revenue)				**8 438 136**				**8 186 044**	
Actual amounts per statement of financial performance (total expenditure)					**8 304 039**				**7 910 167**

Appropriation per economic classification

	2023/24							2022/23	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**1 182 711**	**(151)**	**(57 344)**	**1 125 216**	**1 027 281**	**97 935**	**91.3%**	**1 076 288**	**942 713**
Compensation of employees	562 601	-	(6 085)	556 516	524 617	31 899	94.3%	596 930	514 155
Goods and services	620 110	(151)	(51 259)	568 700	502 664	66 036	88.4%	479 358	428 558
Transfers and subsidies	**7 201 248**	**-**	**61 344**	**7 262 592**	**7 262 590**	**2**	**100.0%**	**7 055 745**	**6 955 732**
Provinces and municipalities	1 548 500	-	-	1 548 500	1 548 498	2	100.0%	1 636 351	1 636 342
Departmental agencies and accounts	4 378 839	-	73 769	4 452 608	4 452 608	-	100.0%	4 087 700	4 087 700
Foreign governments and international organisations	34 202	-	-	34 202	34 202	-	100.0%	28 432	28 432
Public corporations and private enterprises	177 522	-	(12 681)	164 841	164 841	-	100.0%	260 675	160 675
Non-profit institutions	1 052 431	-	-	1 052 431	1 052 431	-	100.0%	1 032 693	1 032 693
Households	9 754	-	256	10 010	10 010	-	100.0%	9 894	9 890
Payments for capital assets	**22 007**	**-**	**(4 000)**	**18 007**	**14 017**	**3 990**	**77.8%**	**19 095**	**10 121**
Machinery and equipment	22 007	-	(4 000)	18 007	14 017	3 990	77.8%	19 095	10 121
Payments for financial assets	**-**	**151**	**-**	**151**	**151**	**-**	**100.0%**	**1 601**	**1 601**
Total	**8 405 966**	**-**	**-**	**8 405 966**	**8 304 039**	**101 927**	**98.8%**	**8 152 729**	**7 910 167**

Programme 1: Administration									
	2023/24							2022/23	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Ministry	45 415	876	-	46 291	40 613	5 678	87.7%	42 877	40 502
2. Management	101 891	(6 590)	(4 315)	90 986	90 878	108	99.9%	116 314	96 540
3. Corporate Services	258 720	11 559	11 388	281 667	280 053	1 614	99.4%	258 504	236 206
4. Finance and Supply Chain Management	46 876	(1 525)	-	45 351	43 828	1 523	96.6%	53 412	44 671
5. Office Accommodation	89 150	(4 320)	41 107	125 937	125 937	-	100.0%	83 902	83 183
Total	**542 052**	**-**	**48 180**	**590 232**	**581 309**	**8 923**	**98.5%**	**555 009**	**501 102**
Economic classification									
Current payments	**526 577**	**(122)**	**48 394**	**574 849**	**568 236**	**6 613**	**98.8%**	**540 760**	**488 113**
Compensation of employees	284 065	-	(5 829)	278 236	271 623	6 613	97.6%	297 929	262 448
Goods and services	242 512	(122)	54 223	296 613	296 613	-	100.0%	242 831	225 665
Transfers and subsidies	**2 446**	**-**	**(214)**	**2 232**	**2 231**	**1**	**100.0%**	**3 019**	**3 014**
Provinces and municipalities	6	-	-	6	5	1	83.3%	6	1
Households	2 440	-	(214)	2 226	2 226	-	100.0%	3 013	3 013
Payments for capital assets	**13 029**	**-**	**-**	**13 029**	**10 720**	**2 309**	**82.3%**	**9 950**	**8 695**
Machinery and equipment	13 029	-	-	13 029	10 720	2 309	82.3%	9 950	8 695
Payments for financial assets	**-**	**122**	**-**	**122**	**122**	**-**	**100.0%**	**1 280**	**1 280**
Total	**542 052**	**-**	**48 180**	**590 232**	**581 309**	**8 923**	**98.5%**	**555 009**	**501 102**

Programme 2: Intergovernmental Coordination									
	2023/24							**2022/23**	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. Monitoring. Evaluation and Reporting	5 684	(31)	(555)	5 098	3 723	1 375	73.0%	5 854	4 122
2. Intergovernmental Relations and Coordination	25 585	(60)	(1 083)	24 442	18 939	5 503	77.5%	24 283	19 743
3. Professional Services	28 518	91	(2 332)	26 277	25 660	617	97.7%	29 368	23 911
Total	**59 787**	**-**	**(3 970)**	**55 817**	**48 322**	**7 495**	**86.6%**	**59 505**	**47 776**
Economic classification									
Current payments	**52 945**	**(9)**	**(3 986)**	**48 950**	**41 592**	**7 358**	**85.0%**	**52 580**	**41 186**
Compensation of employees	40 164	-	(16)	40 148	32 790	7 358	81.7%	43 263	32 596
Goods and services	12 781	(9)	(3 970)	8 802	8 802	-	100.0%	9 317	8 590
Transfers and subsidies	**6 462**	**-**	**16**	**6 478**	**6 478**	**-**	**100.0%**	**6 414**	**6 414**
Households	6 462	-	16	6 478	6 478	-	100.0%	6 414	6 414
Payments for capital assets	**380**	**-**	**-**	**380**	**243**	**137**	**63.9%**	**380**	**45**
Machinery and equipment	380	-	-	380	243	137	63.9%	380	45
Payments for financial assets	**-**	**9**	**-**	**9**	**9**	**-**	**100.0%**	**131**	**131**
Total	**59 787**	**-**	**(3 970)**	**55 817**	**48 322**	**7 495**	**86.6%**	**59 505**	**47 776**

Programme 3: Expanded Public Works Programme

	2023/24							2022/23	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. EPW Programme: Monitoring and Evaluation	53 300	(14)	(579)	52 707	49 959	2 748	94.8%	55 477	44 064
2. EPW Programme: Infrastructure	1 242 337	-	(2 189)	1 240 148	1 238 827	1 321	99.9%	1 296 872	1 279 003
3. EPW Programme: Operations	1 573 210	(776)	(833)	1 571 601	1 570 879	722	100.0%	1 578 683	1 576 407
4. EPW Programme: Partnership Support	81 411	815	-	82 226	78 940	3 286	96.0%	84 516	76 888
5. EPW Programme: Public Employment Coordinating Commission	7 821	(25)	(271)	7 525	5 066	2 459	67.3%	7 849	6 479
Total	**2 958 079**	**-**	**(3 872)**	**2 954 207**	**2 943 671**	**10 536**	**99.6%**	**3 023 397**	**2 982 840**
Economic classification									
Current payments	**355 984**	**(20)**	**(4 333)**	**351 631**	**341 095**	**10 536**	**97.0%**	**352 807**	**312 758**
Compensation of employees	185 626	-	(240)	185 386	174 850	10 536	94.3%	188 392	172 627
Goods and services	170 358	(20)	(4 093)	166 245	166 245	-	100.0%	164 415	140 131
Transfers and subsidies	**2 601 247**	**-**	**322**	**2 601 569**	**2 601 569**	**-**	**100.0%**	**2 669 473**	**2 669 473**
Provinces and municipalities	1 548 490	-	-	1 548 490	1 548 490	-	100.0%	1 636 341	1 636 341
Non-profit institutions	1 052 431	-	-	1 052 431	1 052 431	-	100.0%	1 032 693	1 032 693
Households	326	-	322	648	648	-	100.0%	439	439
Payments for capital assets	**848**	**-**	**139**	**987**	**987**	**-**	**100.0%**	**927**	**419**
Machinery and equipment	848	-	139	987	987	-	100.0%	927	419
Payment for financial assets	**-**	**20**	**-**	**20**	**20**	**-**	**100.0%**	**190**	**190**
Total	**2 958 079**	**-**	**(3 872)**	**2 954 207**	**2 943 671**	**10 536**	**99.6%**	**3 023 397**	**2 982 840**

Programme 4: Property and Construction Industry Policy and Research

	2023/24							2022/23	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. Construction Policy Development Programme	43 813	(1 561)	-	42 252	39 503	2 749	93.5%	43 279	40 964
2. Property Policy Development Programme	11 658	(584)	(109)	10 965	9 958	1 007	90.8%	10 400	8 549
3. Construction Industry Development Board	80 320	-	-	80 320	80 320	-	100.0%	80 012	80 012
4. Council for the Built Environment	54 704	-	-	54 704	54 704	-	100.0%	54 495	54 495
5. Independent Development Trust	81 800	-	-	81 800	81 800	-	100.0%	70 300	70 300
6. Construction Education and Training Authority	571	-	-	571	571	-	100.0%	581	581
7. Property Management Trading Entity	4 202 442	-	73 769	4 276 211	4 276 211	-	100.0%	3 912 823	3 912 823
8. Assistance to Organisations for the Preservation of National Memorials	34 202	-	-	34 202	34 202	-	100.0%	28 432	28 432
9. Infrastructure Development Coordination	268 235	2 145	(110 876)	159 504	90 231	69 273	56.6%	246 837	132 846
Total	**4 777 745**	**-**	**(37 216)**	**4 740 529**	**4 667 500**	**73 029**	**98.5%**	**4 447 159**	**4 329 002**
Economic classification									
Current payments	**193 310**	**-**	**(98 195)**	**95 115**	**22 154**	**72 961**	**23.3%**	**75 448**	**57 999**
Compensation of employees	22 160	-	-	22 160	15 235	6 925	68.8%	35 492	18 043
Goods and services	171 150	-	(98 195)	72 955	6 919	66 036	9.5%	39 956	39 956
Transfers and subsidies	**4 584 235**	**-**	**60 979**	**4 645 214**	**4 645 214**	**-**	**100.0%**	**4 370 973**	**4 270 969**
Departmental agencies and ...accounts	4 372 119	-	73 769	4 445 888	4 445 888	-	100.0%	4 081 862	4 081 862

Programme 4: Property and Construction Industry Policy and Research									
	2023/24							**2022/23**	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Foreign governments and …international organisations	34 202	-	-	34 202	34 202	-	100.0%	28 432	28 432
Public corporations and private ...enterprises	177 522	-	(12 681)	164 841	164 841	-	100.0%	260 675	160 675
Households	392	-	(109)	283	283	-	100.0%	4	-
Payments for capital assets	**200**	**-**	**-**	**200**	**132**	**68**	**66.0%**	**738**	**34**
Machinery and equipment	200	-	-	200	132	68	66.0%	738	34
Total	**4 777 745**	**-**	**(37 216)**	**4 740 529**	**4 667 500**	**73 029**	**98.5%**	**4 447 159**	**4 329 002**

Programme 5: Prestige Policy									
	2023/24							**2022/23**	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. Prestige Accommodation and State Functions	61 583	-	(3 122)	58 461	56 517	1 944	96.7%	61 821	43 609
2. Parliamentary Villages Management Board	6 720	-	-	6 720	6 720	-	100.0%	5 838	5 838
Total	**68 303**	**-**	**(3 122)**	**65 181**	**63 237**	**1 944**	**97.0%**	**67 659**	**49 447**
Economic classification									
Current payments	**53 895**	**-**	**776**	**54 671**	**54 204**	**467**	**99.1%**	**54 693**	**42 657**
Compensation of employees	30 586	-	-	30 586	30 119	467	98.5%	31 854	28 441
Goods and services	23 309	-	776	24 085	24 085	-	100.0%	22 839	14 216
Transfers and subsidies	**6 858**	**-**	**241**	**7 099**	**7 098**	**1**	**100.0%**	**5 866**	**5 862**
Provinces and Municipalities	4	-	-	4	3	1	75.0%	4	-
Departmental agencies and accounts	6 720	-	-	6 720	6 720	-	100.0%	5 838	5 838
Households	134	-	241	375	375	-	100.0%	24	24
Payments for capital assets	**7 550**	**-**	**(4 139)**	**3 411**	**1 935**	**1 476**	**56.7%**	**7 100**	**928**
Machinery and equipment	7 550	-	(4 139)	3 411	1 935	1 476	56.7%	7 100	928
Total	**68 303**	**-**	**(3 122)**	**65 181**	**63 237**	**1 944**	**97.0%**	**67 659**	**49 447**

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

Detail of these transactions can be viewed in the note on transfers and subsidies and Annexure 1A-G of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	590 232	581 309	8 923	98%
Intergovernmental Coordination	55 817	48 322	7 495	87%
Expanded Public Works Programme	2 954 207	2 943 671	10 536	100%
Property and Construction Industry Policy and Research	4 740 529	4 667 500	73 029	98%
Prestige Policy	65 181	63 237	1 944	97%

Programme name

Administration	590 232	581 309	8 923	98%

Explanation of variance

• Compensation of employees - mainly due to delays in the filling of vacant positions and those that became vacant during the financial year as a result of cost containment measures.

• Machinery and equipment - due to a delay in delivery of the procured equipment.

Programme name

Intergovernmental Coordination	55 817	48 322	7 495	87%

Explanation of variance

• Compensation of employees - mainly due to delays in the filling of vacant positions and those that became vacant during the financial year as a result of cost containment measures.

Programme name

Expanded Public Works Programme	2 954 207	2 943 671	10 536	100%

Explanation of variance

• Compensation of employees - mainly due to delays in the filling of vacant positions and those that became vacant during the financial year as a result of cost containment measures.

Programme name

Property and Construction Industry Policy and Research	4 740 529	4 667 500	73 029	98%

Explanation of variance

• Compensation of employees - mainly due to delays in the filling of vacant positions and those that became vacant during the financial year as a result of cost containment measures.

• Goods and services – mainly related to the delay in the implementation of project preparation implemented by the Infrastructure South Africa (ISA). A request for the rollover of funds to the new financial year to ensure finalisation of the delayed projects.

Programme name

Prestige Policy	65 181	63 237	1 944	97%

Explanation of variance

• Machinery and equipment – mainly due to lower than projected spending on the planned acquisition of assets for the Prestige clients.

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	556 516	524 617	31 899	94%
Goods and services	568 700	502 664	66 036	88%
Transfers and subsidies				
Provinces and municipalities	1 548 500	1 548 498	2	100%
Departmental agencies and accounts	4 452 608	4 452 608	-	100%
Public corporations and private enterprises	164 841	164 841	-	100%
Foreign governments and international organisations	34 202	34 202	-	100%
Non-profit institutions	1 052 431	1 052 431	-	100%
Households	10 010	10 010	-	100%
Payments for capital assets				
Machinery and equipment	18 007	14 017	3 990	78%

Explanation of variance:

• *Compensation of employees - mainly due to delays in the filling of vacant positions and those that became vacant during the financial year as a result of cost containment measures.*

• *Goods and services* mainly related to the delay in the implementation of project preparation implemented by the Infrastructure South Africa (ISA). A request for the rollover of funds to the new financial year to ensure finalisation of the delayed projects.

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
EPWP Integrated Grant for Provinces	403 602	403 602	-	100%
Social Sector EPWP Incentive Grant for Provinces	395 913	395 913	-	100%
EPWP Integrated Grant for Municipalities	748 975	748 975	-	100%

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	*1*	8 405 966	8 152 729
Departmental revenue	*2*	32 170	33 315
TOTAL REVENUE		**8 438 136**	**8 186 044**
EXPENDITURE			
Current expenditure			
Compensation of employees	*3*	524 617	514 155
Goods and services	*4*	502 664	428 558
		1 027 281	**942 713**
Transfers and subsidies			
Transfers and subsidies	*6*	7 262 590	6 955 732
		7 262 590	**6 955 732**
Expenditure for capital assets			
Tangible assets	*7*	14 017	10 121
Total expenditure for capital assets		**14 017**	**10 121**
Payments for financial assets	*5*	**151**	**1 601**
TOTAL EXPENDITURE		**8 304 039**	**7 910 167**
SURPLUS/(DEFICIT) FOR THE YEAR		**134 097**	**275 877**

Reconciliation of Net Surplus/(Deficit) for the year

	Note	2023/24 R'000	2022/23 R'000
Voted funds		101 927	242 562
Annual appropriation		101 927	242 562
Departmental revenue and NRF receipts	*12*	32 170	33 315
SURPLUS/(DEFICIT) FOR THE YEAR		**134 097**	**275 877**

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
ASSETS			
Current assets		**372 657**	**300 361**
Cash and cash equivalents	*8*	301 247	255 253
Prepayments and advances	*9*	65 505	2 280
Receivables	*10*	5 905	42 828
Non-current assets		**95 615**	**80 929**
Receivables	*10*	95 615	80 929
TOTAL ASSETS		**468 272**	**381 290**
LIABILITIES			
Current liabilities		**719 585**	**632 595**
Voted funds to be surrendered to the Revenue Fund	*11*	101 927	236 472
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	*12*	9 925	23 521
Payables	*13*	607 733	372 602
Non-current liabilities			
Payables	*14*	687	687
TOTAL LIABILITIES		**720 272**	**633 282**
NET ASSETS		**(252 000)**	**(251 992)**

	Note	2023/24 R'000	2022/23 R'000
Represented by:			
Capitalisation reserve			
Recoverable revenue		3 079	3 087
Unauthorised expenditure		(255 079)	(255 079)
TOTAL		**(252 000)**	**(251 992)**

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2024

	Note	**2023/24 R'000**	**2022/23 R'000**
Recoverable revenue			
Opening balance		3 087	4 182
Transfers:		(8)	(1 095)
Debts revised		(173)	(49)
Debts recovered (included in departmental revenue)		(237)	(1 613)
Debts raised		402	567
Closing balance		**3 079**	**3 087**
Unauthorised expenditure			
Opening balance		(255 079)	(255 079)
Unauthorised expenditure - current year			
Closing Balance		(255 079)	(255 079)
TOTAL		**(252 000)**	**(251 992)**

CASH FLOW STATEMENT
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**8 438 136**	**8 186 044**
Annual appropriation funds received	*1.1*	8 405 966	8 152 729
Departmental revenue received	*2*	21 577	15 453
Interest received	*2.3*	10 593	17 862
Net (increase)/decrease in net working capital		208 829	116 437
Surrendered to Revenue Fund		(282 238)	(293 537)
Current payments		(1 027 281)	(942 713)
Payments for financial assets		(151)	(1 601)
Transfers and subsidies paid		(7 262 590)	(6 955 732)
Net cash flow available from operating activities	*15*	**74 705**	**108 898**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	*7*	(14 017)	(10 121)
(Increase)/decrease in non-current receivables	*10*	(14 686)	(15 081)
Net cash flow available from investing activities		**(28 703)**	**(25 202)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(8)	(1 095)
Increase/(decrease) in non-current payables		-	687
Net cash flows from financing activities		**(8)**	**(408)**
Net increase/(decrease) in cash and cash equivalents		45 994	83 288
Cash and cash equivalents at beginning of period		255 253	171 965
Cash and cash equivalents at end of period	*16*	**301 247**	**255 253**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

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 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. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
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. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
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. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value 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. Operating lease payments received are recognised as departmental revenue. 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. Finance lease payments received are recognised as departmental revenue. 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. CARA Funds are recognised when receivable and measured at the amounts receivable. 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** 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 expenditure reports are from the respective entities or when services or goods are delivered.
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	**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. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.2	**Intangible capital 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.
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	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
18.	**Unauthorised expenditure** Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised incurred in the current year.
19.	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed. and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
20.	**Irregular expenditure** Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.

21.	**Changes in accounting policies. estimates and errors** Changes in accounting policies are applied in accordance with MCS requirements. 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** Principal-Agent arrangements The Department is party to a principal-agent arrangement with different government institutions for implementation of projects that support growth and development strategies through the National Skills Fund (NSF) and the construction of rural bridges structure in six Provinces (i.e. KwaZulu Natal, Eastern Cape, Free State, Limpopo, North West and Mpumalanga) through the Provincial government departments respectively. In terms of the arrangement with the NSF, the Department is an agent and is responsible for planning, engaging with public bodies and participants and recruitment of learners, procurement and training implementation. In terms of the arrangement with the six Provincial Government Departments, the Department (DPWI) is the agent and is responsible for planning, conducting need assessment of envisaged bridges structure to be constructed and providing technical support on labour intensive construction method and ensuring procurement of bridge structures. The Department is party to a principal–agent arrangement for implementation and provision of technical support for the expanded public works programme through the International Labour Organisation (ILO) and Independent Development Trust (IDT). In terms of the arrangement with both institutions, the Department is the principal and is responsible for overseeing the provision of the support and monitoring and evaluation of the EPWP project implementation. The Department has been entrusted with administration powers and functions in the Infrastructure Development Act, to provide functional leadership towards achieving the Presidential Infrastructure Coordinating Commission (PICC) `s mandate. The Department has entered into an agreement with the Industrial Development Corporation (IDC) to provide accommodation and operational services to the Technical Project Management Unit (referred to as a Technical Task Team) that supports the Department in executing its functions as well as the project preparation under Infrastructure Development Coordination. In this arrangement, the IDC is acting as an agent to the Department, the rights and obligations of this agreement rest with the Department (DPWI).
24.	**Capitalisation reserve** The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when

	identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
25.	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
26.	**Related party transactions** Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
27.	**Public-Private Partnerships** Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement the parties to the agreement and the date of commencement thereof together with the description and nature of the concession fees received the unitary fees paid rights and obligations of the department are recorded in the notes to the financial statements.
28.	**Employee benefits** The value of each major class of employee benefit obligation (accruals. payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

1. Annual Appropriation

1.1. Annual Appropriation

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

	2023/24			2022/23	
	Final Budget	**Actual Funds Received**		**Final Budget**	**Appropriation Received**
Programmes	**R'000**	**R'000**		**R'000**	**R'000**
Administration	590 232	590 232		555 009	555 009
Intergovernmental Coordination	55 817	55 817		59 505	59 505
Expanded Public Works Programme	2 954 207	2 954 207		3 023 397	3 023 397
Property and Construction Industry Policy and Research	4 740 529	4 740 529		4 447 159	4 447 159
Prestige Policy	65 181	65 181		67 659	67 659
Total	**8 405 966**	**8 405 966**		**8 152 729**	**8 152 729**

2. Departmental revenue

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services other than capital assets	*2.1*	322	323
Fines. penalties and forfeits	*2.2*	51	3
Interest.	*2.3*	10 593	17 862
Transactions in financial assets and liabilities	*2.4*	21 204	15 127
Total		**32 170**	**33 315**

2.1. Sales of goods and services other than capital assets

	Note	2023/24	2022/23
Sales of goods and services produced by the department		309	318
Sales by market establishment		106	109
Other sales		203	209
Sales of scrap. waste and other used current goods		13	5
Total	*2*	**322**	**323**

2.2. Fines. penalties and forfeits

	Note	2023/24 R'000	2022/23 R'000
Forfeits		51	3
Total	*2*	**51**	**3**

2.3. Interest. dividends and rent on land

	Note	2023/24 R'000	2022/23 R'000
Interest		10 593	17 862
Total	*2*	**10 593**	**17 862**

2.4. Transactions in financial assets and liabilities

	Note	2023/24 R'000	2022/23 R'000
Receivables		21 204	15 127
Total	*2*	**21 204**	**15 127**

3. Compensation of employees

3.1. Analysis of balance

	2023/24 R'000	2022/23 R'000
Basic salary	357 050	343 000
Performance award	100	1 605
Service based	229	283
Compensative/circumstantial	11 711	9 040
Other non-pensionable allowances	89 151	98 776
Total	**458 241**	**452 704**

3.2. Social contributions

	2023/24 R'000	2022/23 R'000
Pension	47 676	43 959
Medical	18 594	17 364
Bargaining council	80	78
Insurance	26	50
Total	**66 376**	**61 451**
Total compensation of employees	**524 617**	**514 155**
Average number of employees	**683**	**679**

4. Goods and services

	Note	2023/24 R'000	2022/23 R'000
Administrative fees		91 228	89 213
Advertising		18 855	3 106
Minor assets	*4.1*	680	260
Bursaries (employees)		1 108	1 387
Catering		2 517	1 903
Communication		4 855	12 317
Computer services	*4.2*	34 271	31 702
Consultants: Business and advisory services		12 519	65 338
Legal services		44 358	20 256
Contractors		19 734	10 061
Agency and support / outsourced services		58 024	35 453
Entertainment		209	183
Audit cost - external	*4.3*	11 459	11 005
Consumables	*4.4*	545	1 962
Fleet Services		7 679	6 605
Operating leases		109 860	70 601
Property payments	*4.5*	16 079	15 034
Rental and hiring		-	36
Travel and subsistence	*4.6*	58 342	40 241
Venues and facilities		3 952	6 987
Training and development		2 769	2 487
Other operating expenditure	*4.7*	3 621	2 421
Total		**502 664**	**428 558**

4.1. Minor assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets		**680**	**260**
Machinery and equipment		680	260
Total	*4*	**680**	**260**

4.2. Computer services

	Note	2023/24 R'000	2022/23 R'000
SITA computer services		28 573	30 601
External computer service providers		5 698	1 101
Total	*4*	**34 271**	**31 702**

4.3. Audit cost - external

	Note	2023/24 R'000	2022/23 R'000
Regularity audits		11 459	11 005
Total	*4*	**11 459**	**11 005**

4.4. Consumables

	Note	2023/24 R'000	2022/23 R'000
Consumable supplies		3 969	2 908
Uniform and clothing		2 301	1 133
Household supplies		830	707
Communication accessories		1	3
IT consumables		436	577
Other consumables		401	488
Stationery. printing and office supplies		3 710	3 697
Total	*4*	**7 679**	**6 605**

4.5. Property payments

	Note	2023/24 R'000	2022/23 R'000
Municipal services		15 313	13 427
Property management fees		766	1 607
Total	*4*	**16 079**	**15 034**

4.6. Travel and subsistence

	Note	2023/24 R'000	2022/23 R'000
Local		50 447	35 589
Foreign		7 895	4 652
Total	*4*	**58 342**	**40 241**

4.7. Other operating expenditure

	Note	2023/24 R'000	2022/23 R'000
Professional bodies. membership and subscription fees		631	164
Resettlement costs		735	312
Printing .Storage .Insurance & Courier Services		2 255	1 945
Total	*4*	**3 621**	**2 421**

5. Payments for financial assets

	Note	2023/24 R'000	2022/23 R'000
Other material losses written off	*5.1*	131	139
Debts written off	*5.2*	20	1 462
Total		**151**	**1 601**

5.1. Other material losses written off

	Note	2023/24 R'000	2022/23 R'000
Recoverable expenditure		131	139
Total	*5*	**131**	**139**

5.2. Debts written off

	Note	2023/24 R'000	2022/23 R'000
Other debt written off		20	1 462
Total debt written off	*5*	**20**	**1 462**

6. Transfers and subsidies

	Note	2023/24 R'000	2022/23 R'000
Provinces and municipalities	*31.32*	1 548 498	1 636 342
Departmental agencies and accounts	*Annex 1B*	4 452 608	4 087 700
Foreign governments and international organisations	*Annex 1E*	34 202	28 432
Public corporations and private enterprises	*Annex 1D*	164 841	160 675
Non-profit institutions	*Annex 1F*	1 052 431	1 032 693
Households	*Annex 1G*	10 010	9 890
Total		**7 262 590**	**6 955 732**

7. Expenditure for capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets		**14 017**	**10 121**
Machinery and equipment	*7.1*	14 017	10 121
Total		**14 017**	**10 121**

Analysis of funds utilised to acquire capital assets - Current year

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	**R'000**	**R'000**	**R'000**
Tangible capital assets	14 017	-	14 017
Machinery and equipment	14 017	-	14 017
Total	**14 017**	**-**	**14 017**

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

		2022/23		
		Voted funds	Aid assistance	Total
Name of entity		**R'000**	**R'000**	**R'000**
Tangible capital assets		10 121	-	10 121
Machinery and equipment	7	10 121	-	10 121
Total		**10 121**	**-**	**10 121**

7.2. Finance lease expenditure included in Expenditure for capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets			
Machinery and Equipment		2 117	1 075
Total		**2 117**	**1 075**

8. Cash and cash equivalents

Consolidated Paymaster General Account		136 511	254 418
Cash receipts		1	1
Cash on hand		125	125
Cash with commercial banks (Domestic)		164 610	709
Total		**301 247**	**255 253**

9. Prepayments and advances

Prepayments (Not expensed)	*9.2*	156	42
Advances paid (Not expensed)	*9.1*	65 349	2 238
Total		**65 505**	**2 280**

Analysis of Total Prepayments and advances

Current Prepayments and advances		65 505	2 280
Total		**65 505**	**2 280**

9.1. Advances paid (Not expensed)

		2023/24				
		Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024
	Note	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
National departments		345	(345)	-	-	-
Public entities		1 193	(22 080)	-	86 118	65 231
Other Institutions		700	(13 129)	-	12 547	118
Total	*9*	**2 238**	**(35 554)**	**-**	**98 665**	**65 349**

		2022/23				
		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	Note	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
National departments		121	(4 636)	-	4 860	345
Public entities		182	(18 163)	-	19 174	1 193
Other Institutions		3 268	(4 856)	-	2 288	700
Total	**9**	**3 571**	**(27 655)**	**-**	**26 322**	**2 238**

9.2. Prepayments (Not expensed)

		2023/24				
		Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 2024
	Note	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Goods and services		42	(215)	-	329	156
Total	*9*	**42**	**(215)**	**-**	**329**	**156**

		2022/23				
		Amount as at 1 April 2022	**Less: Amounts expensed in current year**	**Add / Less: Other**	**Add Current year prepayments**	**Amount as at 31 March 2023**
	Note	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Goods and services		-	(98)	-	140	42
Total	*9*	**-**	**(98)**	**-**	**140**	**42**

10. Receivables

		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**
Claims recoverable	*10.1*	5 706	78 214	83 920	25 634	78 236	103 870
Recoverable expenditure	*10.2*	57	15 425	15 482	17 078	561	17 639
Staff debt	*10.3*	77	492	569	80	731	811
Other receivables	*10.4*	65	1 484	1 549	36	1 401	1 437
Total		**5 905**	**95 615**	**101 520**	**42 828**	**80 929**	**123 757**

10.1. Claims recoverable

		2023/24	2022/23
	Note	**R'000**	**R'000**
National departments		72 291	71 888
Provincial departments		-	1 309
Public entities		11 629	30 673
Total	*10*	**83 920**	**103 870**

10.2. Recoverable expenditure

Disallowance		15 461	17 602
Private telephone		15	15
Salary accounts		6	22
Total	*10*	**15 482**	**17 639**

10.3. Staff debt

	Note	2023/24 R'000	2022/23 R'000
Personnel debt		569	811
Total	*10*	**569**	**811**

10.4. Other receivables

	Note	2023/24 R'000	2022/23 R'000
Bursaries		63	4
Ex-Employee(Subsistence & Travel)		1 338	1 280
Telephone Account (limit exceeded)		148	153
Total	*10*	**1 549**	**1 437**

10.5. Impairment of receivables

	Note	2023/24 R'000	2022/23 R'000
Estimate of impairment of receivables		77 431	77 174
Total	*10*	**77 431**	**77 174**

11. Voted funds to be surrendered to the Revenue Fund

	2023/24 R'000	2022/23 R'000
Opening balance	236 472	265 925
As restated	236 472	265 925
Transferred from statement of financial performance (as restated)	101 927	242 562
Paid during the year	(236 472)	(272 015)
Closing balance	**101 927**	**236 472**

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

	2023/24 R'000	2022/23 R'000
Opening balance	23 521	11 728
As restated	23 521	11 728
Transferred from statement of financial performance (as restated)	32 170	33 315
Paid during the year	(45 766)	(21 522)
Closing balance	**9 925**	**23 521**

13. Payables - current

	Note	2023/24 R'000	2022/23 R'000
Advances received	*13.1*	605 136	368 734
Clearing accounts	*13.2*	88	224
Other payables	*13.3*	2 509	3 644
Total		**607 733**	**372 602**

13.1. Advances received

		2023/24	2022/23
		R'000	R'000
Provincial departments	*Annexure 8B*	591 796	357 524
Public entities	*Annexure 8B*	13 340	11 210
Total	*13*	**605 136**	**368 734**

13.2. Clearing accounts

Description			
Salary income tax (Payable to SARS)		64	196
Salary clearing accounts		24	26
Telephone control		-	2
Total	*13*	**88**	**224**

13.3. Other payables

Funds received on behalf of the PMTE		1 751	2 322
Other payables		758	1 309
Surrender to National Treasury		-	13
Total	*13*	**2 509**	**3 644**

14. Payables - non-current

		2023/24				2022/23
		One to two years	Two to three years	Older than three years	Total	Total
	Note	R'000	R'000	R'000	R'000	R'000
Other payables	*14.1*	687	-	-	687	687
Total		**687**	**-**	**-**	**687**	**687**

14.1. Other payables

Vukuphile EPWP projects		687	687
Total	*14*	**687**	**687**

15. Net cash flow available from operating activities

	Note	2023/24 R'000	2022/23 R'000
Net surplus/(deficit) as per Statement of Financial Performance		134 097	275 877
Add back non-cash/cash movements not deemed operating activities		(59 392)	(166 979)
(Increase)/decrease in receivables		36 923	(23 633)
(Increase)/decrease in prepayments and advances		(63 225)	1 336
Increase/(decrease) in payables - current		235 131	138 734
Expenditure on capital assets		14 017	10 121
Surrenders to Revenue Fund		(282 238)	(293 537)
Net cash flow generated by operating activities		**74 705**	**108 898**

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

	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General account	136 511	254 418
Cash receipts	1	1
Cash on hand	125	125
Cash with commercial banks (Local)	164 610	709
Total	**301 247**	**255 253**

17. Contingent liabilities and contingent assets

17.1. Contingent liabilities

Liable to	**Nature**	*Note*	2023/24 R'000	2022/23 R'000
Claims against the department		*Annex 2B*	2 019	5 356
Intergovernmental payables		*Annex 4*	117 920	77 034
Total			**119 939**	**82 390**

17.2. Contingent assets

Nature of contingent asset	2023/24 R'000	2022/23 R'000
Claims for overpayments	1 321	1 321
Total	**1 321**	**1 321**

The Department has overpaid two suppliers and summons against the companies were issued through the State Attorney

18. Capital commitments

	Note	2023/24 R'000	2022/23 R'000
Machinery and equipment		5 088	4 481
Total		**5 088**	**4 481**

Commitments are expected to be expensed or accrued in the next financial year (2024/25)

19. Accruals and payables not recognised

19.1. Accruals

		2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	R'000	R'000	R'000	R'000
Goods and services		9 783	16 864	26 647	21 022
Transfers and subsidies		-	-	-	16
Assets and liabilities		50 734	1 598	52 332	7 013
Total		**60 517**	**18 462**	**78 979**	**28 051**

Listed by programme level	2023/24	2022/23
Administration	18 132	14 453
Intergovernmental coordination	53 306	8 097
Expanded Public Works Programme	6 282	4 022
Property and Construction Industry Policy and Research	614	383
Prestige Policy	645	1 096
Total	**78 979**	**28 051**

19.2. Payables not recognised

		2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	R'000	R'000	R'000	R'000
Goods and services		1 631	63	1 694	6 252
Transfers and subsidies		-	131	131	1 784
Capital assets		85	-	85	25
Total		**1 716**	**194**	**1 910**	**8 061**

Listed by programme level	*Note*	**2023/24 R'000**	**2022/23 R'000**
Administration		483	1 857
Intergovernmental coordination		-	42
Expanded Public Works Programme		1 391	5 991
Prestige Policy		36	171
Total		**1 910**	**8 061**

Included in the above totals are the following:

Confirmed balances with other departments	*Annex 4*	4 447	2 050
Confirmed balances with other government entities	*Annex 4*	5 758	7 096
Total		**10 205**	**9 146**

20. Employee benefits

Leave entitlement		30 784	30 440
Service bonus		12 450	11 862
Capped leave		5 576	6 413
Overtime, Standby & Stipend Salary		2 398	1 121
Total		**51 208**	**49 836**

At this stage, the department is not able to calculate the long-term portion of the long service awards. Excluded from the leave entitlement is an amount of R211k thousand representing leave credits as at end of the financial year.

Included in the above totals are the following:

Confirmed balances with other government entities	*Annex 4*	168	-
Confirmed balances with other government entities	*Annex 4*	123	
Total		**291**	**-**

21. Lease commitments

21.1. Operating leases

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	6 529	-	6 529
Later than 1 year and not later than 5 years	-	-	12 980	-	12 980
Total lease commitments	**-**	**-**	**19 509**	**-**	**19 509**

The Department leases a building from Kanivest 3146CC for a period of 3 years with a commencement date of 01 February 2024 until 30/01/2027. The lease agreement has a secondary lease period of 2 years on which the agreement may be extended by the lessor or the lessee from the date, which the initial lease period expires.

The department continues to lease one property on a month-to-month basis with the lessor, as there is no agreement as at 31 March 2024.

21.2. Finance leases **

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 337	1 337
Later than 1 year and not later than 5 years	-	-	-	944	944
Total lease commitments	**-**	**-**	**-**	**2 281**	**2 281**

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	2 656	2 656

Later than 1 year and not later than 5 years	-	-	-	3 310	3 310
Total lease commitments	**-**	**-**	**-**	**5 966**	**5 966**

22. Accrued departmental revenue

	2023/24	2022/23
	R'000	R'000
Interest	1 416	2
Total	**1 416**	**2**

22.1. Analysis of accrued departmental revenue

Opening balance	2	2
Less: amounts received	(9 874)	(17 038)
Add: amounts recorded	11 288	17 038
Closing balance	**1 416**	**2**

23. Unauthorised. Irregular and Fruitless and wasteful expenditure

Irregular expenditure - current year	3 988	4 524
Total	**3 988**	**4 524**

Current year: R3 988 million relates to the officials that where appointed in contravention of the Public Service Act.

Prior period: R585 thousand relate to non-compliance with not obtaining three quotation, the non-compliance was identified in the 2023/24 financial year.

24. Related party transactions

The following entities/departments have been identified as related parties of the Department:

a) Independent Development Trust (IDT) - Government development agency to implement projects commissioned by the Government.

b) Parliamentary Village Management Board - To provide transport from and to the parliamentary villages for residents (Parliamentarians and sessional officials) who are in Cape Town.

c) Agreement South Africa (ASA) - Promote and support the process of integrated socio-economic development in SA.

d) Council for the Built Environment (CBE) - Oversee built environment professional councils.

e) Construction Industry Development Board (CIDB) - Provide strategic direction for sustainable growth. reform and improvements of the construction sector and its role in the economy.

f) Property Management Trading Entity (PMTE) - To manage devolved accommodation-related costs and user charges.

Related parties transactions

1. Property Management Trading Entity (PMTE)

The PMTE operates within the administration of the Department of Public Works and Infrastructure (DPWI) and as such all contracts are entered into in the name of the DPWI. The liabilities and obligations arising from these transactions are accounted for by the PMTE if it relates to the PMTE operating activities as these liabilities will be settled using the PMTE funds and resources.

1.1 Details of in-kind goods and services provided/received

Indirect costs

Indirect costs include the sharing of administrative services between the Department and the PMTE. The nature of the transactions resulted in difficulties in reliably determining the value of the indirect costs paid on behalf of the PMTE due to the operational structure and functions between the Department and the PMTE.

25. Key management personnel

	2023/24	2022/23
	R'000	R'000
Political office bearers *	4 862	4 431
Officials:		
Level 15 to 16	13 305	19 018
Level 14 (incl. CFO if at a lower level)	34 112	34 992
Secondment of Staff	827	-
Total	**53 106**	**58 441**

**The Political office bearers are the Minister and the Deputy Minister of the Department of Public Works and Infrastructure. In terms of persons with significance influence, the department has identified officials from level 14 and above as key management as well as seconded key officials if applicable.*

26. Public private partnership

	Note	2023/24	2022/23
		R'000	R'000
Unitary fee paid		-	**2 635**
Indexed component		-	2 635

Analysis of indexed component	**-**	**2 635**
Goods and services (excluding lease payments)	-	917
Operating leases	-	1 718

There is no fleet contract as at 31 March 2024 vehicles are rented through the TWF contract as and when needed.

27. Movable Tangible Capital Assets

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

	2023/24				
	Opening balance	**Value adjustments**	**Additions**	**Disposals**	**Closing balance**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
HERITAGE ASSETS	**112 962**	**-**	**-**	**-**	**112 962**
Heritage assets	112 962	-	-	-	112 962
MACHINERY AND EQUIPMENT	**327 072**	**-**	**39 316**	**(16 842)**	**349 546**
Transport assets	4 303	-	3 598	(1 228)	6 673
Computer equipment	75 600	-	22 950	(10 166)	88 384
Furniture and office equipment	218 256	-	2 470	(3 600)	217 126
Other machinery and equipment	28 913	-	10 298	(1 848)	37 363
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**440 034**	**-**	**39 316**	**(16 842)**	**462 508**

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

	2022/23				
	Opening balance	**Prior period error**	**Additions**	**Disposals**	**Closing balance**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
HERITAGE ASSETS	**112 962**	**-**	**-**	**-**	**112 962**
Heritage assets	112 962	-	-	-	112 962

MACHINERY AND EQUIPMENT	**318 586**		**15 546**	**(7 060)**	**327 072**
Transport assets	3 594	-	709	-	4 303
Computer equipment	68 500	-	11 391	(4 291)	75 600
Furniture and office equipment	218 195	-	1 661	(1 600)	218 256
Other machinery and equipment	28 297	-	1 785	(1 169)	28 913
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**431 548**	**-**	**15 546**	**(7 060)**	**440 034**

27.1.1 Prior period error

Nature of prior period error	*Note*	**2022/23 R'000**
Relating to 2022/23		(43)
Other Machinery and Equipment		(43)
Total prior period errors		**(43)**

Library book disclosed under major assets instead of minor assets

27.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24					
	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Opening balance	-	21	3 825	115 329	-	119 175
Additions	-	-	-	1 823	-	1 823
Disposals	-	-	4	2 849	-	2 853
Total Minor assets	**-**	**21**	**3 821**	**114 303**	**-**	**118 145**

	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Total**
Number of R1 minor assets	-	-	-	2 955	-	2 955
Number of minor assets at cost	-	11	1 959	60 881	-	62 851

Total number of minor assets	**-**	**11**	**1 959**	**63 836**	**-**	**65 806**

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

	2022/23					
	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Opening balance	-	21	3 825	115 680	-	119 526
Additions	-	-	-	995	-	995
Disposals	-	-	-	(1 346)	-	(1 346)
Total Minor assets	**-**	**21**	**3 825**	**115 329**	**-**	**119 175**

	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Total**
Number of R1 minor assets	-	-	-	2 997	-	2 997
Number of minor assets at cost	-	11	1 960	61 037	-	63 008
Total number of minor assets	**-**	**11**	**1 960**	**64 034**	**-**	**66 005**

27.2.1. Prior period error

Nature of prior period error	*Note*	**2022/23** **R'000**
Relating to 2022/23		11
Machinery and Equipment	*27.1*	11
Total prior period errors		**11**

Relate to 2022/23: *Library book disclosed under major assets instead of minor assets .The R11k adjustment relate to R7k cell phones that were not disclosed in the previous financial year and library book amounting to R4k that was disclosed under major assets*

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	9 651	-	-	9 651
	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	**9 651**	**-**	**-**	**9 651**

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

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	66 162	-	-	(56 511)	9 651
TOTAL INTANGIBLE CAPITAL ASSETS	**66 162**	**-**	**-**	**(56 511)**	**9 651**

29. Principal-agent arrangements

29.1. Department acting as the principal

	Note	2023/24 R'000	2022/23 R'000
Include a list of the entities acting as agents for the department. the fee paid as compensation to the agent			
International Labour Organisation		1 334	216
Independent Development Trust		1 212	1 706
Independent Development Trust (NPI)		89 457	87 548
Property Management Trading Entity		766	1 608
Total		**92 769**	**91 077**

Description of the nature, circumstances, significant judgment applied, significant terms and conditions, any significant risks and benefits relating to the arrangements with the agents .

International Labour Organization (ILO):

The ILO assists the Department with capacity and best practice methodology for the implementation of EPWP projects. The main purpose of this relationship is to enable support to be provided by the ILO in terms of their international expertise on Public Employment Programmes and Labour-intensive methods. In this arrangement, the ILO is acting as an agent to the Department and receives 13% of the direct cost as management fees.

Independent Development Trust (IDT):

The IDT Implements strategic priority projects (i.e. EPWP and Non-State Sector Programme) for the Department. In this arrangement the IDT is acting as an agent for the Department and receives 8.5% of the project cost for project management services provided.

Industrial Development Corporation (IDC):

The Department (DPWI) has been entrusted with administration, powers and functions in the Infrastructure Development Act, to provide functional leadership towards achieving the Presidential Infrastructure Coordinating Commission(PICC)`s mandate. The Department has entered into an agreement with the IDC to provide accommodation and operational services to the Technical Project Management Unit (referred to as a Technical Task Team) that supports the Department in executing its functions. Additionally, the project preparation is being implemented by the IDC under Infrastructure Project Coordination. In this arrangement, the IDC is acting as an agent to the Department, the rights and obligations of this agreement rest with the Department. The agency work is provided at no cost to the Department.

Property Management Trading Entity:

The PMTE offers the service of paying the municipal service charges on behalf of the department and then recovering those costs directly from the department. For this service, the PMTE charges a 5% management fee which is invoiced and recovered from the department. The PMTE is acting as an agent with regards to the payment and recovery of these municipal service charges. The management fee for rendering this service is recognized as revenue by the PMTE.

Resource or cost implications for the principal if the principal-agent arrangement is terminated.

International Labour Organisation (ILO):

Should any changes occur; the Department may decide to modify or terminate the agreement upon giving reasonable advance notice in writing its financial contribution to the programme. Such modification or termination by the Department of its financial contribution will be without prejudice to any funds irrecoverably committed in good faith and in accordance with the Memorandum by the ILO to third parties before it is notified of such modification or termination.

Should the funds held by the ILO be insufficient to cover the outstanding liabilities in respect of the Memorandum the Department will deposit the amount required for this purpose within the maximum commitment stipulated in the Memorandum. Notwithstanding the completion of the project the ILO shall continue to hold unutilized payment until all commitments, liabilities incurred in the implementation of the project have been satisfied, and project activities brought to an orderly conclusion. The ILO in consultation with the Department shall dispose of any balance remaining unspent after such commitment and liabilities have been satisfied. There were no significant changes in the terms and conditions during the period under review.

Independent Development Trust (IDT):
In instances where early termination of these agreements be necessitated for any reason whatsoever, the Department shall assume responsibility for all liabilities incurred in terms of this agreement and forthwith make available funding to cover all cost that the IDT has incurred and/or committed to as well as termination and other costs recoverable by third parties against the IDT. There were no significant changes in the terms and conditions during the period under review.

Industrial Development Corporation (IDC):
Upon termination of this Agreement, for whatever reason, all amounts owing by either Party will become immediately due and payable to the other .Where required, the Parties will make a pro rata payment for that portion of the month for which the services were provided prior to such termination. The obligation to pay any amounts owing in terms of this Agreement shall survive any expiration or termination of this Agreement until such amounts have been paid in full. There were no significant changes in the terms and conditions during the period under review. However there are new amendments i.e. clause 3A(Appointment as Agent)

and 3B (Mandate of the IDC) which were added to the amended MOU and Clouse 4 (Costs and Payment Schedule) was deleted and replaced with new Clouse 4(Payment terms relating to the funding allocation).

Resources (including assets and liabilities) that are under the custodianship of the agent and whether or not those resources have been recognised or recorded by the agent.

International Labour Organisation (ILO):
The Department makes advance payments to the ILO for the provision of technical support in agreed areas. The Department oversees the provision of the support by the ILO. The ILO provides statements showing expenditure on the advance provided at regular intervals that re then expensed against the advance. For the 2023/24 financial year the total advanced to ILO amounted to R10 467 800 and the full amount was expensed by 31 March 2024.

Independent Development Trust (IDT):
The Department makes advance payments to the IDT for the provision of technical support in agreed areas. The Department oversees the provision of the support by the IDT. The IDT provides statements showing expenditure on the advance provided at regular intervals that are then expensed against the advance amount. For the 2023/24 financial year the total advanced to IDT amounted to R20 800 000 and as at 31 March 2024, the balance recorded in the Department's financial position (Note 9) amount to R723k and it is recorded as a liability in the IDT financial statements. Furthermore the Department also transferred and paid to the IDT R1 billion (Note 6 & Annexure 1F) for the implementation of Non-profit Organization Programme (NPO).

Industrial Development Corporation (IDC):
The Department made an advance payment to the IDC for project preparation under the Infrastructure Development Coordination. As at 31 March 2024 on the advanced R65million, there was expenditure valued at R810k and Accruals to the value of R1.5 million. The balance remaining of R64 million as at 31 March 2024 is included in the Statement of Financial Position. The Department made a transfer payment of R83 million to the IDC to fund the operational activities of the Technical Task Team (Note 6 & Annexure 1D).

29.2. Department acting as the agent

29.2.1. Reconciliation of funds and disbursements - Current year

	2023/24	
	Total funds received	Expenditure incurred against funds
Category of revenue or expenditure per arrangement	**R'000**	**R'000**
National Skills Fund	31 210	(17 871)
KZN Department of Transport	335 273	(179 478)
EC Department of Transport	445 387	(263 840)
MP Department of Transport	81 959	(63 916)
FS Department of Police Roads & Transport	125 630	(26 156)
LP Department of Public Works .Roads & Transport	92 714	(29 968)
NW Department of Public Works & Roads	115 000	(40 809)
Total	**1 227 173**	**(622 038)**

Reconciliation of funds and disbursements - Prior year

	2022/23	
	Total funds received	Expenditure incurred against funds
Category of revenue or expenditure per arrangement	**R'000**	**R'000**
National Skills Fund (NSF)	33 296	(22 086)
KZN Department of Transport	301 399	(251 762)
EC Department of Transport	307 887	-
Total	**642 582**	**(273 848)**

Description of the nature, circumstances, significant judgment applied significant terms and conditions, any significant risks and benefits relating to the arrangements with the agents for each of the individual agent relationships of the department, provide a description of the nature, circumstances and terms relating to the arrangement with the principal.

NSF- The Department has entered into a contractual agreement with the NSF for purposes of Supporting special projects on growth and development strategies to benefit the EPWP participants, currently there are no significant risks identified that could affect the project.

The Department has entered into a contractual agreement with six Provincial Government Departments for the construction of rural bridge structures in rural Provinces of the Republic of South Africa and the benefits include utilization of government internal capacity and expertise in the construction of bridges. Participation *of all three spheres of government in the construction in line with District Development Model and quicker and cheaper. Currently there are no significant risks identified that could affect the project.*

Description and explanation of assets held or liabilities incurred on behalf of the principal and shown in the department's own financial statements.

National Skills Fund:

The Department utilize funds advanced by the NSF towards implementation of NSF project as outlined in the agreement. The Department provides reports showing expenditure on the advance received at regular intervals. As at 31 March 2024, the balance of the advance received which is recorded in the Department's financial position amount to R13million and Accruals amounts to R4million.

Kwa Zulu Natal (KZN) Department of Transport, Eastern Cape (EC) Department of Transport, Mpumalanga(MP) Department of Transport, Free State(FS) Police Roads & Transport, Limpopo(LP) Public Works Roads & infrastructure & North West (NW)Public Works &Roads:

The Department utilizes funds advanced by these departments towards implementation or construction of rural bridges in rural provinces of the Republic of South Africa. As at 31 March 2024 the balance of the advance received recorded in the Department's financial position amount to R155million, R181million, R18million, R99million, R62million, R74million respectively, and the overall Accruals across provinces (KZN, EC, MP, FS, LP & NW) amounts to R52million.

Department of Basic Education (DBE):

The Department had entered into a contractual agreement with the Department of Basic Education for which the Department was appointed as an implementation agent for the schools beautification programme. As the programme progressed; financial challenges were encountered which resulted in the contract being terminated in line with the signed agreement. As at 31 March 2024 DBE owes the department an amount totalling to R54.5 million and it is recorded in department statement of financial position.

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

Receivables

	2023/24				
	Opening balance 1 April 2023	**Revenue principal is entitled to**	**Less: Write offs / settlements / waivers**	**Cash received on behalf of principal**	**Closing balance 31 March 2024**
Name of principal entity	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
National Department of Basic Education	54 541	-	-	-	54 541
Total	**54 541**	**-**	**-**	**-**	**54 541**

Payables

	2023/24			
	Opening balance 1 April 2023	**Expenses incurred on behalf of the principal**	**Funds Received Current Year**	**Closing balance 31 March 2024**
Name of principal entity	**R'000**	**R'000**	**R'000**	**R'000**
National Skills Fund	11 210	(17 871)	20 000	13 339
KZN Department of Transport	49 637	(179 478)	285 636	155 795
EC Department of Transport	307 887	(263 840)	137 500	181 547
MP Department of Transport	-	(63 916)	81 959	18 043
FS Department of Police Roads & Transport	-	(26 156)	125 630	99 474
LP Department of Public Works .Roads & Transport	-	(29 968)	92 714	62 746
NW Department of Public Works & Roads	-	(40 809)	115 000	74 191
Total	**368 734**	**(622 038)**	**858 439**	**605 135**

Reconciliation of carrying amount of receivables and payables - prior year

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

National Department of Basic Education	54 541	-	-	-	54 541
Total	**54 541**	**-**	**-**	**-**	**54 541**

Payables

	2022/23			
	Opening balance 1 April 2022	**Expenses incurred on behalf of the principal**	**Cash paid on behalf of the principal**	**Closing balance 31 March 2023**
Name of principal entity	**R'000**	**R'000**	**R'000**	**R'000**
National Skills Fund	33 296	(22 086)	-	11 210
KZN Department of Transport	301 399	(251 762)	-	49 637
EC Department of Transport	307 887	-	-	307 887
Total	**642 582**	**(273 848)**	**-**	**368 734**

30. Prior period errors

30.1. Correction of prior period errors

		2022/23		
		Amount before error correction	**Prior period error**	**Restated**
	Note	**R'000**	**R'000**	**R'000**
Assets:	27			
Other Machinery and Equipment	27.1	1 828	(43)	1 785
Machinery and Equipment	27.2	984	11	995
Net effect		**2 812**	**(32)**	**2 780**

Relate to 2022/23: *Library book disclosed under major assets instead of minor assets .The R11k adjustment relate to R7k cell phones that were not disclosed in the previous financial year and library book amounting to R4k that was disclosed under major assets*

Other:				
Irregular Expenditure	23	3 939	585	4 524
Net effect		**3 939**	**585**	**4 524**

Relate to 2022/23: *Three quotations not obtained. Previous Year Identified in Current Year*

31. Statement of conditional grants paid to the provinces

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Province / Grant	Division of Revenue Act	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Eastern Cape	203 669	-	(17 089)	186 580	186 580	-	-	186 580	185 293	1 287	99.3 %	174 909	174 909
Free State	54 695	-	(4 182)	50 513	50 513	-	-	50 513	49 975	538	98.9 %	61 000	61 000
Gauteng	90 577	-	(7 005)	83 572	83 572	-	-	83 572	78 679	4 893	94.1 %	92 354	92 354
Kwazulu-Natal	195 502	-	(8 170)	187 332	187 332	-	-	187 332	186 637	695	99.6 %	211 665	211 665
Limpopo	101 139	-	(7 532)	93 607	93 607	-	-	93 607	93 540	67	99.9 %	97 346	97 346

Name of Province / Grant	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	Division of Revenue Act	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mpumalanga	53 916	-	(4 152)	49 764	49 764	-	-	49 764	48 732	1 032	97.9 %	51 061	51 061
Northern Cape	31 665	-	(2 735)	28 930	28 930	-	-	28 930	28 434	496	98.3 %	32 563	32 563
North West	73 629	-	(6 568)	67 061	67 061	-	-	67 061	53 882	13 179	80.3 %	71 164	71 164
Western Cape	56 450	-	(4 294)	52 156	52 156	-	-	52 156	52 154	2	100.0 %	65 884	65 884
TOTAL	**861 242**	**-**	**(61 727)**	**799 515**	**799 515**	**-**	**-**	**799 515**	**777 326**	**22 189**		**857 946**	**857 946**

Summary by grant

Name of Province / Grant	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	Division of Revenue Act	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
EPWP Integrated Grants for Provinces	434 762	-	(31 160)	403 602	403 602	-	-	403 602	387 094	16 508	95.9 %	433 098	433 098
Social Sector EPWP Incentive Grant for Provinces	426 480	-	(30 567)	395 913	395 913	-	-	395 913	390 232	5 681	98.6 %	424 848	424 848
TOTAL	**861 242**	**-**	**(61 727)**	**799 515**	**799 515**	**-**	**-**	**799 515**	**777 326**	**22 189**		**857 946**	**857 946**
EPWP Integrated Grants for Provinces													
Eastern Cape	108 506		(10 268)	98 238	98 238	-	-	98 238	98 230	8	100.0 %	106 459	106 459
Free State	20 754		(1 749)	19 005	19 005	-	-	19 005	18 932	73	99.6 %	20 943	20 943

Name of Province / Grant	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	Division of Revenue Act	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Gauteng	35 452		(3 054)	32 398	32 398	-	-	32 398	30 210	2 188	93.2 %	40 105	40 105
Kwazulu-Natal	107 645		(1 873)	105 772	105 772	-	-	105 772	105 771	1	100.0 %	111 866	111 866
Limpopo	43 455		(3 398)	40 057	40 057	-	-	40 057	40 076	(19)	100.0 %	37 280	37 280
Mpumalanga	30 061		(2 442)	27 619	27 619	-	-	27 619	26 724	895	96.8 %	25 491	25 491
Northern Cape	18 043		(1 759)	16 284	16 284	-	-	16 284	16 102	182	98.9 %	16 421	16 421
North West	50 048		(4 878)	45 170	45 170	-	-	45 170	31 991	13 179	70.8 %	44 394	44 394
Western Cape	20 798		(1 739)	19 059	19 059	-	-	19 059	19 058	1	100.0 %	30 139	30 139

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Province / Grant	**Division of Revenue Act**	**Roll overs**	**Adjust-ments**	**Total Available**	**Actual transfer**	**Funds withheld**	**Reallocations by National Treasury or National depart-ment**	**Amount received by depart-ment**	**Amount spent by depart-ment**	**Unspent funds**	**% of available funds spent by depart-ment**	**Division of Revenue Act / Provincial grants**	**Actual transfers**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
TOTAL	**434 762**	**-**	**(31 160)**	**403 602**	**403 602**	**-**	**-**	**403 602**	**387 094**	**16 508**		**433 098**	**433 098**
Social Sector EPWP Incentive Grant for Provinces													
Eastern Cape	95 163		(6 821)	88 342	88 342			88 342	87 063	1 279	98.6 %	68 450	68 450
Free State	33 941		(2 433)	31 508	31 508			31 508	31 043	465	98.5 %	40 057	40 057
Gauteng	55 125		(3 951)	51 174	51 174			51 174	48 469	2 705	94.7 %	52 249	52 249
Kwazulu-Natal	87 857		(6 297)	81 560	81 560			81 560	80 866	694	99.1 %	99 799	99 799
Limpopo	57 684		(4 134)	53 550	53 550			53 550	53 464	86	99.8 %	60 066	60 066

Name of Province / Grant	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	Division of Revenue Act	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mpumalanga	23 855		(1 710)	22 145	22 145			22 145	22 008	137	99.4%	25 570	25 570
Northern Cape	13 622		(976)	12 646	12 646			12 646	12 332	314	97.5%	16 142	16 142
North West	23 581		(1 690)	21 891	21 891			21 891	21 891	-	100.0%	26 770	26 770
Western Cape	35 652		(2 555)	33 097	33 097			33 097	33 096	1	100.0%	35 745	35 745
TOTAL	**426 480**	**-**	**(30 567)**	**395 913**	**395 913**	**-**	**-**	**395 913**	**390 232**	**5 681**		**424 848**	**424 848**

The Departments certifies that all transfers to Provinces were deposited into the primary bank account in terms of the Division of Revenue Act (DORA) requirements.

National Department surrender of unspent conditional grant not approved for rollover

Name of province	Related to conditional grants schedule of 2022/23			
	Amount not approved for rollover	Amount received	Amount surrendered to National Revenue Fund	Amount still due
	R'000	R'000	R'000	R'000
Eastern Cape	5 485	5 485	5 485	-
Free State	1 429	1 429	1 429	-
Gauteng	263	263	263	-
Kwazulu-Natal	98	98	98	-
Mpumalanga	2 070	2 070	2 070	-
Northern Cape	751	751	751	-
North West	1 974	1 974	1 974	-
Western Cape	58	58	58	-
Limpopo	2 265	2 265	2 265	-
Total	**14 393**	**14 393**	**14 393**	**-**

32. **Statement of conditional grants and other transfers paid to municipalities**

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Buffalo City Metro	6 093	-	-	6 093	6 093	-	-	10 728	10 728
Nelson Mandela Bay Metro	8 397	-	(469)	7 928	7 928	-	-	9 884	9 884
Camdeboo	1 315	-	(197)	1 118	1 118	-	-	1 624	1 624
Blue Crane Route	1 143	-	-	1 143	1 143	-	-	1 302	1 302
Makana	1 013	-	-	1 013	1 013	-	-	1 333	1 333
Ndlambe	1 486	-	-	1 486	1 486	-	-	1 730	1 730
Sundays River Valley	980	-	(294)	686	686	-	-	1 206	1 206
Kouga	2 458	-	(137)	2 321	2 321	-	-	1 175	1 175
Kou-Kamma	1 048	-	-	1 048	1 048	-	-	1 270	1 270
Sarah Baartman District Municipality	2 181	-	-	2 181	2 181	-	-	1 073	1 073
Mbhashe	1 750	-	-	1 750	1 750	-	-	3 498	3 498
Mnquma	1 512	-	-	1 512	1 512	-	-	2 015	2 015
Great Kei	973	-	-	973	973	-	-	1 050	1 050
Amahlathi	1 310	-	-	1 310	1 310	-	-	1 568	1 568

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Ngqushwa	1 490	-	-	1 490	1 490	-	-	2 060	2 060
EC 129 Nkonkobe/Nxuba local Governments	3 885	-	-	3 885	3 885	-	-	2 838	2 838
Amathole District Municipality	5 579	-	(1 674)	3 905	3 905	-	-	4 999	4 999
Inxuba Yethemba	1 800	-	250	2 050	2 050	-	-	1 778	1 778
Intsika Yethu	1 749	-	-	1 749	1 749	-	-	2 398	2 398
Emalahleni (EC)	1 416	-	712	2 128	2 128	-	-	1 692	1 692
Engcobo	1 927	-	-	1 927	1 927	-	-	3 712	3 712
Sakhisizwe	1 208	-		1 208	1 208	-	-	1 522	1 522
EC139 Tsolwana/Inkwanca/Lukanji	2 430	-	(136)	2 294	2 294	-	-	3 088	3 088
Chris Hani District Municipality	2 872	-	(488)	2 384	2 384	-	-	3 630	3 630
Elundini	1 580	-	350	1 930	1 930	-	-	2 539	2 539
Senqu	1 194	-	-	1 194	1 194	-	-	1 658	1 658
EC 145 Maletswai/Gariep Loc Mun	1 201	-	-	1 201	1 201	-	-	1 352	1 352
Joe Gqabi District Municipality	1 382	-	350	1 732	1 732	-	-	1 314	1 314
Ngquza Hill	1 184	-	200	1 384	1 384	-	-	1 616	1 616

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Port St Johns	1 555	-	250	1 805	1 805	-	-	1 582	1 582
Nyandeni	1 707	-	-	1 707	1 707	-	-	1 859	1 859
Mhlontlo	1 754	-	-	1 754	1 754	-	-	2 300	2 300
King Sabata Dalindyebo	4 238	-	(237)	4 001	4 001	-	-	4 191	4 191
O.R. Tambo District Municipality	6 809	-	(2 042)	4 767	4 767	-	-	11 542	11 542
Matatiele	3 974	-	-	3 974	3 974	-	-	4 810	4 810
Umzimvubu	2 917	-	-	2 917	2 917	-	-	3 352	3 352
Mbizana	3 222	-	(180)	3 042	3 042	-	-	3 687	3 687
Ntabankulu	2 440	-	(136)	2 304	2 304	-	-	2 794	2 794
Alfred Nzo District Municipality	6 931	-	(1 426)	5 505	5 505	-	-	9 337	9 337
Mangaung Metro	1 263	-	-	1 263	1 263	-	-	1 566	1 566
Letsemeng	950	-	(285)	665	665	-	-	1 073	1 073
Kopanong	1 089	-	-	1 089	1 089	-	-	1 204	1 204
Mohokare	-	-	-	-	-	-	-	1 073	1 073
Xhariep District Municipality	921	-	-	921	921	-	-	1 120	1 120

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Masilonyana	1 165	-	(348)	817	817	-	-	1 295	1 295
Tokologo	950	-	(165)	785	785	-	-	1 073	1 073
Tswelopele	950	-	200	1 150	1 150	-	-	1 141	1 141
Matjhabeng	3 661	-	(887)	2 774	2 774	-	-	5 191	5 191
Nala	1 127	-	(170)	957	957	-	-	1 398	1 398
Lejweleputswa District Municipality	1 178	-	250	1 428	1 428	-	-	1 265	1 265
Setsoto	1 750	-	-	1 750	1 750	-	-	2 188	2 188
Dihlabeng	4 305	-	(241)	4 064	4 064	-	-	5 591	5 591
Nketoana	950	-	(142)	808	808	-	-	1 073	1 073
Maluti-a-Phofung	5 299	-	549	5 848	5 848	-	-	6 165	6 165
Phumelela	1 218	-	-	1 218	1 218	-	-	1 130	1 130
Mantsopa	1 189	-	(356)	833	833	-	-	1 337	1 337
Thabo Mofutsanyana District Municipality	3 584	-	(200)	3 384	3 384	-	-	5 356	5 356
Moqhaka	1 263	-	200	1 463	1 463	-	-	1 428	1 428
Ngwathe	2 154	-	-	2 154	2 154	-	-	2 240	2 240

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Metsimaholo	950	-	-	950	950	-	-	1 523	1 523
Mafube	950	-	(380)	570	570	-	-	1 277	1 277
Fezile Dabi District Municipality	1 097	-	-	1 097	1 097	-	-		
Ekurhuleni Metro	33 519	-	(1 873)	31 646	31 646	-	-	24 041	24 041
City of Johannesburg	13 978	-	(781)	13 197	13 197	-	-	7 700	7 700
City of Tshwane	16 502	-	(922)	15 580	15 580	-	-	15 496	15 496
Emfuleni	1 242	-	-	1 242	1 242	-	-	1 799	1 799
Midvaal	3 768	-	-	3 768	3 768	-	-	2 553	2 553
Lesedi	1 091	-	-	1 091	1 091	-	-	1 228	1 228
Sedibeng District Municipality	1 079	-	-	1 079	1 079	-	-	1 283	1 283
Mogale city	6 366	-	-	6 366	6 366	-	-	8 123	8 123
Merafong City	1 034	-	-	1 034	1 034	-	-	1 062	1 062
GT485 new loc mun (Randfnt&Wstrnd)	2 699	-	(151)	2 548	2 548	-	-	3 878	3 878
West Rand District Municipality	1 203	-	-	1 203	1 203	-	-	1 221	1 221
eThekwini	60 790	-	-	60 790	60 790	-	-	61 257	61 257

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
uMdoni	1 401	-	200	1 601	1 601	-	-	1 772	1 772
uMzumbe	1 431	-	-	1 431	1 431	-	-	1 699	1 699
uMuziwabantu	1 155	-	-	1 155	1 155	-	-	981	981
Hibiscus Coast	5 084	-	-	5 084	5 084	-	-	6 076	6 076
Ugu District Municipality	3 819	-	(213)	3 606	3 606	-	-	3 319	3 319
uMshwathi	3 144	-	(176)	2 968	2 968	-	-	1 820	1 820
uMgeni	2 329	-	(130)	2 199	2 199	-	-	1 400	1 400
Mpofana	1 215	-	-	1 215	1 215	-	-	1 216	1 216
iMpendle	1 345	-	200	1 545	1 545	-	-	1 430	1 430
Msunduzi	4 979	-	(278)	4 701	4 701	-	-	5 231	5 231
Mkhambathi	1 456	-	-	1 456	1 456	-	-	1 671	1 671
Richmond	1 125	-	-	1 125	1 125	-	-	1 287	1 287
uMgungundlovu District Municipality	2 959	-	(165)	2 794	2 794	-	-	2 287	2 287
Okhahlamba	2 581	-	(144)	2 437	2 437	-	-	3 638	3 638
KZN 237 Umtshezi/imbabazane LC Mu	1 860	-	-	1 860	1 860	-	-	2 043	2 043

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
KZN 238 Ladysmith/ indaka loc Mun	2 709	-	99	2 808	2 808	-	-	2 993	2 993
uThukela District Municipality	1 816	-	-	1 816	1 816	-	-	2 881	2 881
eNdumeni	1 542	-	-	1 542	1 542	-	-	1 577	1 577
Nquthu	1 162	-	-	1 162	1 162	-	-	1 546	1 546
uMsinga	4 285	-	(239)	4 046	4 046	-	-	4 867	4 867
uMvoti	2 967	-	-	2 967	2 967	-	-	2 704	2 704
uMzinyathi District Municipality	5 234	-	(292)	4 942	4 942	-	-	4 779	4 779
Newcastle	3 106	-	(174)	2 932	2 932	-	-	3 753	3 753
eMadlangeni	950	-	174	1 124	1 124	-	-	978	978
Dannhauser	950	-	-	950	950	-	-	950	950
Amajuba District Municipality	2 901	-	-	2 901	2 901	-	-	1 902	1 902
eDumbe	1 638	-	-	1 638	1 638	-	-	1 500	1 500
uMphongolo	2 297	-	(128)	2 169	2 169	-	-	2 978	2 978
AbaQulusi	2 351	-	(131)	2 220	2 220	-	-	2 773	2 773
Nongoma	2 256	-	(126)	2 130	2 130	-	-	2 946	2 946

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Ulundi	3 681	-	-	3 681	3 681	-	-	4 711	4 711
Zululand District Municipality	7 077	-	-	7 077	7 077	-	-	8 517	8 517
uMhlabuyalingana	2 037	-	-	2 037	2 037	-	-	1 975	1 975
Jozini	3 184	-	-	3 184	3 184	-	-	4 095	4 095
Mtubatuba	2 100	-	-	2 100	2 100	-	-	2 077	2 077
KZN 276 Big Five Hlabisa loc Mu	1 906	-	-	1 906	1 906	-	-	2 304	2 304
uMkhanyakude District Municipality	5 383	-	(301)	5 082	5 082	-	-	6 993	6 993
uMfolozi	2 012	-	-	2 012	2 012	-	-	1 847	1 847
Umhlathuze	3 089	-	(173)	2 916	2 916	-	-	3 213	3 213
uMlalazi	3 332	-	(186)	3 146	3 146	-	-	4 098	4 098
Mthonjaneni	2 216	-	(124)	2 092	2 092	-	-	2 536	2 536
Nkandla	3 651	-	-	3 651	3 651	-	-	3 626	3 626
King Cetshwayo Municipality	5 861	-	(327)	5 534	5 534	-	-	4 742	4 742
Mandeni	2 553	-	-	2 553	2 553	-	-	2 372	2 372
KwaDukuza	1 624	-	-	1 624	1 624	-	-	1 868	1 868

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Ndwedwe	1 760	-	-	1 760	1 760	-	-	2 277	2 277
Maphumulo	1 524	-	-	1 524	1 524	-	-	2 081	2 081
iLembe District Municipality	3 840	-	-	3 840	3 840	-	-	5 439	5 439
Greater Kokstad	2 656	-	(148)	2 508	2 508	-	-	4 266	4 266
uBuhlebezwe	7 831	-	(437)	7 394	7 394	-	-	2 245	2 245
uMzimkhulu	2 748	-	(154)	2 594	2 594	-	-	3 573	3 573
KZN Ingwe/Kwa Sani Loc MU	2 178	-	-	2 178	2 178	-	-	2 476	2 476
Harry Gwala District Municipality	6 168	-	(345)	5 823	5 823	-	-	5 221	5 221
Greater Giyani	3 151	-	-	3 151	3 151	-	-	4 035	4 035
Greater Letaba	1 564	-	-	1 564	1 564	-	-	2 139	2 139
Greater Tzaneen	5 412	-	(302)	5 110	5 110	-	-	8 065	8 065
Ba-Phalaborwa	1 470	-	-	1 470	1 470	-	-	1 186	1 186
Maruleng	1 295	-	-	1 295	1 295	-	-	1 246	1 246
Mopani District Municipality	8 713	-	(487)	8 226	8 226	-	-	10 600	10 600
Musina	1 287	-	-	1 287	1 287	-	-	1 390	1 390

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Thulamela	4 488	-	(251)	4 237	4 237	-	-	4 864	4 864
Makhado	2 932	-	(164)	2 768	2 768	-	-	3 259	3 259
LIM 345	1 404	-	-	1 404	1 404	-	-	1 759	1 759
Vhembe District Municipality	6 772	-	(378)	6 394	6 394	-	-	4 754	4 754
Blouberg	1 185	-	-	1 185	1 185	-	-	1 950	1 950
Molemole	1 219	-	-	1 219	1 219	-	-	1 407	1 407
Polokwane	11 794	-	(659)	11 135	11 135	-	-	11 570	11 570
Lepele-Nkumpi	1 244	-	-	1 244	1 244	-	-	1 380	1 380
Capricorn District Municipality	3 303	-	(185)	3 118	3 118	-	-	3 747	3 747
Thabazimbi	1 370	-	-	1 370	1 370	-	-	1 256	1 256
Lephalale	1 035	-	-	1 035	1 035	-	-	1 292	1 292
Bela-Bela	1 302	-	-	1 302	1 302	-	-	1 502	1 502
Mogalakwena	1 151	-	-	1 151	1 151	-	-	1 161	1 161
LIM 368 Modimolle/Mookgopong	1 757	-	-	1 757	1 757	-	-	2 041	2 041
Waterberg District Municipality	-	-	-	-	-	-	-	-	-

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Ephraim Mogale	2 712	-	(152)	2 560	2 560	-	-	1 310	1 310
Elias Motsoaledi	2 376	-	(133)	2 243	2 243	-	-	1 796	1 796
Makhuduthamaga	1 783	-	-	1 783	1 783	-	-	1 925	1 925
LIM 476 Greater Tubatse/Fetakgomo	1 463	-	-	1 463	1 463	-	-	1 285	1 285
Greater Sekhukhune District Municipality	16 264	-	(909)	15 355	15 355	-	-	13 010	13 010
Chief Albert Luthuli	3 004	-	(901)	2 103	2 103	-	-	2 227	2 227
Msukaligwa	1 511	-	-	1 511	1 511	-	-	1 766	1 766
Mkhondo	2 262	-	(126)	2 136	2 136	-	-	2 855	2 855
Dr Pixley ka Seme	3 399	-	(190)	3 209	3 209	-	-	1 874	1 874
Lekwa	1 643	-	-	1 643	1 643	-	-	1 855	1 855
Dipaleseng	1 156	-	-	1 156	1 156	-	-	1 444	1 444
Govan Mbeki	2 713	-	(813)	1 900	1 900	-	-	2 629	2 629
Gert Sibande District Municipality	1 947	-	-	1 947	1 947	-	-	2 595	2 595
Victor Khanye	1 686	-	(252)	1 434	1 434	-	-	2 284	2 284
Emalahleni	5 654	-	(316)	5 338	5 338	-	-	6 151	6 151

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Steve Tshwete	4 298	-	(240)	4 058	4 058	-	-	4 780	4 780
Emakhazeni	3 031	-	(169)	2 862	2 862	-	-	1 473	1 473
Thembisile Hani	5 166	-	-	5 166	5 166	-	-	3 735	3 735
Dr JS Moroka	4 399	-	(575)	3 824	3 824	-	-	2 432	2 432
Nkangala District Municipality	2 094	-	-	2 094	2 094	-	-	2 315	2 315
Thaba Chweu	1 731	-	-	1 731	1 731	-	-	1 932	1 932
Nkomazi	3 718	-	(208)	3 510	3 510	-	-	4 621	4 621
Bushbuckridge	3 243	-	-	3 243	3 243	-	-	5 219	5 219
MP 326 Mbombela/Umjindi Loc Mu	7 052	-	(394)	6 658	6 658	-	-	8 555	8 555
Ehlanzeni District Municipality	3 172	-	(177)	2 995	2 995	-	-	2 457	2 457
Richtersveld	950	-	-	950	950	-	-	950	950
Nama Khoi	1 103	-	-	1 103	1 103	-	-	1 212	1 212
Kamiesberg	950	-	(285)	665	665	-	-	950	950
Hantam	1 364	-	-	1 364	1 364	-	-	1 564	1 564
Karoo Hoogland	950	-	(154)	796	796	-	-	1 073	1 073

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Khâi-Ma	-	-	-	-	-	-	-	-	-
Namakwa District Municipality	950	-	-	950	950	-	-	1 073	1 073
Ubuntu	978	-	-	978	978	-	-	950	950
Umsobomvu	950	-	(163)	787	787	-	-	1 073	1 073
Emthanjeni	950	-	(285)	665	665	-	-	1 073	1 073
Kareeberg	950	-	(284)	666	666	-	-	950	950
Renosterberg	-	-	-	-	-	-	-	1 073	1 073
Thembelihle	-	-	-	-	-	-	-	1 077	1 077
Siyathemba	950	-	(285)	665	665	-	-	1 073	1 073
Siyancuma	900	-	-	900	900	-	-	1 073	1 073
Pixley Ka Seme District Municipality	950	-	-	950	950	-	-	1 073	1 073
!Kai !Garib	1 021	-	-	1 021	1 021	-	-	1 120	1 120
!Kheis		-	-	-	-	-	-	1 073	1 073
Tsantsabane	950	-	-	950	950	-	-	1 070	1 070
Kgatelopele	960	-	-	960	960	-	-	1 073	1 073

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
NC087 Khara Hais/Mier Loc Mu	950	-	-	950	950	-	-	1 073	1 073
Z.F. Mqcawu District Municipality	999	-	-	999	999	-	-	1 073	1 073
Sol Plaatjie	3 286	-	(184)	3 102	3 102	-	-	3 959	3 959
Dikgatlong	1 017	-	(97)	920	920	-	-	1 073	1 073
Magareng	950	-	(238)	712	712	-	-	1 073	1 073
Phokwane	-	-	-	-	-	-	-	-	-
Frances Baard District Municipality	959	-	-	959	959	-	-	1 073	1 073
Joe Morolong	2 159	-	-	2 159	2 159	-	-	1 139	1 139
Ga-Segonyana	1 111	-	-	1 111	1 111	-	-	1 519	1 519
Gamagara	950	-	-	950	950	-	-	1 073	1 073
John Taolo Gaetsewe District Municipality	950	-	-	950	950	-	-	1 073	1 073
Moretele	2 874	-	(161)	2 713	2 713	-	-	1 998	1 998
Madibeng	978	-	(147)	831	831	-	-	1 094	1 094
Rustenburg	2 196	-	-	2 196	2 196	-	-	2 853	2 853
Kgetlengrivier	950	-	-	950	950	-	-	1 000	1 000

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Moses Kotane	1 629	-	-	1 629	1 629	-	-	1 652	1 652
Bojanala Platinum District Municipality	1 256	-	-	1 256	1 256	-	-	1 546	1 546
Ratlou	1 234	-	-	1 234	1 234	-	-	1 231	1 231
Tswaing	1 099	-	-	1 099	1 099	-	-	1 685	1 685
Mafikeng	3 118	-	(174)	2 944	2 944	-	-	2 238	2 238
Ditsobotla	-	-	-	-	-	-	-	1 081	1 081
Ramotshere Moiloa	1 715	-	-	1 715	1 715	-	-	1 383	1 383
Ngaka Modiri Molema District Municipality	1 845	-	-	1 845	1 845	-	-	2 040	2 040
Naledi	1 133	-	-	1 133	1 133	-	-	1 214	1 214
Mamusa	1 094	-	-	1 094	1 094	-	-	1 449	1 449
Greater Taung	3 229	-	(180)	3 049	3 049	-	-	2 255	2 255
Lekwa-Teemane	950	-	-	950	950	-	-	1 270	1 270
Molopo- kagisano	1 321	-	-	1 321	1 321	-	-	2 244	2 244
Dr Ruth Segomotsi Mompati District Municipality	1 079	-	-	1 079	1 079	-	-	1 396	1 396

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
City of Matlosana	3 512	-	(723)	2 789	2 789	-	-	2 181	2 181
Maquassi Hills	1 316	-	-	1 316	1 316	-	-	1 544	1 544
NW405 Ventersdorp/Tlokwe loc mun	2 848	-	(159)	2 689	2 689	-	-	2 339	2 339
Dr Kenneth Kaunda District Municipality	2 306	-	(129)	2 177	2 177	-	-	2 379	2 379
City of Cape Town	62 588	-	(3 495)	59 093	59 093	-	-	42 406	42 406
Matzikama	3 028	-	(169)	2 859	2 859	-	-	1 569	1 569
Cederberg	1 658	-	-	1 658	1 658	-	-	1 359	1 359
Bergrivier	2 873	-	(161)	2 712	2 712	-	-	1 662	1 662
Saldanha Bay	2 125	-	-	2 125	2 125	-	-	2 907	2 907
Swartland	1 830	-	-	1 830	1 830	-	-	1 873	1 873
West Coast District Municipality	1 242	-	-	1 242	1 242	-	-	1 194	1 194
Witzenberg	3 439	-	(192)	3 247	3 247	-	-	2 237	2 237
Drakenstein	4 363	-	-	4 363	4 363	-	-	4 139	4 139
Stellenbosch	4 786	-	(267)	4 519	4 519	-	-	4 928	4 928
Breede Valley	5 072	-	(283)	4 789	4 789	-	-	3 301	3 301

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Langeberg	3 362	-	(188)	3 174	3 174	-	-	2 647	2 647
Cape Winelands District Municipality	2 405	-	(134)	2 271	2 271	-	-	1 369	1 369
Theewaterskloof	1 684	-	-	1 684	1 684	-	-	2 077	2 077
Overstrand	3 565	-	(199)	3 366	3 366	-	-	2 593	2 593
Cape Agulhas	2 181	-	-	2 181	2 181	-	-	1 773	1 773
Swellendam	1 541	-	-	1 541	1 541	-	-	1 497	1 497
Overberg District Municipality	1 192	-	-	1 192	1 192	-	-	1 123	1 123
Kannaland	1 220	-	-	1 220	1 220	-	-	1 031	1 031
Hessequa	1 174	-	-	1 174	1 174	-	-	1 164	1 164
Mossel Bay	4 589	-	(256)	4 333	4 333	-	-	1 935	1 935
George	4 420	-	(247)	4 173	4 173	-	-	1 990	1 990
Oudtshoorn	1 672	-	-	1 672	1 672	-	-	1 310	1 310
Bitou	1 879	-	-	1 879	1 879	-	-	1 155	1 155
Knysna	1 264	-	-	1 264	1 264	-	-	1 044	1 044
Eden District District Municipality	2 180	-	-	2 180	2 180	-	-	2 440	2 440

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Laingsburg	1 173	-	-	1 173	1 173	-	-	1 074	1 074
Prince Albert	1 098	-	(329)	769	769	-	-	1 237	1 237
Beaufort West	1 372	-	-	1 372	1 372	-	-	1 136	1 136
Central Karoo District Municipality	2 441	-	(127)	2 314	2 314	-	-	1 321	1 321
TOTAL	**781 375**	**-**	**(32 400)**	**748 975**	**748 975**	**-**	**-**	**778 395**	**778 395**

The Departments certifies that all transfers to Municipalities were deposited into the primary bank account in terms of the Division of Revenue Act (DORA) requirements.

33. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	**DoRA and Other transfers**	**Roll overs**	**Adjust-ments**	**Total Available**	**Actual transfer**	**Funds with held**	**Re-allocations by National Treasury or National depart-ment**	**Amount received by depart-ment**	**Amount spent by depart-ment**	**Unspent funds**	**% of available funds spent by depart-ment**	**DORA and other transfers**	**Actual transfers**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Buffalo City Metro	6 093	-	-	6 093	6 093	-	-	6 093	5 906	187	96.9%	10 728	10 728
Nelson Mandela Bay Metro	8 397	-	(469)	7 928	7 928	-	-	7 928	5 181	2 747	65.4%	9 884	9 884
Camdeboo	1 315	-	(197)	1 118	1 118	-	-	1 118	452	666	40.4%	1 624	1 624
Blue Crane Route	1 143	-	-	1 143	1 143	-	-	1 143	633	510	55.4%	1 302	1 302
Makana	1 013	-	-	1 013	1 013	-	-	1 013	1 013	-	100.0%	1 333	1 333
Ndlambe	1 486	-	-	1 486	1 486	-	-	1 486	1 407	79	94.7%	1 730	1 730
Sundays River Valley	980	-	(294)	686	686	-	-	686	478	208	69.7%	1 206	1 206
Kouga	2 458	-	(137)	2 321	2 321	-	-	2 321	2 044	277	88.1%	1 175	1 175
Kou-Kamma	1 048	-	-	1 048	1 048	-	-	1 048	876	172	83.6%	1 270	1 270

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	**DoRA and Other transfers**	**Roll overs**	**Adjust-ments**	**Total Available**	**Actual transfer**	**Funds with held**	**Re-allocations by National Treasury or National depart-ment**	**Amount received by depart-ment**	**Amount spent by depart-ment**	**Unspent funds**	**% of available funds spent by depart-ment**	**DORA and other transfers**	**Actual transfers**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sarah Baartman District Municipality	2 181	-	-	2 181	2 181	-	-	2 181	1 775	406	81.4%	1 073	1 073
Mbhashe	1 750	-	-	1 750	1 750	-	-	1 750	1 750	-	100.0%	3 498	3 498
Mnquma	1 512	-	-	1 512	1 512	-	-	1 512	1 416	96	93.7%	2 015	1 820
Great Kei	973	-	-	973	973	-	-	973	635	338	65.3%	1 050	2 015
Amahlathi	1 310	-	-	1 310	1 310	-	-	1 310	1 310	-	100.0%	1 568	1 050
Ngqushwa	1 490	-	-	1 490	1 490	-	-	1 490	1 213	277	81.4%	2 060	1 568
EC 129 Nkonkobe/Nxuba local Governments	3 885	-	-	3 885	3 885	-	-	3 885	3 698	187	95.2%	2 838	2 838
Amathole District Municipality	5 579	-	(1 674)	3 905	3 905	-	-	3 905	3 048	857	78.1%	4 999	4 999
Inxuba Yethemba	1 800	-	250	2 050	2 050	-	-	2 050	1 800	250	87.8%	1 778	1 778
Intsika Yethu	1 749	-	-	1 749	1 749	-	-	1 749	1 749	-	100.0%	2 398	2 398

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Emalahleni (EC)	1 416	-	712	2 128	2 128	-	-	2 128	1 416	712	66.5%	1 692	1 339
Engcobo	1 927	-	-	1 927	1 927	-	-	1 927	1 271	656	66.0%	3 712	3 712
Sakhisizwe	1 208	-		1 208	1 208	-	-	1 208	1 208	-	100.0%	1 522	1 522
EC139 Tsolwana/Inkwanca/Lukanji	2 430	-	(136)	2 294	2 294	-	-	2 294	2 096	198	91.4%	3 088	3 088
Chris Hani District Municipality	2 872	-	(488)	2 384	2 384	-	-	2 384	2 384	-	100.0%	3 630	3 630
Elundini	1 580	-	350	1 930	1 930	-	-	1 930	1 580	350	81.9%	2 539	2 539
Senqu	1 194	-	-	1 194	1 194	-	-	1 194	1 194	-	100.0%	1 658	1 658
EC 145 Maletswai/Gariep Loc Mun	1 201	-	-	1 201	1 201	-	-	1 201	1 127	74	93.8%	1 352	1 352
Joe Gqabi District Municipality	1 382	-	350	1 732	1 732	-	-	1 732	1 382	350	79.8%	1 314	1 314

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Ngquza Hill	1 184	-	200	1 384	1 384	-	-	1 384	1 384	-	100.0%	1 616	1 616
Port St Johns	1 555	-	250	1 805	1 805	-	-	1 805	1 555	250	86.1%	1 582	1 582
Nyandeni	1 707	-	-	1 707	1 707	-	-	1 707	1 707	-	100.0%	1 859	1 859
Mhlontlo	1 754	-	-	1 754	1 754	-	-	1 754	1 373	381	78.3%	2 300	2 300
King Sabata Dalindyebo	4 238	-	(237)	4 001	4 001	-	-	4 001	4 001	-	100.0%	4 191	4 191
O.R. Tambo District Municipality	6 809	-	(2 042)	4 767	4 767	-	-	4 767	3 029	1 738	63.5%	11 542	11 542
Matatiele	3 974	-	-	3 974	3 974	-	-	3 974	3 752	222	94.4%	4 810	4 810
Umzimvubu	2 917	-	-	2 917	2 917	-	-	2 917	2 754	163	94.4%	3 352	3 352
Mbizana	3 222	-	(180)	3 042	3 042	-	-	3 042	2 022	1 020	66.5%	3 687	3 687
Ntabankulu	2 440	-	(136)	2 304	2 304	-	-	2 304	2 197	107	95.4%	2 794	2 794

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National department	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Alfred Nzo District Municipality	6 931	-	(1 426)	5 505	5 505	-	-	5 505	5 505	-	100.0%	9 337	9 337
Mangaung Metro	1 263	-	-	1 263	1 263	-	-	1 263	806	457	63.8%	1 566	1 566
Letsemeng	950	-	(285)	665	665	-	-	665	665	-	100.0%	1 073	1 073
Kopanong	1 089	-	-	1 089	1 089	-	-	1 089	1 009	80	92.7%	1 204	1 204
Mohokare	-	-	-	-		-	-	-	-	-		1 073	1 073
Xhariep District Municipality	921	-	-	921	921	-	-	921	692	229	75.1%	1 120	1 020
Masilonyana	1 165	-	(348)	817	817	-	-	817	291	526	35.6%	1 295	1 295
Tokologo	950	-	(165)	785	785	-	-	785	215	570	27.4%	1 073	1 073
Tswelopele	950	-	200	1 150	1 150	-	-	1 150	1 150	-	100.0%	1 141	1 141
Matjhabeng	3 661	-	(887)	2 774	2 774	-	-	2 774	2 563	211	92.4%	5 191	5 191
Nala	1 127	-	(170)	957	957	-	-	957	281	676	29.4%	1 398	1 398

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Lejweleputswa District Municipality	1 178	-	250	1 428	1 428	-	-	1 428	1 178	250	82.5%	1 265	1 265
Setsoto	1 750	-	-	1 750	1 750	-	-	1 750	1 750	-	100.0%	2 188	1 910
Dihlabeng	4 305	-	(241)	4 064	4 064	-	-	4 064	1 336	2 728	32.9%	5 591	3 088
Nketoana	950	-	(142)	808	808	-	-	808	391	417	48.4%	1 073	1 073
Maluti-a-Phofung	5 299	-	549	5 848	5 848	-	-	5 848	5 552	296	94.9%	6 165	6 165
Phumelela	1 218	-	-	1 218	1 218	-	-	1 218	948	270	77.8%	1 130	1 130
Mantsopa	1 189	-	(356)	833	833	-	-	833	774	59	92.9%	1 337	1 337
Thabo Mofutsanyana District Municipality	3 584	-	(200)	3 384	3 384	-	-	3 384	3 384	-	100.0%	5 356	5 356
Moqhaka	1 263	-	200	1 463	1 463	-	-	1 463	1 427	36	97.5%	1 428	1 428
Ngwathe	2 154	-	-	2 154	2 154	-	-	2 154	2 154	-	100.0%	2 240	2 240
Metsimaholo	950	-	-	950	950	-	-	950	601	349	63.3%	1 523	1 523

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mafube	950	-	(380)	570	570	-	-	570	-	570	0.0%	1 277	1 277
Fezile Dabi District Municipality	1 097	-	-	1 097	1 097	-	-	1 097	436	661	39.7%		
Ekurhuleni Metro	33 519	-	(1 873)	31 646	31 646	-	-	31 646	19 494	12 152	61.6%	24 041	24 041
City of Johannesburg	13 978	-	(781)	13 197	13 197	-	-	13 197	10 053	3 144	76.2%	7 700	7 700
City of Tshwane	16 502	-	(922)	15 580	15 580	-	-	15 580	11 547	4 033	74.1%	15 496	15 496
Emfuleni	1 242	-	-	1 242	1 242	-	-	1 242	869	373	70.0%	1 799	1 799
Midvaal	3 768	-	-	3 768	3 768	-	-	3 768	3 768	-	100.0%	2 553	2 553
Lesedi	1 091	-	-	1 091	1 091	-	-	1 091	630	461	57.7%	1 228	1 228
Sedibeng District Municipality	1 079	-	-	1 079	1 079	-	-	1 079	678	401	62.8%	1 283	1 283
Mogale city	6 366	-	-	6 366	6 366	-	-	6 366	6 366	-	100.0%	8 123	8 123
Merafong City	1 034	-	-	1 034	1 034	-	-	1 034	967	67	93.5%	1 062	1 062

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
GT485 new loc mun (Randfnt&Wstrnd)	2 699	-	(151)	2 548	2 548	-	-	2 548	2 548	-	100.0%	3 878	3 878
West Rand District Municipality	1 203	-	-	1 203	1 203	-	-	1 203	1 203	-	100.0%	1 221	1 221
eThekwini	60 790	-	-	60 790	60 790	-	-	60 790	60 790	-	100.0%	61 257	61 257
uMdoni	1 401	-	200	1 601	1 601	-	-	1 601	1 478	123	92.3%	1 772	1 772
uMzumbe	1 431	-	-	1 431	1 431	-	-	1 431	1 265	166	88.4%	1 699	1 699
uMuziwabantu	1 155	-	-	1 155	1 155	-	-	1 155	1 155	-	100.0%	981	981
Hibiscus Coast	5 084	-	-	5 084	5 084	-	-	5 084	5 084	-	0.0%	6 076	6 076
Ugu District Municipality	3 819	-	(213)	3 606	3 606	-	-	3 606	2 613	993	72.5%	3 319	3 319
uMshwathi	3 144	-	(176)	2 968	2 968	-	-	2 968	2 718	250	91.6%	1 820	1 820
uMgeni	2 329	-	(130)	2 199	2 199	-	-	2 199	2 199	-	100.0%	1 400	1 400

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	**DoRA and Other transfers**	**Roll overs**	**Adjust-ments**	**Total Available**	**Actual transfer**	**Funds with held**	**Re-allocations by National Treasury or National depart-ment**	**Amount received by depart-ment**	**Amount spent by depart-ment**	**Unspent funds**	**% of available funds spent by depart-ment**	**DORA and other transfers**	**Actual transfers**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Mpofana	1 215	-	-	1 215	1 215	-	-	1 215	1 215	-	100.0%	1 216	1 216
iMpendle	1 345	-	200	1 545	1 545	-	-	1 545	1 344	201	87.0%	1 430	1 430
Msunduzi	4 979	-	(278)	4 701	4 701	-	-	4 701	3 549	1 152	75.5%	5 231	5 231
Mkhambathi	1 456	-	-	1 456	1 456	-	-	1 456	1 456	-	100.0%	1 671	1 671
Richmond	1 125	-	-	1 125	1 125	-	-	1 125	1 125	-	100.0%	1 287	1 287
uMgungundlovu District Municipality	2 959	-	(165)	2 794	2 794	-	-	2 794	2 226	568	79.7%	2 287	2 287
Okhahlamba	2 581	-	(144)	2 437	2 437	-	-	2 437	2 437	-	100.0%	3 638	3 638
KZN 237 Umtshezi/imbabazane LC Mu	1 860	-	-	1 860	1 860	-	-	1 860	1 860	-	100.0%	2 043	2 043
KZN 238 Ladysmith/ indaka loc Mun	2 709	-	99	2 808	2 808	-	-	2 808	2 808	-	100.0%	2 993	2 993

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National department	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uThukela District Municipality	1 816	-	-	1 816	1 816	-	-	1 816	1 816	-	100.0%	2 881	2 881
eNdumeni	1 542	-	-	1 542	1 542	-	-	1 542	1 111	431	72.0%	1 577	1 577
Nquthu	1 162	-	-	1 162	1 162	-	-	1 162	1 162	-	100.0%	1 546	1 546
uMsinga	4 285	-	(239)	4 046	4 046	-	-	4 046	4 046	-	100.0%	4 867	4 867
uMvoti	2 967	-	-	2 967	2 967	-	-	2 967	2 801	166	94.4%	2 704	2 704
uMzinyathi District Municipality	5 234	-	(292)	4 942	4 942	-	-	4 942	3 549	1 393	71.8%	4 779	4 779
Newcastle	3 106	-	(174)	2 932	2 932	-	-	2 932	2 248	684	76.7%	3 753	3 753
eMadlangeni	950	-	174	1 124	1 124	-	-	1 124	1 098	26	97.7%	978	978
Dannhauser	950	-	-	950	950	-	-	950	950	-	100.0%	950	716
Amajuba District Municipality	2 901	-	-	2 901	2 901	-	-	2 901	2 901	-	100.0%	1 902	1 712

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
eDumbe	1 638	-	-	1 638	1 638	-	-	1 638	1 304	334	79.6%	1 500	1 500
uMphongolo	2 297	-	(128)	2 169	2 169	-	-	2 169	1 990	179	91.7%	2 978	2 978
AbaQulusi	2 351	-	(131)	2 220	2 220	-	-	2 220	2 220	-	100.0%	2 773	2 773
Nongoma	2 256	-	(126)	2 130	2 130	-	-	2 130	1 993	137	93.6%	2 946	2 946
Ulundi	3 681	-	-	3 681	3 681	-	-	3 681	3 475	206	94.4%	4 711	4 711
Zululand District Municipality	7 077	-	-	7 077	7 077	-	-	7 077	6 682	395	94.4%	8 517	8 517
uMhlabuyalingana	2 037	-	-	2 037	2 037	-	-	2 037	2 037	-	100.0%	1 975	1 975
Jozini	3 184	-	-	3 184	3 184	-	-	3 184	3 006	178	94.4%	4 095	4 095
Mtubatuba	2 100	-	-	2 100	2 100	-	-	2 100	1 784	316	85.0%	2 077	2 077
KZN 276 Big Five Hlabisa loc Mu	1 906	-	-	1 906	1 906	-	-	1 906	1 906	-	100.0%	2 304	2 304

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uMkhanyakude District Municipality	5 383	-	(301)	5 082	5 082	-	-	5 082	4 894	188	96.3%	6 993	6 993
uMfolozi	2 012	-	-	2 012	2 012	-	-	2 012	2 012	-	100.0%	1 847	1 847
Umhlathuze	3 089	-	(173)	2 916	2 916	-	-	2 916	2 320	596	79.6%	3 213	3 213
uMlalazi	3 332	-	(186)	3 146	3 146	-	-	3 146	2 419	727	76.9%	4 098	4 098
Mthonjaneni	2 216	-	(124)	2 092	2 092	-	-	2 092	2 092	-	100.0%	2 536	2 536
Nkandla	3 651	-	-	3 651	3 651	-	-	3 651	3 651	-	0.0%	3 626	3 626
King Cetshwayo Municipality	5 861	-	(327)	5 534	5 534	-	-	5 534	5 036	498	91.0%	4 742	4 742
Mandeni	2 553	-	-	2 553	2 553	-	-	2 553	2 410	143	94.4%	2 372	2 372
KwaDukuza	1 624	-	-	1 624	1 624	-	-	1 624	1 624	-	100.0%	1 868	1 868
Ndwedwe	1 760	-	-	1 760	1 760	-	-	1 760	1 760	-	100.0%	2 277	2 277
Maphumulo	1 524	-	-	1 524	1 524	-	-	1 524	1 524	-	100.0%	2 081	2 081

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
iLembe District Municipality	3 840	-	-	3 840	3 840	-	-	3 840	3 625	215	94.4%	5 439	5 439
Greater Kokstad	2 656	-	(148)	2 508	2 508	-	-	2 508	2 492	16	99.4%	4 266	4 266
uBuhlebezwe	7 831	-	(437)	7 394	7 394	-	-	7 394	6 630	764	89.7%	2 245	2 245
uMzimkhulu	2 748	-	(154)	2 594	2 594	-	-	2 594	2 594	-	100.0%	3 573	3 573
KZN Ingwe/Kwa Sani Loc MU	2 178	-	-	2 178	2 178	-	-	2 178	2 178	-	100.0%	2 476	2 476
Harry Gwala District Municipality	6 168	-	(345)	5 823	5 823	-	-	5 823	5 330	493	91.5%	5 221	5 221
Greater Giyani	3 151	-	-	3 151	3 151	-	-	3 151	2 975	176	94.4%	4 035	4 035
Greater Letaba	1 564	-	-	1 564	1 564	-	-	1 564	1 564	-	100.0%	2 139	2 139
Greater Tzaneen	5 412	-	(302)	5 110	5 110	-	-	5 110	5 110	-	100.0%	8 065	8 065
Ba-Phalaborwa	1 470	-	-	1 470	1 470	-	-	1 470	1 405	65	95.6%	1 186	1 186

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	**DoRA and Other transfers**	**Roll overs**	**Adjust-ments**	**Total Available**	**Actual transfer**	**Funds with held**	**Re-allocations by National Treasury or National depart-ment**	**Amount received by depart-ment**	**Amount spent by depart-ment**	**Unspent funds**	**% of available funds spent by depart-ment**	**DORA and other transfers**	**Actual transfers**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Maruleng	1 295	-	-	1 295	1 295	-	-	1 295	1 295	-	100.0%	1 246	1 246
Mopani District Municipality	8 713	-	(487)	8 226	8 226	-	-	8 226	8 226	-	100.0%	10 600	10 600
Musina	1 287	-	-	1 287	1 287	-	-	1 287	1 287	-	100.0%	1 390	1 390
Thulamela	4 488	-	(251)	4 237	4 237	-	-	4 237	4 237	-	100.0%	4 864	4 864
Makhado	2 932	-	(164)	2 768	2 768	-	-	2 768	2 155	613	77.9%	3 259	3 259
LIM 345	1 404	-	-	1 404	1 404	-	-	1 404	1 404	-	100.0%	1 759	1 759
Vhembe District Municipality	6 772	-	(378)	6 394	6 394	-	-	6 394	6 394	-	100.0%	4 754	4 754
Blouberg	1 185	-	-	1 185	1 185	-	-	1 185	1 185	-	100.0%	1 950	1 950
Molemole	1 219	-	-	1 219	1 219	-	-	1 219	1 020	199	83.7%	1 407	1 407
Polokwane	11 794	-	(659)	11 135	11 135	-	-	11 135	7 225	3 910	64.9%	11 570	11 570
Lepele-Nkumpi	1 244	-	-	1 244	1 244	-	-	1 244	1 003	241	80.6%	1 380	1 380

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National department	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Capricorn District Municipality	3 303	-	(185)	3 118	3 118	-	-	3 118	2 356	762	75.6%	3 747	3 747
Thabazimbi	1 370	-	-	1 370	1 370	-	-	1 370	854	516	62.3%	1 256	1 256
Lephalale	1 035	-	-	1 035	1 035	-	-	1 035	708	327	68.4%	1 292	1 292
Bela-Bela	1 302	-	-	1 302	1 302	-	-	1 302	1 302	-	100.0%	1 502	1 502
Mogalakwena	1 151	-	-	1 151	1 151	-	-	1 151	389	762	33.8%	1 161	1 161
LIM 368 Modimolle/Mookgopong	1 757	-	-	1 757	1 757	-	-	1 757	1 492	265	84.9%	2 041	2 041
Waterberg District Municipality	-	-	-	-		-	-	-	-	-		-	-
Ephraim Mogale	2 712	-	(152)	2 560	2 560	-	-	2 560	1 762	798	68.8%	1 310	1 310
Elias Motsoaledi	2 376	-	(133)	2 243	2 243	-	-	2 243	2 243	-	100.0%	1 796	1 796
Makhuduthamaga	1 783	-	-	1 783	1 783	-	-	1 783	1 783	-	100.0%	1 925	1 925

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
LIM 476 Greater Tubatse/Fetakgomo	1 463	-	-	1 463	1 463	-	-	1 463	1 463	-	100.0%	1 285	1 285
Greater Sekhukhune District Municipality	16 264	-	(909)	15 355	15 355	-	-	15 355	11 171	4 184	72.8%	13 010	13 010
Chief Albert Luthuli	3 004	-	(901)	2 103	2 103	-	-	2 103	1 978	125	94.1%	2 227	2 227
Msukaligwa	1 511	-	-	1 511	1 511	-	-	1 511	971	540	64.3%	1 766	1 766
Mkhondo	2 262	-	(126)	2 136	2 136	-	-	2 136	2 136	-	100.0%	2 855	2 855
Dr Pixley ka Seme	3 399	-	(190)	3 209	3 209	-	-	3 209	2 915	294	90.8%	1 874	1 874
Lekwa	1 643	-	-	1 643	1 643	-	-	1 643	1 281	362	78.0%	1 855	1 855
Dipaleseng	1 156	-	-	1 156	1 156	-	-	1 156	855	301	74.0%	1 444	1 444
Govan Mbeki	2 713	-	(813)	1 900	1 900	-	-	1 900	679	1 221	35.7%	2 629	2 629
Gert Sibande District Municipality	1 947	-	-	1 947	1 947	-	-	1 947	1 947	-	100.0%	2 595	2 595

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Victor Khanye	1 686	-	(252)	1 434	1 434	-	-	1 434	422	1 012	29.4%	2 284	2 284
Emalahleni	5 654	-	(316)	5 338	5 338	-	-	5 338	5 338	-	100.0%	6 151	6 151
Steve Tshwete	4 298	-	(240)	4 058	4 058	-	-	4 058	3 289	769	81.0%	4 780	4 780
Emakhazeni	3 031	-	(169)	2 862	2 862	-	-	2 862	2 781	81	97.2%	1 473	1 473
Thembisile Hani	5 166	-	-	5 166	5 166	-	-	5 166	5 166	-	100.0%	3 735	3 735
Dr JS Moroka	4 399	-	(575)	3 824	3 824	-	-	3 824	3 079	745	80.5%	2 432	2 432
Nkangala District Municipality	2 094	-	-	2 094	2 094	-	-	2 094	2 094	-	100.0%	2 315	2 315
Thaba Chweu	1 731	-	-	1 731	1 731	-	-	1 731	1 731	-	100.0%	1 932	1 932
Nkomazi	3 718	-	(208)	3 510	3 510	-	-	3 510	3 510	-	100.0%	4 621	4 621
Bushbuckridge	3 243	-	-	3 243	3 243	-	-	3 243	3 062	181	94.5%	5 219	5 219

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
MP 326 Mbombela/Umjindi Loc Mu	7 052	-	(394)	6 658	6 658	-	-	6 658	6 658	-	100.0%	8 555	8 555
Ehlanzeni District Municipality	3 172	-	(177)	2 995	2 995	-	-	2 995	2 995	-	100.0%	2 457	2 457
Richtersveld	950	-	-	950	950	-	-	950	898	52	94.5%	950	950
Nama Khoi	1 103	-	-	1 103	1 103	-	-	1 103	950	153	86.1%	1 212	1 212
Kamiesberg	950	-	(285)	665	665	-	-	665	405	260	60.9%	950	950
Hantam	1 364	-	-	1 364	1 364	-	-	1 364	1 364	-	100.0%	1 564	1 564
Karoo Hoogland	950	-	(154)	796	796	-	-	796	796	-	100.0%	1 073	1 073
Khâi-Ma		-	-	-		-	-	-	-	-		-	-
Namakwa District Municipality	950	-	-	950	950	-	-	950	917	33	96.5%	1 073	1 073
Ubuntu	978	-	-	978	978	-	-	978	766	212	78.3%	950	950

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Umsobomvu	950	-	(163)	787	787	-	-	787	601	186	76.4%	1 073	1 073
Emthanjeni	950	-	(285)	665	665	-	-	665	417	248	62.7%	1 073	1 073
Kareeberg	950	-	(284)	666	666	-	-	666	514	152	77.2%	950	950
Renosterberg	-	-	-	-		-	-	-	-	-		1 073	1 073
Thembelihle	-	-	-	-		-	-	-	-	-		1 077	1 077
Siyathemba	950	-	(285)	665	665	-	-	665	443	222	66.6%	1 073	1 073
Siyancuma	900	-	-	900	900	-	-	900	900	-	100.0%	1 073	1 073
Pixley Ka Seme District Municipality	950	-	-	950	950	-	-	950	741	209	78.0%	1 073	1 073
!Kai !Garib	1 021	-	-	1 021	1 021	-	-	1 021	956	65	93.6%	1 120	1 120
!Kheis	-	-	-	-		-	-	-	-	-		1 073	1 073
Tsantsabane	950	-	-	950	950	-	-	950	808	142	85.1%	1 070	1 070

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	**DoRA and Other transfers**	**Roll overs**	**Adjust-ments**	**Total Available**	**Actual transfer**	**Funds with held**	**Re-allocations by National Treasury or National depart-ment**	**Amount received by depart-ment**	**Amount spent by depart-ment**	**Unspent funds**	**% of available funds spent by depart-ment**	**DORA and other transfers**	**Actual transfers**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Kgatelopele	960	-	-	960	960	-	-	960	227	733	23.6%	1 073	1 073
NC087 Khara Hais/Mier Loc Mu	950	-	-	950	950	-	-	950	238	712	25.1%	1 073	1 073
Z.F. Mqcawu District Municipality	999	-	-	999	999	-	-	999	999	-	100.0%	1 073	1 073
Sol Plaatjie	3 286	-	(184)	3 102	3 102	-	-	3 102	3 102	-	100.0%	3 959	3 959
Dikgatlong	1 017	-	(97)	920	920	-	-	920	919	1	99.9%	1 073	1 073
Magareng	950	-	(238)	712	712	-	-	712	712	-	100.0%	1 073	1 073
Phokwane	-	-	-	-		-	-	-	-	-		-	-
Frances Baard District Municipality	959	-	-	959	959	-	-	959	797	162	83.1%	1 073	1 073
Joe Morolong	2 159	-	-	2 159	2 159	-	-	2 159	294	1 865	13.6%	1 139	1 139
Ga-Segonyana	1 111	-	-	1 111	1 111	-	-	1 111	787	324	70.8%	1 519	1 519

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Gamagara	950	-	-	950	950	-	-	950	511	439	53.8%	1 073	1 073
John Taolo Gaetsewe District Municipality	950	-	-	950	950	-	-	950	439	511	46.2%	1 073	1 073
Moretele	2 874	-	(161)	2 713	2 713	-	-	2 713	1 970	743	72.6%	1 998	1 998
Madibeng	978	-	(147)	831	831	-	-	831	685	146	82.4%	1 094	1 094
Rustenburg	2 196	-	-	2 196	2 196	-	-	2 196	1 524	672	69.4%	2 853	2 853
Kgetlengrivier	950	-	-	950	950	-	-	950	950	-	100.0%	1 000	1 000
Moses Kotane	1 629	-	-	1 629	1 629	-	-	1 629	1 467	162	90.1%	1 652	1 652
Bojanala Platinum District Municipality	1 256	-	-	1 256	1 256	-	-	1 256	902	354	71.8%	1 546	1 546
Ratlou	1 234	-	-	1 234	1 234	-	-	1 234	997	237	80.8%	1 231	1 231
Tswaing	1 099	-	-	1 099	1 099	-	-	1 099	1 099	-	100.0%	1 685	1 685
Mafikeng	3 118	-	(174)	2 944	2 944	-	-	2 944	2 944	-	100.0%	2 238	2 238

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National department	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Ditsobotla	-	-	-	-		-	-	-	-	-		1 081	1 081
Ramotshere Moiloa	1 715	-	-	1 715	1 715	-	-	1 715	1 325	390	77.3%	1 383	1 383
Ngaka Modiri Molema District Municipality	1 845	-	-	1 845	1 845	-	-	1 845	1 845	-	100.0%	2 040	2 040
Naledi	1 133	-	-	1 133	1 133	-	-	1 133	1 133	-	100.0%	1 214	1 214
Mamusa	1 094	-	-	1 094	1 094	-	-	1 094	1 094	-	100.0%	1 449	1 449
Greater Taung	3 229	-	(180)	3 049	3 049	-	-	3 049	3 049	-	100.0%	2 255	2 255
Lekwa-Teemane	950	-	-	950	950	-	-	950	709	241	74.6%	1 270	1 270
Molopo- kagisano	1 321	-	-	1 321	1 321	-	-	1 321	924	397	69.9%	2 244	2 244
Dr Ruth Segomotsi Mompati District Municipality	1 079	-	-	1 079	1 079	-	-	1 079	1 015	64	94.1%	1 396	1 396
City of Matlosana	3 512	-	(723)	2 789	2 789	-	-	2 789	2 492	297	89.4%	2 181	2 181

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Maquassi Hills	1 316	-	-	1 316	1 316	-	-	1 316	1 231	85	93.5%	1 544	1 544
NW405 Ventersdorp/Tlokwe loc mun	2 848	-	(159)	2 689	2 689	-	-	2 689	2 689	-	100.0%	2 339	2 339
Dr Kenneth Kaunda District Municipality	2 306	-	(129)	2 177	2 177	-	-	2 177	1 852	325	85.1%	2 379	2 379
City of Cape Town	62 588	-	(3 495)	59 093	59 093	-	-	59 093	41 889	17 204	70.9%	42 406	42 406
Matzikama	3 028	-	(169)	2 859	2 859	-	-	2 859	2 826	33	98.8%	1 569	1 569
Cederberg	1 658	-	-	1 658	1 658	-	-	1 658	1 658	-	100.0%	1 359	1 359
Bergrivier	2 873	-	(161)	2 712	2 712	-	-	2 712	2 129	583	78.5%	1 662	1 662
Saldanha Bay	2 125	-	-	2 125	2 125	-	-	2 125	2 125	-	100.0%	2 907	2 907
Swartland	1 830	-	-	1 830	1 830	-	-	1 830	1 212	618	66.2%	1 873	1 873
West Coast District Municipality	1 242	-	-	1 242	1 242	-	-	1 242	1 007	235	81.1%	1 194	1 194

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Witzenberg	3 439	-	(192)	3 247	3 247	-	-	3 247	2 113	1 134	65.1%	2 237	2 237
Drakenstein	4 363	-	-	4 363	4 363	-	-	4 363	4 118	245	0.0%	4 139	4 139
Stellenbosch	4 786	-	(267)	4 519	4 519	-	-	4 519	2 505	2 014	55.4%	4 928	4 928
Breede Valley	5 072	-	(283)	4 789	4 789	-	-	4 789	4 789	-	100.0%	3 301	3 301
Langeberg	3 362	-	(188)	3 174	3 174	-	-	3 174	2 819	355	88.8%	2 647	2 647
Cape Winelands District Municipality	2 405	-	(134)	2 271	2 271	-	-	2 271	2 095	176	92.3%	1 369	1 369
Theewaterskloof	1 684	-	-	1 684	1 684	-	-	1 684	1 145	539	68.0%	2 077	2 077
Overstrand	3 565	-	(199)	3 366	3 366	-	-	3 366	2 597	769	77.2%	2 593	2 593
Cape Agulhas	2 181	-	-	2 181	2 181	-	-	2 181	1 665	516	76.3%	1 773	1 773
Swellendam	1 541	-	-	1 541	1 541	-	-	1 541	1 468	73	95.3%	1 497	1 497
Overberg District Municipality	1 192	-	-	1 192	1 192	-	-	1 192	797	395	66.9%	1 123	1 123

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds with held	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Kannaland	1 220	-	-	1 220	1 220	-	-	1 220	1 009	211	82.7%	1 031	1 031
Hessequa	1 174	-	-	1 174	1 174	-	-	1 174	1 042	132	88.8%	1 164	1 164
Mossel Bay	4 589	-	(256)	4 333	4 333	-	-	4 333	3 175	1 158	73.3%	1 935	1 935
George	4 420	-	(247)	4 173	4 173	-	-	4 173	1 893	2 280	45.4%	1 990	1 990
Oudtshoorn	1 672	-	-	1 672	1 672	-	-	1 672	1 038	634	62.1%	1 310	1 310
Bitou	1 879	-	-	1 879	1 879	-	-	1 879	1 879	-	100.0%	1 155	1 155
Knysna	1 264	-	-	1 264	1 264	-	-	1 264	963	301	76.2%	1 044	1 044
Eden District District Municipality	2 180	-	-	2 180	2 180	-	-	2 180	2 180	-	100.0%	2 440	2 440
Laingsburg	1 173	-	-	1 173	1 173	-	-	1 173	562	611	47.9%	1 074	1 074
Prince Albert	1 098	-	(329)	769	769	-	-	769	769	-	100.0%	1 237	1 237
Beaufort West	1 372	-	-	1 372	1 372	-	-	1 372	837	535	61.0%	1 136	1 136

	2023/24											2022/23	
	GRANT ALLOCATION				**TRANSFER**			**SPENT**					
Name of Municipality	**DoRA and Other transfers**	**Roll overs**	**Adjust-ments**	**Total Available**	**Actual transfer**	**Funds with held**	**Re-allocations by National Treasury or National depart-ment**	**Amount received by depart-ment**	**Amount spent by depart-ment**	**Unspent funds**	**% of available funds spent by depart-ment**	**DORA and other transfers**	**Actual transfers**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Central Karoo District Municipality	2 441	-	(127)	2 314	2 314	-	-	2 314	1 661	653	71.8%	1 321	1 321
TOTAL	**781 375**	**-**	**(32 400)**	**748 975**	**748 975**	**-**	**-**	**748 975**	**634 296**	**114 679**		**778 395**	**778 395**

The Departments certifies that all transfers to Municipalities were deposited into the primary bank account in terms of the Division of Revenue Act (DORA) requirements.

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency/ Account	2023/24						2022/23	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Construction Industry Development Board	80 320	-	-	80 320	80 320	100.0%	80 012	80 012
Council for the Built Environment	54 704	-	-	54 704	54 704	100.0%	54 495	54 495
Property Management Trading Entity	4 202 442	-	73 769	4 276 211	4 276 211	100.0%	3 912 823	3 912 823
Construction SETA	571	-	-	571	571	100.0%	581	581
Parliamentary Village Management Board	6 720	-	-	6 720	6 720	100.0%	5 838	5 838
Agreement SA	34 082	-	-	34 082	34 082	100.0%	33 951	33 951
TOTAL	**4 378 839**	**-**	**73 769**	**4 452 608**	**4 452 608**		**4 087 700**	**4 087 700**

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	2023/24								2022/23	
	TRANSFER ALLOCATION				EXPENDITURE					
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Capital	Current	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations										
Transfers	**192 522**	**-**	**(27 681)**	**164 841**	**164 841**	**100.0%**	**-**	**-**	**260 675**	**160 675**
Industrial Dev Corporation of South Africa	110 722	-	(27 681)	83 041	83 041	100.0%	-	-	70 300	70 300
Independent Development Trust	81 800	-	-	81 800	81 800	100.0%	-	-	190 375	90 375
TOTAL	**192 522**	**-**	**(27 681)**	**164 841**	**164 841**	**100.0%**	**-**	**-**	**260 675**	**160 675**

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

Foreign government / International organisation	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
Transfers								
Commonwealth War Graves Commission	34 202	-	-	34 202	34 202	100.0%	28 432	28 432
TOTAL	**34 202**	**-**	**-**	**34 202**	**34 202**	**-**	**28 432**	**28 432**

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
	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
Transfers								
Non State Sector	1 052 431	-	-	1 052 431	1 052 431	100.0%	1 032 693	1 032 693
TOTAL	**1 052 431**	**-**	**-**	**1 052 431**	**1 052 431**	**100.0%**	**1 032 693**	**1 032 693**

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
HOUSEHOLDS	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
Transfers								
H/H EML S/BEN:LEAVE GRATUITY	**3 275**	**-**	**-**	**3 275**	**3 698**	**112.9%**	**3 891**	**3 887**
LUNYAWO SE	-	-	-	-	52		-	-
MASHALABA NE	-	-	-	-	4		-	-
MKEBE SE	-	-	-	-	81		-	-
MAKWABE B	-	-	-	-	24		-	-
ZAKHE NV	-	-	-	-	95		-	-
DIKE TN	-	-	-	-	9		-	-
NGXATA L	-	-	-	-	29		-	-
SHUPING P	-	-	-	-	50		-	-
NENE MN	-	-	-	-	21		-	-
ALLEN ZC	-	-	-	-	24		-	-
LINDT SP	-	-	-	-	17		-	-
JANSEN L	-	-	-	-	39		-	-
MTSHALI M	-	-	-	-	93		-	-
MPOKOTHO PB	-	-	-	-	8		-	-
STEMELE T	-	-	-	-	64		-	-

	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
HOUSEHOLDS	**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**
NICHOLSON ZM	-	-	-	-	40		-	-
WHITEHEAD M	-	-	-	-	26		-	-
ROOS CW	-	-	-	-	111		-	-
MWANZA SM	-	-	-	-	310		-	-
SHOKANE LA	-	-	-	-	111		-	-
SEETE TM	-	-	-	-	24		-	-
MOUMAKWE KP	-	-	-	-	4		-	-
POOL S	-	-	-	-	78		-	-
MALWELA SL	-	-	-	-	17		-	-
MASHAMBA MD	-	-	-	-	137		-	-
LUNYAWO SE	-	-	-	-	3		-	-
MAPHANGA PM	-	-	-	-	4		-	-
WHITEHEAD M	-	-	-	-	1		-	-
CHILOANE LM	-	-	-	-	37		-	-
MWANZA SM	-	-	-	-	15		-	-
MINI ZB	-	-	-	-	24		-	-
MASHAVA NR	-	-	-	-	40		-	-
MUGERI T	-	-	-	-	67		-	-
SEKALO MS	-	-	-	-	13		-	-
MPHAHLELE MM	-	-	-	-	13		-	-

	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
HOUSEHOLDS	**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**
MUVHANGO TC	-	-	-	-	43		-	-
MBENGWA T	-	-	-	-	1		-	-
MDLALO AD	-	-	-	-	71		-	-
NYOKA J	-	-	-	-	65		-	-
MPHELA JM	-	-	-	-	25		-	-
SITHEBE TJ	-	-	-	-	39		-	-
MASHIANE MO	-	-	-	-	9		-	-
MABUNDA LL	-	-	-	-	39		-	-
NETSHITONGWE M	-	-	-		21		-	-
NTIMBA NC	-	-	-		54		-	-
MONYELA MA	-	-	-		60		-	-
MGWEBI G	-	-	-		79		-	-
VILJOEN D	-	-	-		96		-	-
BICI L	-	-	-		106		-	-
SEAKA SS	-	-	-		29		-	-
MKHATSHWA-NGWENYA ENM	-	-	-		119		-	-
SAPTOE RC	-	-	-		33		-	-
WHITE IB	-	-	-		100		-	-
XAKI SNS	-	-	-		122		-	-
NEMASETONI I	-	-	-		12		-	-

	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
HOUSEHOLDS	**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**
WHITE IB	-	-	-		-		-	-
NKOANA TN	-	-	-		42		-	-
CHAUKE SW	-	-	-	-	33		-	-
MAKINYANE NMN	-	-	-		60		-	-
COME HJ	-	-	-		31		-	-
NAIDOO S	-	-	-		375		-	-
LEEUW ZN	-	-	-		71		-	-
MAAKE MC	-	-	-		83		-	-
MASHABA MD	-	-	-		2		-	-
MCINTYRE AW	-	-	-		63		-	-
SIBEKO TA	-	-	-		130		-	-
H/H:BURSARIES(NON-EMPLOYEE)	**6 371**	**-**	**-**	**6 371**	**6 312**		**6 003**	**6 003**
University of Pretoria	-	-	-	-	4 567		-	-
Apartment on William	-	-	-	-	97		-	-
TM Lofts	-	-	-	-	808		-	-
City Property	-	-	-		840		-	-
				-			-	-
CLAIMS AGAINST THE STATE	108	-	-	108		0.0%	-	-

	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
HOUSEHOLDS	**Adjusted Budget**	**Roll overs**	**Adjustments**	**Total Available**	**Actual transfer**	**% of available funds transferred**	**Final Budget**	**Actual transfer**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
							-	-
TOTAL	**9 754**	**-**	**-**	**9 754**	**10 010**		**9 894**	**9 890**

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 DECEMBER 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					
Claims against the department	2 019	-	-	-	2 019
Labour Relation matters	3 337	-	3 337	-	-
TOTAL	**5 356**	**-**	**3 337**	**-**	**2 019**

ANNEXURE 3

CLAIMS RECOVERABLE

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	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Basic Education	-	-	54 541	54 541	54 541	54 541		-
Defence	-	-	16 640	16 640	16 640	16 640		-
Forestry . Fisheries & Environmental	-	-	410	-	410	-		
Presidency	-	-	699	699	699	699		-
EC Provincial Department	-	1 309	-	-	-	1 309		-
Civilian Secretariat For Police Service	-	8	-	-	-	8		-
Subtotal	**-**	**1 317**	**72 291**	**71 880**	**72 291**	**73 197**		
Other Government Entities								
Public Works (PMTE)	7 677	23 690	-	3 030	7 677	26 720		-
SETA	-	-	3 612	3 612	3 612	3 612		-
CETA	-	-	99	99	99	99		-
NSF	-	-	241	241	241	241		-
Subtotal	**7 677**	**23 690**	**3 952**	**6 982**	**11 629**	**30 672**		**-**

TOTAL	**7 677**	**25 007**	**76 243**	**78 862**	**83 920**	**103 869**	**-**

ANNEXURE 4

INTERGOVERNMENT 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 after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice	4 445	1 994	5 102	5 613	9 547	7 607		-
Department of International Relations and Coordination	168	56	-	-	168	56		-
Government Printing Works	2	-	-		2	-		-
Department of Defence	-	-	106 970	71 421	106 970	71 421		-
Subtotal	**4 615**	**2 050**	**112 072**	**77 034**	**116 687**	**79 084**		**-**
Non-current								
Total Departments	**4 615**	**2 050**	**112 072**	**77 034**	**116 687**	**79 084**		**-**

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 after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
OTHER GOVERNMENT ENTITIES								
Current								
Property Management Trading Entity (PMTE)	2 587	2 261	-	-	2 587	2 261		-
AGSA	1 439	1 951	-	-	1 439	1 951		-
SARS	37	-	-	-	37	-		-
Telkom SA LTD	53	59	-	-	53	59		-
PVMB		-	-	-	-	-		-
SITA	342	1 327	-	-	342	1 327		-
GTAC	-	146	-	-	-	146		-
SAPS	-	114	-	-	-	114		-
AgriSETA	1 340	-	5 848	-	7 188	-		-
City of Johannesburg	83	-	-	-	83	-		-
Subtotal	**5 881**	**5 858**	**5 848**	**-**	**11 729**	**5 858**		**-**
Non-current								
AGRISETA	-	1 238	-	-	-	1 238		-
Subtotal	**-**	**1 238**	**-**	**-**	**-**	**1 238**		**-**

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 after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Total Other Government Entities	**5 881**	**7 096**	**5 848**	**-**	**11 729**	**7 096**		**-**
TOTAL INTERGOVERNMENT PAYABLES	**10 496**	**9 146**	**117 920**	**77 034**	**128 416**	**86 180**		**-**

ANNEXURE 5A

INTERENTITY ADVANCES PAID (Note 13)

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2024	31/03/2023	31/3/2024	31/03/2023	31/3/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
GCIS	-	345	-	-	-	345
Subtotal	**-**	**345**	**-**	**-**	**-**	**345**
PUBLIC ENTITIES						
Independent Development Trust	786	1 193	-	-	786	1 193
Industrial Development Corporation	65 000	-	-	-	65 000	-
Buffalo City Municipality	318	-	-	-	318	
Subtotal	**66 104**	**1 193**	**-**	**-**	**66 104**	**1 193**
OTHER ENTITIES						
South African City Networks	700	700	-	-	700	700
Property Sector Charter Council	2 079	-	-	-	2 079	-
ILO	112	-	-	-	112	-
Subtotal	**2 891**	**700**	**-**	**-**	**2 891**	**700**
TOTAL	**68 995**	**2 238**	**-**	**-**	**68 995**	**2 238**

ANNEXURE 5B

INTERENTITY ADVANCES RECEIVED (Note 21 AND Note 22)

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2024	31/03/2023	31/3/2024	31/03/2023	31/3/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
Current						
KZN Provincial Department	155 795	49 637	-	-	155 795	49 637
EC Provincial Department	181 547	307 887	-	-	181 547	307 887
MP Provincial Department	18 044	-	-	-	18 044	-
FS Provincial Department	99 474	-	-	-	99 474	-
LP Provincial Department	62 745	-	-	-	62 745	-
NW Provincial Department	74 191	-	-	-	74 191	-
Subtotal	**591 796**	**357 524**	-	-	**591 796**	**357 524**
PUBLIC ENTITIES						
Current						
National Skills Fund	13 340	11 210	-	-	13 340	11 210
Subtotal	**13 340**	**11 210**	**-**	**-**	**13 340**	**11 210**

TOTAL	**605 136**	**368 734**	**-**	**-**	**605 136**	**368 734**
Current	605 136	368 734	-	-	605 136	368 734
Non-current	**-**	**-**	**-**	**-**	**-**	**-**

ANNEXURE 6

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2 AND 13)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Contract Reference	Total Contract Value	Contract commencement date	Contract end date	Frequency of the Payment /Advance	Balance outstanding as at 31 March 2023	Total amount prepaid /advanced in the current year	Less: goods. services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2024
					R'000				R'000	R'000	R'000	R'000	R'000
Prepayments													
LexisNexis	Library	Library eBooks	Goods & Services		467	23/08/2023	14/07/2024		-	329	(173)	-	**156**
AIG SA	Insurance	Insurance Premium	Goods & Services		80	16/08/2023	31/03/2024		-	80	(80)	-	**-**
Total prepayments									**-**	**409**	**(391)**	**-**	**156**
TOTAL PREPAYMENTS AND ADVANCES									**-**	**409**	**(253)**	**-**	**156**

Report of the auditor-general to Parliament on Property Management Trading Entity

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Property Management Trading Entity set out on pages 353 to 447, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the trading entity as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Property, plant and equipment

3. The trading entity did not recognise all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. Land parcels which have not vested in the name of the trading entity were incorrectly recognised as property plant and equipment. Consequently, property, plant and equipment was overstated by R2,8 billion. This also has an impact on the on the accumulated surplus.

Payables from exchange transaction: Accrued expenses

4. All outstanding amounts meeting the definition of a liability were not recognised in accordance with GRAP 1, *Presentation of financial statements*. Adequate records of outstanding payments for goods and services (except for leases) received but not yet paid at year-end were not maintained for the current year and the corresponding figures. I was unable to determine the full extent of the understatement of payables from exchange transactions-accrued expenses for the current year and corresponding figures, as it was impractical to do so.

Payables from exchange transactions- opex projects

5. In the prior year, payables from exchange transactions: accrued expenses -opex projects were not classified as payables, where services were rendered before year-end and no payments have been made by the trading entity in accordance with GRAP 19, *Provisions, contingent liabilities and contingent assets.* The trading entity received services from the service providers before year end that met the definition of accrual, which were accounted for as provisions. Consequently, payables from exchange transactions accrued expenses – opex projects was understated by R199 million. This also had an impact on accumulated surplus. My opinion on the current year financial statements is modified because of the effects of this matter on the comparability of payables from exchange transactions accrued expenses – opex projects for the current period and corresponding figures.

Contractual commitments for acquisition and maintenance of property, plant and equipment

6. Items that did not meet the definition of a contractual commitment in accordance with GRAP 17, *Property, plant and equipment* were disclosed. The trading entity recorded discontinued projects as part of the disclosed contractual commitments in the financial statements. Consequently, the contractual commitments for the acquisition and maintenance of property, plant and equipment as disclosed in Note 7 of the financial statements were overstated by R1,8 billion.

Property Management Trading Entity

Context for opinion

7. 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.

8. I am independent of the trading entity 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.

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

Material uncertainty relating to going concern

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

11. I draw attention to note 37 to the financial statements, which indicates that the trading entity has a bank overdraft of R3.685 billion (2023: R1.922 billion) and the current liabilities exceed the current assets by R7.507 billion (2023 R8.320 billion). As stated in note 37, these events or conditions, along with the other matters as set forth in note 37, indicate that a material uncertainty exists that may cast significant doubt on the trading entity's ability to continue as a going concern.

Emphasis of matter

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

Events after the reporting date

13. As disclosed in note 35 to the financial statements, during the month of April 2024, the trading entity discovered incidents of suspected cyber-attacks wherein legitimate banking details of its service providers and suppliers were fraudulently changed from the accounting and payments system to divert payments to the fraudulent bank accounts. The matter was immediately reported to law enforcement agencies and a case was opened with the SA Police Services for further investigations. The trading entity appointed a forensic specialist company to further analyse the system for any possible breach from August 2014 when the system first implemented by the trading entity. The investigations by law enforcement agencies and the forensic company are still ongoing. The trading entity with the assistance of the forensic company made a preliminary assessment and identified possible losses due to this breach which are estimated losses based on the available information thus far.

Material impairments - Receivables from exchange transactions

14. As disclosed in note 3 to the financial statements, the R 4,3 billion (2023: R 2,9 billion) reported on receivables from exchange transactions, is the rand value after taking into account the impairment values of R 11 billion (2023: R 9 billion).

Responsibilities of the accounting officer for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

16. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity'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 trading entity 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

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

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

Report on the audit of the annual performance report

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

20. The trading entity's performance information was reported in the annual performance report of the Department of Public Works and Infrastructure. I audited the reported performance information as part of the audit of Department of Public Works and Infrastructure and any audit findings are included in that auditor's reports.

Report on compliance with legislation

21. 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 trading entity's compliance with legislation.

22. 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.

23. 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 trading entity, 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.

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

Expenditure management

25. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 31 to the 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 disclosed in the financial statements was caused by incorrect procurement processes followed by management.

26. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.

Annual financial statements, performance and annual report

27. The financial statements were not submitted for auditing within the prescribed timeframe after the end of the financial year, as required by section 40(1)(c)(i) of the PFMA.

28. 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 non-current assets

and disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Revenue management

29. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Consequences management

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

31. Disciplinary steps were not taken against some of the officials who had incurred and permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.

32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred 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.

Asset management

33. Proper control systems were not in place at the trading entity to ensure the maintenance of assets, as required by section 38(1)(d) of the PFMA.

Procurement and contract management

34. Some of the bid documentation/ invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2).

Other information in the annual report

35. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor’s report that have been specifically reported on in this auditor’s report.

36. My opinion on the financial statements 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.

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

38. The other information I obtained prior to the date of this auditor’s report are the accounting officers’ report, the human resource management report, the disclosure of irregular ,fruitless and wasteful expenditure, the governance compliance report and the audit committee’s report, and the foreword by the Minister and the statement by the Deputy Minister is expected to be made available to us after 31 October 2024.

39. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor’s report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

40. When I do receive and read the foreword by the Minister and the statement by the Deputy Minister, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have

to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

41. I considered internal control relevant to my audit of the financial statements, and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

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

43. Management did not develop effective mechanisms to monitor the implementation of audit action plans to address internal control deficiencies identified in the prior year. As a result repetitive material misstatements on payables from exchanges transactions and capital commitments were identified in the current year.

44. Management did not review the property, plant and equipment to ensure that assets that did not belong to entity were excluded from the immovable asset register. This resulted in the modification of the audit opinion.

45. Senior management did not perform sufficient and adequate reviews during the preparation of the financial statements to ensure that the supporting schedules are accurate, complete, and supported by reliable information as material misstatements were identified that resulted in the modification of the auditor's opinion.

46. Management did not monitor compliance with applicable laws and regulations as a result material compliance issues were identified in asset management, expenditure management, procurement and contract management, annual financial statements, consequence management and revenue management.

47. Management did not ensure that there is an effective intergraded ERP system that allows for transactions to be digitalised, integrated, and accessible in real-time to reduce the reliance on manual processes in compiling supporting schedules used to prepare the financial statements Due to the existing manual environment that requires intense human intervention, capturing errors were not mitigated.

48. Inadequate review of SAGE system administrator activities due to lack of management oversight. Feedback for certain activities was solicited from the official who performed the activity, highlighting a lack of independent verification by the reviewer. Additionally, the reviewer did not review the entire report of administrator activities but focused only on the activities of IT administrators, resulting in a lack of review for actions performed by other system and business users with administrative access.

49. Lack of support and maintenance services for SAGE due to delays in the contracting process. The lack of a support and maintenance services agreement may result in prolonged downtime for the entity in case of a security event or disaster as they will be unable to fully recover the system without appropriate service provider support. This may lead to the integrity of financial information being compromised and inability to fulfil their credit obligations timeously.

Material irregularities

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

Material irregularity identified during the audit

51. The material irregularity identified is as follows:

Under-utilisation of Telkom Towers

52. PMTE purchased the Telkom Towers complex on 07 April 2016 for the value of R694 million with the objective to move the South African Police Services (SAPS) head office operations in Pretoria to one central location. The complex consists of nine (9) buildings, which were functional at the time of purchase. The utilisation of the complex was intended to alleviate the pressure on the private lease budget and to enhance the delivery of services to ordinary

citizens by SAPS. However, seven (7) years later, only one (1) out of the nine (9) buildings are being occupied and utilised by SAPS as intended. This leaves eight (8) buildings with a total cost of R592 million vacant and unutilised.

53. We confirmed the under-utilisation of the eight (8) buildings during our site visit to the Telkom Towers complex on the 12 April 2023. We further noted that the current state of the buildings is not fit for SAPS to take immediate occupation. We also noted non-functioning lifts, worn carpet due to water ingress, fire equipment not serviced, non-functioning air-conditioning, and lack of electrical connection points in open plans and flooded parking bay. Consequently, SAPS continues to pay excessive amounts on private leases and provide fragmented services to the public around Pretoria CBD, which has affected the access and visibility to the public.

54. The accounting officer did not have adequate processes and procedures in place, as required by TR 10.1.2, to ensure that the buildings in the Telkom Towers complex are used in a manner that is effective, efficient, and economical.

55. The non-compliance has resulted in the misuse of a material public resource and is likely to result in further misuse of the resource.

56. On 26 October 2023 and 23 November 2023, MI notifications relating to the under-utilisation of the material public resource, the Telkom Towers, were issued to the former acting accounting officers. However, both acting accounting officers' acting periods ended prior to them making a written submission in response to the notification within the 20 working days prescribed.

57. The current accounting officer was notified of the material irregularity (MI) on 18 January 2024 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded on 16 February 2024.

58. Based on the assessment of the written responses and supporting evidence submitted, I concluded that the AO did not take appropriate action to address the MI. I notified the AO on 09 October 2024 of the following recommendations that should be implemented within the defined periods.

59. I recommend that the accounting officer should take the following actions to address the material irregularity, by 9 May 2025 with a progress report to be provided by 9 February 2025:

- Appropriate action should be taken to investigate the non-compliance with Treasury Regulation 10.1.2 to determine the circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions to prevent re-occurrence and to determine if any official should be held responsible.

- Effective and appropriate disciplinary steps should be initiated without undue delay, against any official that the investigation found to be responsible, as required by section 38(1)(h) of the PFMA and in accordance with Treasury Regulation 9.1.3.

- If it appears that the trading entity suffered a financial loss through criminal acts or possible criminal acts or omissions, this should be reported to the South African Police Service, and if liability can be demined the accounting officer must recover the value of losses or damages from the person/persons responsible as required by Treasury regulation 12.5.

60. I will follow up on the implementation of the recommendations after the due dates.

Status of previously reported material irregularities

Leeuwkop prison asset not appropriately safeguarded during construction

61. After termination of the initial contractor, the boilers on site were not appropriately covered as they were exposed to severe weather conditions, the plastic covering the boilers was damaged. This had an impact on ancillary equipment as they became corroded and unusable.

Property Management Trading Entity

62. PMTE appointed a service provider for the replacement and maintenance of boilers for a period of 24 months on 26 January 2012. Due to the service provider's continued inability to meet deadlines in relations to the supply and installation of the boilers as per the site programme of works, the contractor was first placed in mora on 18 October 2013 and then the contact was subsequently terminated with effect from 5 June 2014.

63. After termination of the initial contractor, the boilers on site were not appropriately covered as they were exposed to severe weather conditions, the plastic covering the boilers was damaged. This had an impact on ancillary equipment as they became corroded and unusable.

64. The accounting officer did not take full responsibility for the safeguarding of the boilers while they were on site and after the termination date of the initial contractor, as a result, more costs will be incurred to replace and refurbish critical equipment's that have corroded. This is a contravention of TR10.1.1 (a) which requires that the accounting officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, losses, wastage and misuse. The contravention of TR10.1.1 (a) is likely to result in a material financial loss.

65. The accounting officer was notified of the MI on 26 August 2021 and invited to make a written submission on the actions taken and that will be taken to address the matter. The response was received on 23 September 2021.

66. Even though the accounting officer disagreed with the finding and the MI, in their response they agreed that there was a subsequent deterioration of the boiler cover and corrosion of boiler components. As a result, the boilers were exposed to inevitable physical weather elements. Due to the disagreement the accounting officer did not implement any corrective actions.

67. A new accounting officer was appointed in April 2022 and was informed of the MI. The accounting officer was afforded the opportunity to respond as to whether he will uphold the view on the MI as their predecessor. The accounting officer confirmed that he supported the view of his predecessor. Based on the latter no actions were implemented by the trading entity to address the MI.

68. I recommended that the accounting officer take the following actions to address the MI by 30 January 2023:

- Appropriate action should be taken to investigate the non-compliance to determine if any official should be held responsible.
- The financial loss relating to the boilers should be quantified and appropriate action should be taken to determine whether the responsible official(s) is liable by law for the losses suffered by the department for the purpose of recovery, as required by TR 12.7.1.
- Effective and appropriate disciplinary steps should be initiated, without undue delay, against any official that the investigation found to be responsible, as required by section 38(1)(h) of the PFMA.
- Reasonable steps should be taken to ensure that preventative mechanisms are in place to eliminate further losses on account of inadequate safeguarding or other damage in relation to construction site assets as required by TR 10.1.1(a).

69. The accounting officer submitted a written response and supporting evidence on the implementation of the recommendations on 26 January 2023 and a supplementary response and supporting documentation on 03 April 2023. Based on the assessment of the written responses and supporting evidence submitted, I concluded that the recommendations had not been adequately implemented. The Minster was notified in October 2023 of the persistent failure of the then-acting AO to adequately implement or make satisfactory progress with the recommendations. The notification also requested the minister’s intervention and assistance in ensuring that the Acting AO adequately implements the recommendations or makes satisfactory progress.

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70. After various follow ups the new AO provided a response in February 2024 on the actions taken to address the MI. However, shortcomings were noted that were communicated to the AO and a supplementary response was received in July 2024.

71. I am in the process of determining the most suitable action to take.

Construction contract extensions approved, incorrectly included contract value adjustment

72. PMTE entered into a contract with a service provider on 28 November 2013 to construct a magistrate court building in Mamelodi (WCS 044028). The contract was for a period of 18 months for construction and the contract value was R94 742 592,85.

73. The construction of the Mamelodi magistrate court project has been significantly delayed and the expenditure paid to date exceed the initial contract amount. The practical completion date of the contract has been extended and PMTE has been approving the contract extensions with adjustments to the contract value with the daily rate of R24 283,26 charged by the contractor. Based on the approved claims 4, 5, 8 and 9, the delays resulted from civil unrest, riots, strikes and lockouts.

74. This was a contravention of the JBCC 2000 Principal Building Agreement Clause 29.1 which stipulates that the contractor is entitled to a revision of the date of practical completion but for which the contract value should not be adjusted if it pertains to delays related to civil unrest, riots or strikes. However, requests for extensions with a financial impact where the cause of the delay related to civil unrest, riots, strikes and related matters were approved.

75. The delegation of authority dated 8 December 2009, in paragraph 7.4 pertaining to the approval of the extension of contract periods as part of the general notes and condition 2 on the approved delegation, stipulates that any decision regarding the extension of the contract needs to be based on the conditions of the contract and that the decision-taker has no opportunity to exercise any discretion in reaching the decision. The approval of claims 4, 5, 8 & 9 were not in line with the conditions of the contract.

76. The approval of the listed claims in convention of the delegations resulted in a contravention of section 45(a) of the PFMA which requires that an official in a department, trading entity or constitutional institution must ensure that the system of financial management and internal controls established for that department, trading entity or constitutional institution is carried out within the area of responsibility of that official. These contraventions is likely to result in a material financial loss for PMTE as it may be possible to recover the amount from an external party.

77. The Accounting officer was notified of the MI on 15 October 2021 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded on the 17 November 2021. The written responses from management including the supporting annexures, indicates that the following steps have been taken to address the MI:

- Disciplinary actions instigated:
    - On 17 November 2021, letters of consequence management have been issued to the project management team to explain their actions in approving the claims and payments to the contractor.
    - The accounting officer received responses from the four (4) persons identified as the responsible parties that caused the MI. On 25 March 2022, the accounting officer took further action and referred the matter to Labour Relations to conduct an investigation to prepare charge sheets and institute disciplinary action against the identified officials.
    - On 17 August 2022, Labour Relations requested clarification on additional documentation and the scope of the charges. Both the internal control directorate and later the DPWI's anti-corruption unit (ACU) were requested to investigate. The review of the information by the ACU concluded that the matter does not warrant a forensic investigation as the facts of the matter are already at the disposal of the trading entity

to enable resolution of the matter' as the information required by Labour Relations can be sourced from the relevant line functions within the trading entity.

  - Following the receipt of the ACU report of 16 May 2023, the Pretoria regional office is dispatching the additional information required for Labour Relations.

- PMTE sent a letter to the principal agent requesting an explanation of the payments made. The letter to the principal agent was issued on 17 November 2021.Based on the response of the principal agent, the trading entity has resolved to issue a letter of demand to the contractor for the payments made. The letter to the principal agent was issued on the 17 November 2021 and the principal agent responded on the 25 November 2021.

- Initial activities to recover the funds through the principal agent, in line with the JBCC contract, was not successful. This resulted in the trading entity issuing a letter of non-compliance to the principal agent. On 7 September 2022, the principal agent wrote to the trading entity indicating that they are terminating their contract agreement with the trading entity.

- PMTE sent a letter of demand to the service provider on 27 March 2023, requesting a refund for R3 011 124, 24 (VAT exclusive) due to application for extension of contract which were erroneously approved within cost. In this regard, the service provider was requested to make such payments or arrangements for payments thereof within 14 days of receipt of the letter. However, the service provider failed to execute any action and the trading entity referred the matter to the office of the state attorney for recovery.

- The state attorney received the instruction to recover losses from the contractor on 18 May 2023 and further requested counsel to be briefed on the matter. A consultation was held on 27 March 2024 with counsel on the matter and additional documents were requested in order to process the matter. The documents have not been furnished to the state attorney yet.

78. I determined that the accounting officer is not taking appropriate steps to resolve the MI. I am in the process of making a decision on further actions to be taken

Lease No. 139901 overpayment

79. The trading entity entered into a lease agreement on behalf of the Department of Justice and Constitutional Development (DoJ&CD) with the landlord on 1 April 2011 for a period of five (5) years. Occupation did not take place on the commencement date due to tenant installations, which were being effected by the landlord. During this period, an addendum to the main contract was signed on 7 November 2014 for additional space and an amendment to the commencement date. The impact of this addendum was that the lease commencement date changed to 1 October 2012. The lease has continued on a month-to-month basis after 30 September 2017, which is the expiration of the original lease agreement, to date.

80. Between June 2015 and December 2017, while the entity was still using the Property Management Information System (PMIS) for lease payments, overpayments to the landlord were made due to various reasons.

81. The leasing module on the Archibus system was implemented in September 2019 and all lease data was migrated from PMIS into the new system. The monthly lease obligation at the time was R737 735, however it was captured as R857 965 on the system. Management did not identify and rectify the error in time; this has resulted in the system escalating an incorrect amount and resulted in consistent, monthly overpayments. As at 31 March 2022, the calculated cumulative overpayments made to the landlord, amounted to R4 452 528.

82. The overpayments stated above indicate that management did not ensure that internal procedures and internal control measures were in place for the approval and processing of rental payments. These controls would have provided management reasonable assurance that rental payments to be made were necessary for each month and appropriate. This control deficiency resulted in non-compliance with TR8.1.1. The non-compliance is likely to result in a material financial loss for PMTE of R4 452 528 as the overpayments can still be recovered from the landlord.

83. The accounting officer was notified of the material irregularity (MI) on 10 November 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded on the 8 December 2022. The response from management including the supporting evidence, indicates that the following steps have been taken to address the MI:

- Identified the three parties responsible for the overpayments and issued warning letters to the officials that are still in the in employ of the trading entity. Management recovered R1 524 807,52 of the R4 452 528 and are still in the process of investigating the remaining amount.The lease information was corrected on the Archibus system is May 2022 therefore the trading entity is paying in line with the lease agreements.
- Due to other MIs raised with regards to leases, management embarked on a lease clean-up process which by an external service providers in June 2022, and as of March 2023 management has implemented controls to detect any lease overpayments, however, concerns in the control environment remain due to the fact that the controls are not yet fully effective in preventing overpayments as similar instances were noted on other lease contracts.
- Follow up responses and supporting documents received in July 2024 indicated that further overpayments on the lease were made from September 2023 to 31 March 2024 due to the new lease agreement with an effective date of 1 September 2023 not being captured timeously on Archibus. This resulted in an accumulative overpayment of R4 725 925 as at 31 March 2024.

84. Based on the assessment of the response and evidence presented and despite some recoveries made, I determined that the accounting officer is not taking appropriation actions to resolve the MI. I am in the process of making a decision on further actions to be taken.

Lease no. 140227 Overpayment

85. PMTE entered into a lease agreement on behalf of the Department of Defence (DoD). The original lease agreement was entered into on 24 April 2014 for a period of 5 years and only took effect on occupation on 1 April 2015. The lease agreement was amended for additional space and parking bays based on the same terms and conditions as the main lease with effect from 1 April 2016 for a period of 4 years.

86. Upon the implementation of the Archibus leasing system in September 2019, management commenced consistently making overpayments to the landlord. The overpayments amounting to R14 062 727 occurred from the implementation of Archibus leasing system up to 31 March 2021. Although some of the overpayments were recovered as at February 2022 the cumulative remaining not recovered overpayments amounted to R3 802 787.

87. Effective internal controls were not in place for approval and processing of payments, as required by TR8.1.1 to ensure that correct rental payments for a lease agreement were made and to prevent the overpayments stated above. These controls would have provided management reasonable assurance that rental payments made were necessary for each month and appropriate. The trading entity is likely to incur a material financial loss of R3 802 787.

88. The accounting officer was notified of the material irregularity on 3 June 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The response was received on 5 July 2022 detailing the actions already taken and the planned actions to address the MI. Based on the responses from the accounting officer and supporting evidence provided, the following actions were taken to address the MI:

- Management captured the new lease and effected adjustments to prevent subsequent overpayments on 16 July 2021. The lease is currently paid in accordance with the valid lease agreement.
- Management implemented the use of credit notes to deduct any overpayments from future rentals to recover the overpayments from July 2021. As of February 2023, the amount of R3 802 787 was fully recovered. No further overpayments have been identified since the correction.

- Management identified the person responsible and has taken appropriate consequence management actions. Management has provided evidence that the responsible official has been issued with a verbal warning on 12 July 2021. The responsible official has acknowledged receipt of the verbal warning on 14 July 2021.

- Management undertook a lease data clean-up exercise to mitigate potential future lease overpayments. An external service provider was appointed in September 2021 to assess the extent of the lease overpayments and recommend improvements to the lease management processes. The clean-up exercise is anticipated to be concluded by September 2022.

- The lease clean-up process was concluded in June 2022 by an external service provider, and as of March 2023, management has implemented controls to detect any lease overpayments, however, concerns in the control environment remain due to the fact that the controls are not yet fully effective in preventing overpayments as similar instances were noted on other lease contracts.

- Follow up responses and supporting documents received in July 2024 indicated that no further overpayments have been made on this lease.

89. Based on the assessment of the response and evidence presented, I have determined that the accounting officer is taking appropriate steps to address the MI. I will follow up on the implementation of controls, during my next audit.

Lease No. 140280 Overpayment

90. PMTE appointed a service provider for the leasing of office accommodation and parking bays on behalf of the Department of Rural Development and Land Reform (DRDLR) for four (4) years. The lease commenced on 1 October 2015 with a commencement rental amount of R771 656,22 per month and an annual escalation rate 5,5%. The expiry date as per the lease agreement was set at 30 September 2019.

91. During the 2019-20 financial period, lease overpayments were reported as a result of internal controls weaknesses with regard to the payment processes. These duplicate payments/ overpayments mainly occurred between October 2017 and March 2019. The cumulative overpayments over this period amounted to R9 325 082,75.

92. During the 2020-21 financial period, the lease agreement was renewed with effect from 1 June 2019 while the old contract was still active (4 months before it expired). This renewal resulted in a lesser monthly rental payment as compared to the previous lease contract. Management continued to make payments based on the old lease contract which resulted in additional overpayments made since the renewal period of 1 June 2019 up to the end of 31 March 2021 amounting to R1 636 993,88.

93. Effective internal controls were not in place for approval and processing of payments, as required by TR8.1.1 to ensure that correct rental payments for a lease agreement were made and to prevent the overpayments stated above. These controls would have provided management reasonable assurance that rental payments made were necessary for each month and appropriate. PMTE was likely to incur a material financial loss of R10 962 076,63.

94. The accounting officer was notified of the MI on 27 August 2021 and invited to make a written submission on the actions that will be taken to address the MI. The response was received on 23 September 2021 which was retracted and reissued on 15 November 2021.

95. The written responses from management, including the supporting annexures, indicate that the following steps have been taken to address the MI:

- The accounting officer indicated that the trading entity had already appointed an external service provider to review the extent of the overpayments on the leasing portfolio and recommend any changes necessary. The appointment of the mentioned service provider is part of the greater lease clean-up project undertaken by the trading entity with the objectives of ensuring:
    - Verification of data correctness on Archibus against lease agreements;

- Correction of historical and current data to ensure correct payments;
- Upload all supporting documents on Archibus;
- Implement delegations for any changes on the system especially on active leases;
- Perform monthly reconciliation prior to the payment run to identify under/ overpayments; and
- Perform final reconciliation after the payment run to confirm transactions processed;

- From February 2022, management captured the lease details on the Archibus system correctly for this specific lease agreement, and the lease is currently paid in accordance with the valid lease agreement.

- The trading entity implemented the use of credit notes to deduct any overpayments from future rentals. The recovery process began in June 2021. As of June 2022, the amount of R10 962 076,63 was fully recovered. No further overpayments have been identified since the correction.Consequence management has been implemented to the lease management team as they explained the lack of oversight on lease payments and a final written warning was issued and accepted by the two responsible officials in January 2022.

- The lease clean-up process was concluded in June 2022 by an external service provider, and as of March 2023, management has implemented controls to detect any lease overpayments, however, concerns in the control environment remain due to the fact that the controls are not yet fully effective in preventing overpayments as similar instances were noted on other lease contracts.

- Follow up responses and supporting documents received in July 2024 indicated that no further overpayments have been made on this lease.

96. Based on the assessment of the response and evidence presented, I have determined that the accounting officer is taking appropriate steps to address the MI. I will follow up on the implementation of controls, during my next audit.

Other reports

97. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

98. The SIU, under proclamation no. R83 of 2022, is investigating the alleged serious maladministration, unlawful appropriation or expenditure of public money and damage to public property which took place between 22 May 2009 and the date of publication of this proclamation or which took place prior to 22 May 2009 or after the date of publication of this proclamation. In addition, the SIU is investigating unauthorised, irregular and wasteful expenditure in respect to projects and non/poor performance by contractors. The SIU is in progress of finalising the investigation.

99. The SIU, under proclamation no. R20 of 2018, is investigating the alleged serious maladministration, improper or unlawful conduct by officials, unlawful appropriation or expenditure, unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon state property which have taken place between 1 October 2003 and the date of the publication of this proclamation. In addition, the following key focus areas formed the basis for the investigation: quotation, allegations of fraud, irregular awarding of contacts, fruitless and wasteful expenditure and conflict of interest. The SIU is in progress of finalising the investigation

Auditor- General

Pretoria

31 October 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Property Management Trading Entity

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 on the trading entity’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 trading entity’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 trading entity 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 trading entity 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.

Property Management Trading Entity

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); 38(1)(j); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; 8.2.2; 8.2.3; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1;16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A 6.3(c); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 167.6; 16A7.716A8.3;16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2;16A9.2(a)(ii); 17.1.1; 18.2; 19.6.1; 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	regulations 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 1; 2; 4.8; 4.9, 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4

Property Management Trading Entity

Legislation	Sections or regulations
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Regulation 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Regulation 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

The reports and statements set out below comprise the annual financial statements:

The annual financial statements set out on pages 353 to 447, which have been prepared on the going concern basis, were approved by the accounting officer on .30 June 2024.and were signed on its behalf by:

Statement of Financial Position as at 31 March 2024

	Note(s)	2024 R'000	2023 Restated* R'000
Assets			
Current Assets			
Receivables from exchange transactions	3	4 279 601	2 931 210
Receivables from non-exchange transactions	4	746	982
Operating lease asset	5	425 886	471 867
Cash and cash equivalents	6	8 087	22 640
		4 714 320	**3 426 699**
Non-Current Assets			
Property, plant and equipment	7	123 293 571	124 428 174
Investment property	8	376 087	376 626
Heritage assets	9	31 207 859	31 146 194
Intangible assets	10	66 326	55 705
		154 943 843	**156 006 699**
Total Assets		**159 658 163**	**159 433 398**
Liabilities			
Current Liabilities			
Operating lease liability	5	422 736	458 860
Bank overdraft	6	3 685 717	1 922 100
Deferred revenue	11	3 281 640	4 260 911
Payables from exchange transactions	12	3 956 648	4 168 592
Retention liabilities	13	367 533	364 858
Finance lease obligation	14	5 562	5 752
Employee benefit obligations	15	195 592	185 382
Provisions	16	306 142	380 674
		12 221 570	**11 747 129**
Non-Current Liabilities			
Deferred revenue	11	3 122 260	2 709 303
Retention liabilities	13	27 775	30 580
Finance lease obligation	14	4 461	6 284
		3 154 496	**2 746 167**
Total Liabilities		**15 376 066**	**14 493 296**
Net Assets		**144 282 097**	**144 940 102**

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Performance

	Note(s)	2024 R'000	2023 Restated R'000
Revenue from exchange transactions	17	13 822 124	13 108 842
Revenue from non-exchange transactions	18	4 353 195	4 021 616
Construction revenue	19	51 520	91 651
Total revenue		**18 226 839**	**17 222 109**
Expenditure			
Construction expenses	19	51 520	91 651
Depreciation, amortisation and impairments on assets	20	3 477 874	3 001 171
Employee related costs	21	2 122 846	1 987 689
Impairment loss on receivables	22	1 566 873	1 806 253
Interest expense	23	980	726
Loss on disposal of asset	24	53 002	190 504
Operating leases	25	5 674 848	5 504 721
Property maintenance (contracted services)	26	2 418 806	2 150 225
Property Rates		1 885 332	1 605 133
Sundry operating expenses	27	1 632 763	1 508 574
Total expenditure		**18 884 844**	**17 846 647**
Deficit for the year		**(658 005)**	**(624 538)**

Statement of Changes in Net Assets

	Note	Accumulated surplus R'000
Opening balance as previously reported as at 1 April 2022		139 251 446
Adjustments		
Correction of prior period errors	36	6 313 187
Balance at 1 April 2022		**145 564 633**
Changes in net assets		
Deficit for the 12 months		(624 538)
Correction of prior period errors	36	(6 056 919)
Total changes		(6 681 457)
Balance as previously reported as at 31 March 2023		138 883 183
Adjustments		
Correction of prior period errors	36	6 056 919
Balance at 01 April 2023 as restated*		**144 940 102**
Changes in net assets		
Deficit for the year		(658 005)
Balance at 31 March 2024		**144 282 097**

Cash Flow Statement

	Note(s)	2024 R'000	2023 Restated* R'000
Cash flows from operating activities			
Receipts			
Accommodation charges - private lease		4 969 740	5 204 134
Accommodation charges - state owned		5 520 445	6 880 296
Accommodation charges - freehold private		61 346	61 676
Augmentation		4 276 211	3 912 823
Management fees on municipal services		147 752	148 195
Municipal services recovered		2 955 038	2 954 276
Interest, fines, recoveries and other receipts		138 076	31 728
		18 068 608	19 193 128
Payments			
Cleaning and gardening		383 628	346 886
Admin, goods and services		404 471	359 923
Repairs		740 254	888 714
Property Maintenance		2 224 591	2 245 089
Municipal services recoverable		3 644 758	3 769 347
Municipal services non-recoverable		450 744	433 456
Operating leases		5 693 616	5 852 543
Property rates		1 842 094	1 823 858
Compensation of employees		2 131 086	2 061 963
Disallowance		-	78 284
		17 515 242	17 860 063
Net cash flows from operating activities	28	**553 366**	**1 333 065**
Cash flows from investing activities			
Additions to property, plant and equipment		(2 246 174)	(2 345 181)
Acquisition of intangible assets		(19 723)	(19 907)
Additions to heritage assets		(62 714)	(24 700)
Net cash flows from investing activities		**(2 328 611)**	**(2 389 788)**
Cash flows from financing activities			
Finance lease payments		(7 666)	(5 004)
Finance leases entered into		4 741	10 963
Net cash flows from financing activities		**(2 925)**	**5 959**
Net decrease in cash and cash equivalents		**(1 778 170)**	**(1 050 764)**
Cash and cash equivalents at the beginning of the year		(1 899 460)	(848 696)
Cash and cash equivalents at the end of the year	6	**(3 677 630)**	**(1 899 460)**

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	R'000	R'000	R'000	R'000	R'000
Statement of Financial Performance					
Receipts					
Accommodation charges - private lease	5 509 718	7 299	**5 517 017**	4 969 740	**(547 277)**
Accommodation charges - state owned	7 914 110	(1 094 937)	**6 819 173**	5 520 445	**(1 298 728)**
Rental debtors	79 346	-	**79 346**	61 346	**(18 000)**
Augmentation	4 470 819	(194 608)	**4 276 211**	4 276 211	**-**
Interest, fines, recoveries and other receipts	5 000	18 961	**23 961**	138 076	**114 115**
Management fees on municipal services	279 522	(72 208)	**207 314**	147 752	**(59 562)**
Municipal services recovered	5 590 431	(1 945 673)	**3 644 758**	2 955 038	**(689 720)**
Receipts	**23 848 946**	**(3 281 166)**	**20 567 780**	**18 068 608**	**(2 499 172)**
Payments					
Cleaning and gardening	375 674	12 042	**387 716**	383 628	**(4 088)**
Admin, goods and services	480 737	-	**480 737**	404 471	**(76 266)**
Repairs	1 310 764	(719 592)	**591 172**	740 254	**149 082**
Property Maintanance	1 674 734	585 173	**2 259 907**	2 224 591	**(35 316)**
Municipal services recoverable	5 590 431	(1 945 673)	**3 644 758**	3 644 758	**-**
Operating leases	5 686 317	7 299	**5 693 616**	5 693 616	**-**
Property rates	1 916 414	53 073	**1 969 487**	1 842 094	**(127 393)**
Compensation of employees	2 165 416	-	**2 165 416**	2 131 087	**(34 329)**
Municipal services non-recoverable	506 359	(55 615)	**450 744**	450 744	**-**
Payments	**19 706 846**	**(2 063 293)**	**17 643 553**	**17 515 243**	**(128 310)**
Capital movements					
Recoverable capital expenditure	1 767 847	(321 358)	**1 446 489**	1 116 808	**(329 681)**
Non-recoverable capital expenditure	2 329 384	(896 515)	**1 432 869**	1 173 169	**(259 700)**
Machinery and equipment	44 869	-	**44 869**	41 624	**(3 245)**
	4 142 100	**(1 217 873)**	**2 924 227**	**2 331 601**	**(592 626)**
Cash deficit	**-**	**-**	**-**	**(1 778 236)**	**(1 778 236)**

1. Presentation of Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB), unless otherwise indicated, and in accordance with Section 91(1) of the Public Finance Management Act (Act No. 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand ("R") which is also the functional currency of the Property Management Trading Entity ("PMTE"). Values are rounded to the nearest thousand ("R'000") unless otherwise indicated.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Significant judgement and sources of estimation uncertainty

1.1.1 Control of immovable assets

The Department of Public Works and Infrastructure is the legal custodian of all immovable assets vested in national government, except in cases where custodial functions were assigned to other ministers by virtue of legislation before the commencement of GIAMA on 1 April 2009. The Department of Public Works and Infrastructure (DPWI) assigned those functions to the PMTE and by virtue of the transfer of functions that occurred on 18 November 2013, and 30 March 2015, the PMTE controls those assets for accounting purposes. The PMTE benefits from the assets in pursuit of its objectives and regulates the access of others to the benefits of the assets (i.e. the PMTE decides who may benefit from the use of the assets). Control includes the ability to acquire, dispose and maintain the assets.

PMTE monitors state land reflected on the Deeds Register on an on-going basis. Land registered in the name of the national government, that could not be confirmed to be under the custodianship of other national custodians, is recognised by the PMTE. Any changes in ownership is derecognised accordingly. PMTE discloses a contingent asset for properties identified to be under its custodianship where the property could not be reliably measured due to the extent not being determined through the Office of the Surveyor General.

In terms of paragraph 7.37 of the vesting guidelines issued by Department of Rural Development and Land Reform on 30 March 2017, “for any provincial government to claim ownership of vacant land such province should provide proof of intended use. The absence of such proof automatically means that such land vests in the National Government of RSA”. PMTE is thus deemed to have control over such land parcels and has currently recognised unvested land parcels.

PMTE recognises immovable assets where the property will vest with the national government based on the principles contained in the approved vesting guidelines.

Whilst properties (land and buildings) as outlined in the Endowment Act no. 33 of 1922 are disclosed in the financial statements of Department of Defence (DoD), there are a number of extended structures pertaining to such endowment facilities that have “encroached” onto neighbouring land under the custodianship of PMTE. Whilst such structures are reflected as part of endowment properties by DoD, the underlying land is currently reflected in immovable assets by PMTE until such time as it may be transferred to DoD. Control and or access over such land may be restricted given the DoD facilities thereon.

1.1.2 Assets and liabilities related to the transfer of functions

For initial measurement purposes, assets acquired through the transfer of functions are measured at their carrying amounts as per the records of the DPWI. Where those carrying amounts do not represent GRAP compliant amounts, the carrying amounts were estimated using various measurement bases, depending on the type of asset or liability. For the purposes of determining a deemed cost, immovable assets transferred were valued using either the municipal valuations, comparable sales value or depreciated replacement cost. For movable assets a depreciated replacement cost was used. Financial assets and liabilities at fair value was used and other liabilities were transferred at the best estimate at the date of transfer. The DPWI transferred functions on two separate occasions, effective 18 November 2013 and 30 March 2015 respectively. For measurement purposes, 1 April 2013 and 1 April 2014 were used respectively. For further details refer to note 1.32.

Notes to the Annual Financial Statements

1.1 Significant judgement and sources of estimation uncertainty (continued)

1.1.3 Useful life and residual values

The estimated useful lives of property, plant and equipment, investment property and intangible assets are assessed annually and is dependent on the condition of the assets. Management applies judgement in assessing the condition of the assets. The residual values are estimated to be zero as the PMTE will be utilising these assets over their entire economic life, unless clear evidence exists to the contrary.

Refer to note 1.7 for the accounting policies on estimated useful lives for property, plant and equipment, note 1.8 for investment property and note 1.10 for intangible assets.

1.1.4 Classification of accommodation charges as lease Revenue from exchange transaction

As the intention of the PMTE is to provide accommodation at values that are directly equal to the value of the service being delivered, the PMTE categorises all accommodation charges, with the exception of prestige accommodation, as revenue from exchange transactions, notwithstanding the fact that this revenue may or may not equal the value of the service delivered. In addition, the second property allocated to the executive authority, the ministerial handbook requires the minister to be charged a percentage of his or her salary as rental fee.

Revenue from non-exchange transaction

The amount for prestige accommodation is determined in accordance with the ministerial handbook. The ministerial handbook allows for the ministers to stay free of charge in the first property provided to him or her. Therefore the receivable is classified as a statutory receivable and the revenue is classified as non-exchange transaction.

1.1.5 Classification and measurement of leases

Management uses judgement to determine if a lease is classified as an operating or a finance lease. Management's judgement is based on whether risk and rewards incidental to ownership have been transferred.

Cognisance has been taken of the fact that client departments generally extend the period for which they lease premises through the PMTE where these properties are rented from the private sector. It is difficult to conclude that it is certain that the PMTE (as lessee) will always extend the lease term of leasehold property at inception of the lease because of the general occupation trend of its client departments. Taking everything into consideration, management is of the opinion that the risk and rewards incidental to ownership is not transferred during the lease term from either the lessee's or the lessor's perspective.

The same terms and conditions included in the underlying lease agreements with the landlord is used to determine the relevant presentation for lease-out arrangements.

The PMTE considers leases to be month-to-month leases when the underlying lease agreements on leasehold properties have expired and the asset is still being utilised by the client department.

As the lease terms and conditions are not determinable for month-to-month leases and freehold inter-governmental accommodation, the lease revenue and expenditure are recognised when due.

Notes to the Annual Financial Statements

1.1.6 Provision for maintenance

Management developed a model to determine the amount due to suppliers for work performed when job cards are outstanding and/or the value of the service has not been confirmed. The model is based on historical trends and costing data. The base line data is determined on actual information for payments made during 2016. For the purpose of determining the average time of service to be rendered, management stratified the data of calls logged and payments made in accordance with the severity of the incident. For the purpose of determining the average price per incident, the data was stratified based on the category of maintenance call. The average price is adjusted for the effect of inflation on an annual basis. The actual amounts due, on an individual basis, may differ significantly from the provision made.

1.1 Significant judgement and sources of estimation uncertainty (continued)

1.1.7 Impairment

Impairment of receivables measured at cost or amortised costs

The estimation and calculation of impairment are accounted for in accordance with the Standards of GRAP.

Invoices from client departments are allocated through voted funds and are due within 30 days from invoice date. If client departments do not pay within 30 days, the receivable is assessed for impairment.

An impairment loss is recognised firstly on individually significant (i.e greater than 5 percent of balance) receivables. Thereafter an impairment loss is recognised on the remaining individually non significant receivables. Impairment assessments are based on objective evidence as a result of one or more events that occurred during the reporting period. For clients which have defaulted, management is analysing historical payment trends to determine if the receivables if the receivables have to be impaired. The actual write-offs may differ significantly from the impairment losses recognised.

Recovery rate is the rate used for both individually significant and non-significant receivables to estimate the present value of future cash flows for the expected payment are based on historical data or period. The average payment days for previous financial year is considered for the determination of date of the expected future payment date as part of the calculation of present value of expected cash flows. The discount rate used for impairment purposes is not adjusted for the different classes of receivables as the majority of the debt is with government departments.

Impairment of non-current assets

The PMTE uses the depreciated replacement cost method for measuring the impairment of majority of the immovable assets. Depreciated replacement cost is based on the current building indices factoring in the current condition rating assessed.

Assets under construction are considered for impairment when the project is cancelled, halted or delayed. For furniture, machinery, computer, office and other equipment, the asset is considered for impairment when it is no longer used, physically damaged or there is a significant change in the condition of the asset.

1.1.8 Significantly delayed projects

A project is regarded as 'significantly delayed' when it has been delayed by more than 50% of the planned project period.

Projects are regarded as technically delayed, for financial statement disclosure purposes, when the project has not yet reached practical completion status at reporting date and the 'planned project period' has expired before the reporting date.

Projects that are 'Completed', 'Cancelled' or in the 'Planning and Design stage' are excluded from the population for the purpose of the 'significantly delayed' disclosures.

1.1.9 Classification of immovable assets

Judgement is applied when classifying immovable assets between property, plant and equipment, investment property and heritage assets. Consideration is given to the type of property, the purpose for which the property is held, and the occupant. The main factor considered is whether PMTE holds the asset either for service delivery (in accordance with government objective), resulting in property, plant and equipment, or for capital appreciation and/or earning or rentals, resulting in investment property, or for future generations resulting in heritage assets. Where state property is rented out to another government entity or public service employees to provide cost effective accommodation services or for social services, these properties are classified as property, plant and equipment rather than investment property as the PMTE holds these assets to deliver on its mandate rather than to earn rentals or capital appreciation.

The Standard of GRAP on Investment Properties (GRAP 16) requires undeveloped land, for which no purpose has been determined, to be classified as investment property. However, where the land is acquired for strategic purposes, the land is to be classified as property, plant and equipment. In considering the classification of undeveloped land, the PMTE considers how it acquired the land and whether the land is being used. Where the land was acquired through expropriation or a result of legislation, the PMTE classifies the land as property, plant and equipment rather than investment property, as it is assumed to be acquired for strategic purposes in accordance with government's policies and aims.

1.1 Significant judgement and sources of estimation uncertainty (continued)

PMTE determines the intended use of a facility by evaluating the characteristics of the facility against the criteria for Investment Property. The criteria for Investment Property are as follows:

The current occupant (lessee) is not an organ of state; and

- Future occupants of the facility will most probably not be an organ of state; and
- There is no intention for the facility to be occupied in future by an organ of state for the production or supply of goods or services, for administrative purposes or for executing its mandate; and / or
- The facility is held in its entirety, for long-term/future capital appreciation rather than for short-term sale in the ordinary course of operations; or
- The facility is specifically earmarked as Investment Property (i.e. for rental to occupants that are not organs of state; or for development with the sole intention to be leased to occupants that are not organs of state, or capital appreciation); and / or
- A vacant building/facility is held to be leased out under one or more operating leases on a commercial basis to external parties; and
- The intended use is of a dual nature/purpose. A facility will only be classified as Investment Property if the main purpose and most significant use of the facility is to earn rentals or capital appreciation; or
- The facility is being constructed or developed for future use as investment property.

Heritage assets may be used for administrative purposes. Management uses judgement to determine whether a significant portion of the heritage asset is utilised for office accommodation. If a significant portion of the heritage asset is utilised for administrative purposes, the asset is classified as property, plant and equipment under the Standard of GRAP on *Property, Plant and Equipment* (GRAP 17).

For purposes of classifying these non-financial assets, that are subject to impairment, either as cash-generating or non- cash generating, PMTE applied the following criteria:

- The purpose for which the asset is held;
- The intention to earn commercial (profit-making) return on the property;
- The ability to earn commercial return on the property; and
- The restrictions on the use of the property by PMTE.

The PMTE, as a trading entity of the DPWI, is accountable for these assets and needs to maintain these assets on behalf of national government. It cannot use these assets for any other purpose than to deliver on its mandate (consistent with GIAMA and the PFMA). The PMTE has to provide accommodation to other departments to enable them to deliver on their mandates. Where the PMTE does ask market related rent on property that is not utilised by other departments, it is not considered material and therefore all non-financial assets have been classified as non-cash generating for impairment purposes.

1.1.10 Principal - agent relationships

The PMTE's mandate is to manage the accommodation and infrastructure needs of national departments. Should the PMTE be unable to satisfy the accommodation needs of a particular client department through the use of state-owned property, the PMTE would lease the required property from a private landlord, on behalf of the client department, and for their beneficial occupation. Consideration was given as to whether the PMTE is acting as an agent on behalf of the client departments, as a result of carrying out these activities.

Management, however, is of the opinion that the decision making ability, the accountability, the credit risk and the value added processes all rest with the PMTE. This indicates that the PMTE is the principal with regards to the lease arrangement with the respective landlords.

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Client departments occupying properties are liable for the municipal services charges incurred in utilising those properties. The PMTE offers a service of paying the municipal service charges on behalf of the client departments and then recovering those costs directly from the client department. For this service, the PMTE charges a 5% management fee which is invoiced and recovered from the client department. The PMTE is acting as an agent with regards to the payment and recovery of these municipal service charges. The management fee for rendering this service is recognised as revenue for the PMTE.

The PMTE is using certain public entities to manage projects on its behalf and is liable to pay a management fee to these entities for the services delivered by them. In these arrangements, the PMTE still remains the principal and is still fully accountable for the work performed.

1.1 Significant judgement and sources of estimation uncertainty (continued)

1.1.11 Related party disclosure

The Standard of GRAP on Related Party disclosures (GRAP 20) provides exemption from detailed disclosures where those transactions are on:

- Normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the PMTE to have adopted, if dealing with that individual entity or person in the same circumstances; and
- Terms and conditions within the normal operating parameters established by our mandate.

In the absence of a pricing strategy for leases, judgement is made to determine the disclosures around related party transactions based on the nature of the transactions and the associated terms. In addition, many services have been rendered in-kind to the PMTE stemming from its relationship with the DPWI. Due to the nature of these transactions, where amounts could not be measured reliably, only a narrative disclosure is made. This is in line with the principle in the Standard of GRAP on Revenue from Non-exchange Transactions (GRAP 23) to not recognise certain services-in-kind where it cannot be measured reliably. It is difficult to measure the value of these services and they are usually consumed within the period. Where amounts could be reliably measured, they have been recognised.

1.2 Receivables from exchange transactions

Receivables from exchange transactions are recognised when exchange revenue is due to the PMTE through legislation (statutory receivables) or in accordance with an agreement (financial assets). Refer to note 1.16 and 1.17 respectively.

1.3 Receivables from non-exchange transactions

Receivables from non-exchange transactions are recognised when non-exchange revenue is due to the PMTE through legislation (statutory receivables) or in accordance with an agreement (financial assets). Refer to note 1.16 and 1.17 respectively.

1.4 Leases

The PMTE classifies lease agreements in accordance with risk and rewards incidental to

ownership. The lease is classified as a finance lease where:

(a) the lessor transfers substantially all the risks and rewards to the lessee;
(b) the lease transfers ownership of the asset to the lessee by the end of the lease term;
(c) the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
(d) the lease term is for the major part of the economic life of the asset even if title is not transferred;
(e) at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
(f) the leased assets are of a such a specialised nature that only the lessee can use them without major modifications.
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All other leases are classified as operating leases

Finance leases - PMTE as a lessee

Where the PMTE has assessed itself to be a lessee to a finance lease arrangement, it recognises a finance lease liability and a related leasehold asset, which would be disclosed as part of property plant and equipment. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The PMTE recognises finance lease liabilities resulting from finance leases as a liability in the Statement of Financial Position. Minimum lease payments is apportioned between the finance charge and the reduction of the outstanding liability. Such liabilities are presented as a payable at an amount equal to the net obligation of the lease. Interest expense is recognised based on the interest rate implicit in the finance lease. Where the fair value of the assets are not available to determine the implicit interest rate in the lease, the PMTE uses the rate applicable to debt owed by the state. The liability is recognised at the lower of the fair value of the leased asset or the present value of the minimum lease payments.

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1.4 Leases (continued)

Operating leases - PMTE as a lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term where the lease term exceeds one month; except where the terms and conditions have not been determined or are in the process of being re-negotiated. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. Lease revenue is presented as accommodation charges in the Statement of Financial Performance and notes to the financial statements. The PMTE recognised month-to-month leases as revenue from exchange transactions as and when the revenue is due.

Operating leases - PMTE as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term where the lease term exceeds one month; except where the terms and conditions have not been determined or are in the process of being re- negotiated. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease asset or liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.5 Freehold Accommodation

Leases Operating leases – PMTE as a lessor

Operating lease payments are recognised as an expense on a straight-line basis over the lease term where the lease term exceeds one month. In instances where NT approval does not split the cost elements, i.e. municipal property rate cost, future refurbishment reserve, maintenance/operating costs and PMTE cost is taken into consideration.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. Lease revenue is presented as accommodation charges in the Statement of Financial Performance and notes to the financial statements.

1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are classified as financial instruments (refer to note 6).

1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, strategic or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

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- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses, except for assets under construction, land and heritage assets, these are subsequently measured at cost less accumulated impairment losses. Land is not depreciated.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

1.7 Property, plant and equipment (continued)

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment. Major inspection costs which are a condition of the continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Heritage assets assessed as having a dual function of being a heritage asset and providing accommodation services are recognised as property, plant and equipment, if a significant portion of the heritage asset is utilised for office accommodation. Refer to note 1.9 for the accounting policy for other heritage assets.

With the exception of assets acquired through the transfer of functions under common control which is measured at deemed cost as the carrying value at the date of transfer, where property, plant and equipment is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset only when it is probable that the future economic or service potential benefit associated with that item will flow to the PMTE and the cost thereof can be reliably measured.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. These components are depreciated separately.

Depreciation is calculated on a straight-line basis over the expected useful lives of each item. Depreciation is charged to the surplus or deficit, unless it is included in the carrying amount of another asset. Depreciation commences on an asset when it is in the condition necessary for it to be capable of operating in a manner intended by management.

Assets under construction are ready for their intended use once a completion certificate or occupational certificate has been issued. At this point depreciation will commence.

The useful life, depreciation method and a residual value for property, plant and equipment are reviewed annually. Any changes are recognised as a change in accounting estimates and included in depreciation.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Building and improvements (including components)	
• Low rise buildings (up to 4 floors)	12 - 50 years
• High rise buildings (more than 4 floors)	40 - 80 years
• Warehouse / garage / storerooms	40 - 60 years
• Prisons	100 years
• Barracks	12 - 50 years
• Dwellings	40 - 60 years
• Temporary structures	30 years
• Roads, harbours and mines	12 - 35 years
• Boundary fences on vacant land	15 years
• Water and other infrastructure	20 - 60 years
• Airport runways	40 - 60 years

Notes to the Annual Financial Statements

• Dams and reservoirs	100 years
• Other	12 - 50 years
Land	indefinite useful lives
Furniture and office equipment	5 - 15 years
Vehicles	5 - 10 years
Computer equipment	3 - 15 years
Other machinery and equipment	10 - 30 years

The PMTE assesses annually at each statutory reporting date whether there is any indication that an asset may be impaired. If such indication exists, the PMTE estimates the recoverable service amount or recoverable amount for non-cash- generating and cash generating assets respectively. An impairment loss is recognised where the carrying amount exceeds the asset's recoverable service amount or recoverable amount as applicable.

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1.7 Property, plant and equipment (continued)

The PMTE assesses annually at each statutory reporting date whether there is any indication that an impairment loss recognised in prior period for an asset may no longer exist or may have decreased. If such indication exists, the PMTE estimates the recoverable service amount or recoverable amount of that asset. Any impairment loss recognised in prior periods for an asset is only reversed if there has been a change in the estimated use to determine the asset's recoverable service amount since the last impairment loss was recognised. Reversals of impairment is limited to the carrying amount of the asset had no impairment been recognised for the asset in prior periods.

Impairment losses and reversals of impairment losses are recognised in the surplus or deficit in the period in which the event occurs.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. If a component is replaced, the carrying amount of the existing component is derecognised and the value of the new component is recognised.

The PMTE is not allowed to dispose of or transfer immovable assets under its custodianship unless approved by the Minister of Public Works and Infrastructure or his delegated official, considering the restriction of the State and Land Disposal Act (Act No. 48 of 1961).

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.8 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost, including transaction costs. Investment property is subsequently carried at cost less accumulated depreciation and any accumulated impairment losses, except for land. Land is not depreciated.

With the exception of assets acquired through a transfer of functions under common control which is measured at carrying amount, where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Depreciation is calculated on a straight line basis over the expected useful lives of each item. Depreciation is charged to surplus or deficit. Depreciation commences on assets when they are in the condition necessary for them to be capable of operating in the manner intended by management. Depreciation ceases when the asset is disposed.

Item	Useful life
Land	indefinite

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Buildings and improvements	12 - 100 years

Refer to note 1.7 for a detailed breakdown of the useful lives of the building and improvements.

Assets under construction are ready for their intended use once a practical completion certificate or occupational certificate has been issued. At this point depreciation will commence.

The useful life, depreciation method and residual value for investment property are reviewed annually. Any changes are recognised prospectively as changes in accounting estimates in surplus or deficit.

Impairment and reversals of impairment are recognised in surplus or deficit in the period in which the event occurs.

1.8 Investment property (continued)

The PMTE is not allowed to dispose of or transfer immovable assets under its custodianship unless approved by the Minister of Public Works and Infrastructure or his delegated official, considering the restriction in the State and Land Disposal Act (Act No. 48 of 1961).

Items of investment property assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

Gains and losses on the derecognition of investment properties, including impairment and impairment reversals, are treated similarly to gains and losses for property, plant and equipment (refer to note 1.7).

1.9 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

PMTE recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

Heritage assets are measured at cost.

With the exception of assets acquired through the transfer of functions under common control which is measured at deemed cost, where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Heritage assets assessed as having a dual function, of which a significant portion is held for the provision of accommodation or administrative purposes, are recognised and disclosed as property, plant and equipment.

The cost of an item of heritage assets is the purchase price and other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Heritage assets that cannot be reliably measured are not recognised, but relevant information about these assets are disclosed in the notes, if applicable. Any costs incurred subsequently shall be recognised in surplus or deficit as incurred.

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Heritage assets are not depreciated as they are regarded as having an indefinite useful life but are annually assessed for impairment. If any such indication exists, the PMTE estimates the recoverable amount or the recoverable service amount of the heritage asset.

An impairment loss is recognised where the carrying amount exceeds the recoverable service amount for non-cash generating assets. Impairment losses and reversals of impairment are recognised in surplus or deficit in the period when the event occurs.

PMTE derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.

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1.10 Intangible assets

The PMTE recognises intangible asset when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Where the PMTE acquires the rights to use an asset, other than exercising its rights through legislation, it classifies these as intangible assets.

Notes to the Annual Financial Statements

1.10 Intangible assets (continued)

With the exception of assets acquired through the transfer of functions under common control which is measured at carrying amount, where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are initially recognised at cost and subsequently carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period, the amortisation method and the residual values of the intangible assets with finite useful lives are reviewed annually. Intangible assets with indefinite useful lives are tested annually for impairment. Any changes are recognised as a change in accounting estimate in surplus or deficit.

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of the intangible assets, unless such useful lives are indefinite. Amortisation commences on the asset when they are in the condition necessary for them to be capable of operating in a manner intended by management.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	1 - 5 years

Items of intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

Impairments and reversals of impairments are recognised in surplus or deficit in the period that the event occurs. Losses or gains on impairments and impairment reversals are treated similarly to gains and losses for property, plant and equipment (refer to note 1.7).

1.11 Payables from exchange transactions

The PMTE recognises payables from exchange transactions where liabilities result from counter performance by respective parties as a result of exchange transactions.

Payables from exchange transactions are initially measured at fair value. Where the outflow is expected to be cash or another financial asset, the payable is classified as a financial liability.

The PMTE recognises in payables an amount for accruals where an estimate is made of the amounts due for goods or services that have been received or supplied, but an invoice or formal request for payment has not been received at the reporting date as well as outstanding invoices.

1.12 Employee benefits

Short-term employee benefits

The PMTE recognises an undiscounted amount of short-term benefits due to employees in exchange for the rendering of services by employees as follows:

- As a liability in cases where the amounts have not yet been paid.

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- Where the amount paid exceeds the undiscounted amount of the benefits due, the PMTE recognises the excess as an asset to the extent that the overpayment will lead to a reduction of future payments or a cash refund.
- As an expense, unless the PMTE uses the services of employees in the construction of an asset and the benefits received meet the recognition criteria of an asset, at which stage it is included as part of the cost of the related property, plant and equipment, investment property or intangible asset item.

Leave benefits

The PMTE recognises the expected cost of short-term employee benefits in surplus or deficit, in the form of compensated absences (paid leave) when the employees render services that increase their entitlement to leave benefits.

1.12 Employee benefits (continued)

The expected cost of accumulating leave benefits is measured as the additional amount that the PMTE expects to incur as a result of the unused entitlement that has accumulated at the reporting date.

Performance and service bonuses

The PMTE recognises the expected cost of performance or service bonus payments where there is a present legal or constructive obligation to make these payments as a result of past events and a reliable estimate of the obligation can be made. A liability for service bonus is accrued on a proportionate basis as services are rendered. A liability for performance bonus, which is based on the employee's performance in the applicable year, is raised on the estimated amount payable in terms of the incentive schemes. The PMTE considers the present obligation to exist when it has no realistic alternative but to make the payments related to performance bonuses.

Retirement and medical benefits

All permanent employees are members of the Government Employees Pension Fund (GEPF), which is a defined benefit plan. Employees are contributing 7.5% of their pensionable salary towards the fund on a monthly basis. PMTE contributes a further 13% to the fund on behalf of the employees. Obligations are limited to the contributions made and any shortfall in the GEPF is made good by the State, therefore the PMTE accounts for the fund as a defined contribution plan. Payments are charged as an expense to employee cost in surplus or deficit in the same year as the related services is provided.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

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The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Long service awards

The PMTE recognises the expected cost of short-term employee benefits in surplus or deficit, in the form of long service awards, when the employees render services for a period that entitles them to long service award benefits as prescribed by DPSA policies.

1.13 Retention liabilities

A retention liability is recognised as a financial liability where monies due to a contractor are withheld for a set period of time during which the PMTE has an enforceable right to have defects remedied by the contractor. The measurement of the retention liability is the same as payables from exchange transactions which have been classified as financial liabilities. The liability is derecognised when the liability is settled or when the contractor defaults and is not entitled to settlement.

1.14 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- 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 can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date, discounted to present value where the time value of money is expected to be material.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Provisions where the timing of the outflow is uncertain is classified as current liabilities.

Contingent assets are disclosed where the PMTE has a probable inflow of resources but the inflow did not meet the recognition criteria of an asset. Contingent liabilities are disclosed where a liability is subject to an uncertain event or the outflow is only assessed to be possible.

Contingent assets and contingent liabilities have been based on the best estimate available at the time of preparing the financial statements.

Contingent liabilities relating to litigations have been based on the assessment of the estimated claim against the PMTE as at the end of the reporting period. Contingent liabilities on retentions, leases, unscheduled maintenance and municipal rates and services are based on management's calculations of the possible inflows/outflows expected to be settled.

1.15 Reserves

The PMTE's reserves are made up of accumulated surplus.

Accumulated surplus is mainly built up to ensure adequate rehabilitation and maintenance of state owned infrastructure and future infrastructure development.

Notes to the Annual Financial Statements

1.16 Statutory receivables and payables, Classification, recognition and measurement

Statutory receivables and payables arise from the right to receive cash or make payments in terms of legislative requirements. The PMTE will recognise receivables when it obtains the right to receive assets in terms of legislation, at the amount determined in the legislation (i.e. transaction price), which is the fair value at initial recognition. Thereafter the receivable will be assessed for impairment.

Payables arising from legislatory requirements are measured at the amount determined in legislation (i.e.

transaction price). Statutory receivables and payables are not discounted.

Impairment of receivables measured at cost

At each end of the reporting period, the PMTE assesses all receivables to determine whether there is objective evidence that the asset or group of assets have been impaired. The inability to redeem amounts due based on the payment history is considered to be indicators of impairment.

If there is objective evidence that an impairment loss on receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, excluding future credit losses not yet incurred. Impairment loss on receivables is impaired directly to the receivables. Receivables at cost are discounted at a risk free rate adjusted for the risk associated with the debt. Impairment losses are recognised in surplus or deficit as expenses.

Impairment losses are reversed when an increase in the receivable's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed does not exceed the carrying amount that would have been recognised had the impairment not been recognised. The amount of the reversal is recognised in surplus or deficit.

1.17 Financial instruments

Classification, recognition and measurement

The PMTE recognises a financial asset or a financial liability when it becomes a party to the contractual arrangement in the instrument.

The PMTE recognises financial assets using trade date accounting.

The PMTE does not offset a financial asset and a financial liability unless a legally enforceable right to offset the recognised amounts currently exists and the PMTE intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Interest relating to a financial instrument or a component of a financial instrument is recognised as revenue or expense in surplus or deficit.

The PMTE's financial instruments consists only of cash and cash equivalents, including the bank overdraft and non-derivative instruments such as leases, receivables and payables with no or minimal transaction costs.

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All financial instruments are initially measured at fair value and subsequently at amortised cost using the effective interest method, except for leases (refer to note 1.4).

Transaction costs in respect of financial instruments which are not at fair value through surplus or deficit are included in the initial measurement of the instrument.

Interest is charged on debt outstanding exceeding the normal credit terms at the rate applicable for debt owed to the State, except for debt owed by government institutions.

The effect of payment for short term receivables outstanding for longer than the 30 days is considered during the impairment assessment.

Impairment of assets

1.17 Financial instruments (continued)

The PMTE assesses at the end of each reporting period whether there is any objective evidence that a financial or non- financial asset or group of assets are impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). Impairment loss on receivables is accounted for directly to the receivables. Financial assets at amortised cost are discounted to the original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly to the receivable. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date of reversal. The amount of the reversal is recognised in surplus or deficit.

At the end of each reporting period the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets have been impaired.

Non-financial assets measured at cost:

Where the carrying amount of a non-financial asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit. In assessing the value in use, the PMTE has adopted the depreciated replacement cost approach.

For further details regarding impairment of property, plant and equipment, investment property, heritage assets and intangible assets, refer to note 1.7.

1.17 Financial instruments (continued) Derecognition

Financial assets

PMTE derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  a) derecognise the asset; and
  b) recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

Financial liabilities

PMTE derecognises a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on *Revenue from Non-exchange Transactio*ns.

1.18 Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Revenue earned from accommodation charges is classified as lease revenue (refer to note 1.4 for further details on recognition and measurement of lease revenue). Accommodation charges are measured based on:

- the cost of leasing in (in the case where property is leased in from the private sector);
- the budget devolution as agreed upon with the client departments (in the case of state owned accommodation leased to client departments);
- approved accommodation charge in consultation with National Treasury for state accommodation; or
- the market related rental (in the case of state owned accommodation leased to the private sector and individuals).

Accommodation charges disclosed in the financial statements consists of:

- Leasehold inter-governmental, which refers to lease revenue earned from assets which are owned by the private sector, which is then sub-leased to client departments;
- Freehold inter-governmental, which refers to lease revenue from state owned assets leased to client departments; and
- Freehold private, which refers to lease revenue from state owned assets leased to the private sector and individuals

Revenue from construction contracts is classified as revenue from exchange transactions and recognised by reference to the stage of completion of the contract when the outcome of a construction contract can be estimated reliably. When the outcome of a construction contract cannot be estimated reliably, construction revenue is recognised to the extent of contract costs incurred that are likely to be recoverable in the period in which they are incurred. An expected loss on a contract is recognised immediately in the surplus or deficit in the period in which it was incurred. Refer to note 1.21 for further details.

Interest is recognised, in surplus or deficit, using the effective interest rate method. Interest is inter alia earned on advances provided on projects conducted by implementing agents and outstanding debt.

The PMTE pays municipal services on behalf of the client departments and earns 5% management fee on the value of the invoice. The management fee earned is recognised as revenue from exchange transactions in the surplus or deficit. Any amounts owed or overpaid on the management fee is recognised either as a receivable or payable from the exchange transactions as appropriate.

Other revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue will be recognised in the surplus or deficit when it becomes due to the PMTE. Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts and volume rebate.

1.19 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

The PMTE recognises the inflow of resources from a non-exchange transaction as revenue when it controls the asset, except in cases where a liability or equity is recognised in respect of that inflow. These liabilities are classified as payables from non- exchange transactions until the conditions relating to the revenue has been satisfied. Revenue from non-exchange transactions is measured initially at fair value.

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Transfer payments received from the DPWI in order to fund operations and manage properties under the custodianship of DPWI, are referred to as augmentation and is classified as revenue from non-exchange transactions.

Revenue earned from freehold prestige accommodation charges is classified as lease revenue. Freehold prestige accommodation charges are recognised based on the reduced market related rental as per the ministerial handbook.

Where services are received in-kind and a reliable estimate can be made, the PMTE recognises the related revenue. In all other cases, the PMTE only discloses the nature of the transactions.

1.20 Expenditure

Expenditure is classified in accordance with the nature of the expenditure.

The PMTE recognises expenditure in surplus or deficit when a decrease in future economic benefits or service potential relates to a decrease in an asset or an increase in a liability, other than those relating to distributions to owners.

The PMTE recognises expenses immediately in surplus or deficit when no future economic benefits or service potential are expected or when and to the extent that, future economic benefits or service potential do not qualify or cease to qualify for recognition as an asset in the Statement of Financial Position.

The PMTE also recognises expenses in surplus or deficit in those cases when a liability is incurred without the recognition of an asset, for example, when a liability under a court ruling arises.

Interest expense is recognised as an expense in surplus or deficit in the period in which they are incurred, using the effective interest method.

1.21 Construction contracts and receivables

Expenditure incurred in respect of recoverable capital projects, where such project is executed on immovable assets which are not under our custodianship are classified as construction costs and recognised in the Statement of Financial Performance. An equivalent amount is then recognised in revenue on a full cost recovery basis and the related receivable is recognised when the amount becomes recoverable.

1.22 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset’s future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use. Useful life is either:

Notes to the Annual Financial Statements

(a) the period of time over which an asset is expected to be used by the entity; or
(b) the number of production or similar units expected to be obtained from the asset by the entity.

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follow:

1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Irregular, Fruitless and wasteful expenditure

Irregular, fruitless and wasteful expenditure, as defined by the PFMA, and material losses through criminal conduct is recognised as expenditure in the surplus or deficit according to the nature of the payment and disclosed separately in notes and 31. When an amount becomes recoverable, a receivable is recognised. Any receivables recognised as a result of irregular, fruitless and wasteful expenditure or material losses through criminal conduct, are subject to an annual impairment assessment.

1.25 Related parties

The PMTE is controlled through the DPWI at National Government level. Other than management and their close family, only parties within the national sphere of government and entities reporting to National Departments that are subject to common control, is considered related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. Management include officials like the Minister, the Minister's advisor, members of the Executive Committee (EXCO), chairpersons of significant committees, head of units and regional managers. Where the remuneration of management is not accounted for by the PMTE (as included in note 35), the remuneration is not included in the disclosure. This includes the remuneration of the Chief Financial Officer, the Director-General and the Minister of Public Works and Infrastructure. Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, management in their dealings with the entity.

Only transactions with related parties not at arms' length or not in the ordinary course of business are disclosed in note 35. Movable assets that have not been transferred specifically to the PMTE are not recognised by the PMTE but are recorded by the DPWI.

1.26 Budget information

The PMTE presents a comparison of budget amounts and actual amounts as a separate additional financial statement. The approved and final budget amounts are prepared on a modified cash basis. The budget is prepared based on the nature of the revenue and the expenditure. The actual amounts (prepared on an accrual basis) are adjusted for basis differences for comparability purposes.

The PMTE budgets for revenue including the transfer payment received through the DPWI. The PMTE budget is part of the overall DPWI vote.

1.27 Commitments

Items are classified as commitments when the PMTE has committed itself to future transactions that will normally result in the outflow of cash. The current year's estimates are based on unrecognised capital and maintenance expenditure which has been approved and either contracted for or an order has been issued to the supplier relating to immovable assets.

See Notes: 7, 8, 9, 10 for additional disclosure. The PMTE also manages other projects on behalf of client departments which are not in respect of the PMTE's immovable assets. These agency commitments have been disclosed in note 33.

1.28 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
(b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.29 Going concern assumption

These annual financial statements have been prepared on the going concern basis. Refer to note 37.

1.30 Comparative figures

Comparative figures have been adjusted to correct errors identified in the current year but relating to prior years. The effect of the restatements are disclosed in note 36.

1.31 Deferred revenue

The PMTE recognises an amount for deferred revenue where the leasing revenue (accommodation charges - freehold inter- governmental) recognised from client departments is deferred until the project is ready for use and capitalised under immovable assets.

1.32 Transfer of functions between entities under common control

The transfer of functions from entities under common control are accounted for by the PMTE by recognising the assets acquired and liabilities assumed at the carrying amount measured in accordance with the Standards of GRAP. The difference between the assets and liabilities is recognised in accumulated surplus or deficit.

The PMTE acquired the following functions and the related assets and liabilities from the DPWI on 30 November 2013:

- Asset Investment Management
- Property Management
- Facilities Management
- Key Account Management
- Regional Finance Units

The transitional provisions for the recognition and measurement of this transfer expired on 31 March 2017.

The PMTE acquired the following functions and the related assets and liabilities from the DPWI on 30 March 2015:

- Inner City Regeneration
- Projects and Professional services
- Regional co-ordination
- Supply Chain Management
- Regional support and Regional Managers

Notes to the Annual Financial Statements

The transitional provisions for the recognition and measurement of this transfer expired on 31 March 2018

1.32 Entity-wide disclosure

The PMTE Operates within all geographical provinces with South Africa through its 11 regional offices and head office. Each Province has 1 Regional office each, except for Gauteng which has two physical regional offices plus head office and the Eastern Cape which has 2 regional offices. The Standard on Segmental Reporting (GRAP 18) requires an entity to disclose, where information is available without incurring excessive costs of disclosure, specified information relating to those said geographical areas as follows:

(a) external revenues from non-exchange transactions and external revenues from exchange transactions attributed to the geographical areas in which it operates;
(b) total expenditure attributed to the geographical areas; and
(c) non-current assets2 other than financial instruments, deferred tax assets (where applicable), post-employment benefit assets, and rights arising under insurance contracts for the geographical areas.

The PMTE has assessed the availability of such information and the information is only available at geographical area in respect of expenditure. Within the expenditure attributed to each geographical area, where the expenditure is inextricably linked with an item of evenue or non-current assets where it is impracticable to allocate per geographical area, then such expenditure has been allocated to the head office. This includes Impairment losses, depreciation on immovable properties and straight lining of operating leases.

The costs to develop reports and interfaces to meet the remainder of the requirements of the entity-wide disclosure of GRAP 18 is deemed to be excessive.

Notes to the Annual Financial Statements

2. Standards of GRAP issued but not yet effective

2.1 Standard and Interpretation effective and adopted in the current year

The PMTE has not early adopted standards and interpretations as there are no mandatory changes on the standard.

Standard/ Interpretation:

2.2 Standards and Interpretation issued, but not yet effective

The PMTE has not applied the standards below which have been approved but not yet effective. The adoption of this Standard is not expected to have an impact on the results of the PMTE, but may result in more disclosure than is currently provided in the financial statements.

Standard/ Interpretation:

- Amendments to GRAP 1	No effective date
- GRAP 103 on Heritage Asset (revised)	No effective date
- GRAP 104 on Financial Instrument (revised)	Effective on 1 April 2025

	2024 R'000	2023 R'000

3. Receivables from exchange transactions

Financial assets		
Accommodation debtors - leasehold inter-governmental	771 616	208 520
Accommodation debtors - freehold inter-governmental	277 185	242 141
Accommodation debtors - freehold private	39 048	50 412
Municipal services	1 138 299	349 600
Staff and Supplier debtors	101 631	96 967
Revenue accrual - recoverable leases	214 587	61 831
Revenue accrual - recoverable municipal services	347 415	404 054
Revenue accrual - recoverable projects	363 034	320 482
Municipal deposits	23 419	22 842
Implementing agents	39 452	55 818
Other receivables	2 287	992
Recoverable property rates *	-	-
	3 317 973	**1 813 659**
Non-financial assets		
Prepaid expenses - implementing agents	441 257	511 795
Prepaid expenses - leases	140 739	216 742
Prepaid expenses - other	25 776	78 365
Prepaid expenses - municipal services	123 336	90 837
Creditors with debit balances	230 520	219 812
	961 628	**1 117 551**
	4 279 601	**2 931 210**

The R4.3 billion Receivables from exchange reflected above (2023: R2.9 billion) is the rand value after taking into account the impairment values of R11 billion (2023: R9 billion).

The applicable interest rate charged on outstanding receivables for the period is 11,75% (2023: 10,75%). Some staff debtors are interest free.

Revenue accruals relates to services rendered to our clients but not yet invoiced.

Included in the prepaid expenses are contractual advances to other government entities which are implementing agents of the PMTE. Interest earned on these advances is included in implementing agents under financial assets above at an average effective interest rate of 3.7% (2023: 2.7%).

*The gross amount for recoverable property rates amounts to R77 million (2023: R60 million). The full amount is impaired as it relates to amounts not yet invoiced to client departments and third parties and are likely not to be recovered.

The following are implementing agents that make-up the Prepaid expense-implementing agents:

Implementing Agent - Assets	2024	2023
COEGA	75 153	75 531
DBSA	302 046	288 130
GTAC	23 642	95 942
IDT	40 416	52 192
	441 257	**511 795**

	2024	2023
	R'000	R'000

3. Receivables from exchange transactions (continued)

The PMTE has signed Memorandums of Understanding with the following implementing agents:

- COEGA
- DBSA
- IDT
- GTAC

In all these MOU's, the PMTE is deemed to be the principal and the primary objective of these agreements are such that the implementing agents will execute both Capex and Opex construction projects on behalf of the PMTE. Except for GTAC MOU, the implementing agents are entitled to receive management fees. In a few limited projects, the underlying project was not construction in nature, but more of a consultative and service in nature.

As part of the respective MOU's the COEGA, IDT and DBSA have separate bank accounts in which all PMTE projects are managed. The PMTE is then entitled to all the interest earned in these ring-fenced bank accounts. Any changes to the scope or other forms of variation at project level are administered in line with the applicable PMTE Variation Order Committee process, any amendments to the MOU's must be approved in writing by both parties and no such amendments occurred during the 2023/24 financial year.

An amount of R69 Million was earned by implementing agents for management fees for the 2023/24 financial year. No principal/agents arrangements were terminated for the 2023/24 financial year.

Receivables past due but not impaired

Trade and other receivables which are less than 30 days past due are not considered to be impaired. At 31 March 2024, R263 million (2023: R1 831 million) were past due but not impaired.

	2024	2023
	-	-
1 month past due	57 834	39 384
2 months past due	5 188	7 721
3 months to 3 years past due	87 587	1 734 947
Over 3 years past due	112 781	49 275
	263 390	**1 831 327**

Reconciliation of provision for impairment of trade and other receivables

	2024	2023
Opening balance	9 244 020	7 968 073
Provision for Impairment raised during the year	1 565 974	1 805 656
Reversal of Impairment	(108 299)	(488 037)
Provision adjustment	(38 986)	(41 672)
Closing balance	**10 662 709**	**9 244 020**

Individually significant receivables that are impaired

Individually significant receivables are identified if the specific receivable's outstanding balance exceeds 5% of the total outstanding balance for the class of receivable. The factors to identify impairment are similar to the group assessment for impairment. The analysis below shows the total accumulated impairment from individually significant receivables, as a percentage of the gross receivable balance per class of receivable:

	2024 %	2023 %
Accommodation debtors - freehold inter-governmental	91	88
Accommodation debtors - leasehold inter-governmental	59	78
Accommodation debtors - freehold private	78	83
Municipal services	85	90
Recoverable property rates	100	100

	2024 R'000	2023 R'000

4. Receivables from non-exchange transactions

Accommodation debtors - freehold prestige	746	982

Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	8 449	7 851
Provision for impairment raised during the year	900	598
Closing balance	**9 349**	**8 449**

The R746 thousand Receivables from non exchange reflected above (2023: R982 thousand) is the rand value after taking into account the impairment values of R9 million (2023: R8 million).

Certain properties are leased to prestige clients. According to the ministerial handbook, prestige officials receive one state owned residence at no charge. If available, prestige officials may occupy a second state owned residence which is charged at a reduced rental as prescribed.

5. Operating lease asset (accrual)

	Note	2024 R'000	2023 R'000
Current assets	5.1	425 886	471 867
Current liabilities (PMTE as lessee)	5.5	(422 736)	(458 860)
		3 150	**13 007**

5.1 Total operating lease asset - PMTE as lessor

Leasehold inter-governmental	416 722	456 468
Freehold private	4 792	8 957
Freehold inter-governmental	4 372	6 442
	425 886	**471 867**

5.2 Total minimum lease receipts - PMTE as Lessor :
Leasehold Inter-governmental

Within one year	3 021 680	3 066 571
In second to fifth year inclusive	4 501 762	4 728 913
Later than five years	292 929	534 740
	7 816 371	**8 330 224**

5.3 Total minimum lease receipts - PMTE as lessor : Freehold private

Within one year	7 879	12 970
In second to fifth year inclusive	13 435	20 122
Later than five years	5 977	4 252
	27 291	**37 344**

5.4 Total minimum lease receipts - PMTE as lessor : Freehold Inter-governmental

Within one year	**332 309**	**374 186**
In second to fifth year inclusive	**1 373 418**	**1 373 418**
Later than five years	**635 080**	**967 389**
	2 340 807	**2 714 993**

	2024	2023
	R'000	R'000

5. Operating lease asset (accrual) (continued)

Leasehold inter-governmental

Based on the nature of leases that are running on a month-to-month and open-ended basis, the related leasehold commitment, is based on the contractually agreed upon notice period. The said amounts have been included in the "within one year" ageing bracket. The inter-governmental operating leases are sub-lease agreements with various client departments and are on the same terms as those applicable to the lease agreements entered into with the landlords on leasehold property. As a result of the month-to-month and open-ended leasehold commitments included in note below, the equal and opposite amount is included in the PMTE leases above.

Freehold private

The disclosure of the minimum lease payments above relates to state owned properties that are leased out to private parties (accommodation debtor - freehold private).

Freehold accommodation charges

Lease commitments on freehold accommodation charges is based on minimum rental over the lease period where the escalation rate over the period is not indicated in the lease agreement.

	2024 R'000	2023 R'000

5. Operating lease asset (accrual) (continued)

5.5 Total operating lease liabilities - PMTE as lessee		
Operating lease liabilities - leasehold inter-governmental	**422 736**	**458 860**
Total minimum lease payments - PMTE as lessee		
Within one year	3 106 340	3 108 031
In second to fifth year inclusive	4 693 604	4 764 967
Later than five years	375 525	534 741
	8 175 469	**8 407 739**

The PMTE has 2134 leases of which 1806 have not expired included in the current private leasing portfolio (2023: 2 110 leases of which 1 800 have not expired). The leasehold commitments reflected above have been determined based on the terms and conditions of the relevant lease agreements. Based on the nature of leases that are running on a month-to-month and open-ended basis, the related leasehold commitment, at financial reporting date, is determined taking into account the contractually agreed upon notice period. These amounts have been included as part of the “within one year” ageing bracket.

6. Cash and cash equivalents

	2024 R'000	2023 R'000
Cash and cash equivalents consist of:		
Cash on hand	267	260
Bank balance	7 820	22 380
Cash and cash equivalents	8 087	22 640
Bank overdraft	(3 685 717)	(1 922 100)
	(3 677 630)	**(1 899 460)**

The bank balance held in the bank is with ABSA Limited.The interest rate on the bank balance is variable. The average effective interest rate on short term bank deposits is 6.71% (2023 : 4,63%).

The bank overdraft is a Pay-Master-General account directly linked to National Treasury and carries interest at 0%.

7. Property, plant and equipment

	2024			Restated 2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
	R '000	R '000	R '000	R '000	R '000	R '000
Land	32 750 932	-	32 750 932	32 697 914	-	32 697 914
Buildings and improvements	118 741 116	(28 400 000)	90 341 116	116 507 775	(24 999 139)	91 508 636
Furniture and office equipment	115 846	(62 270)	53 576	110 720	(57 851)	52 869
Computer equipment	313 353	(209 166)	104 187	310 326	(198 157)	112 169
Other machinery and equipment	91 123	(47 363)	43 760	98 314	(41 728)	56 586
Total	**152 012 370**	**(28 718 799)**	**123 293 571**	**149 725 049**	**(25 296 875)**	**124 428 174**

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance R '000	Additions R '000	Disposals R '000	Transfers in R '000	Transfers out R '000	Depreciation R '000	Impairment loss R '000	Total R '000
Land	32 697 914	38 169	(32 231)	47 080	-	-	-	32 750 932
Buildings and improvements	91 508 636	2 233 351	(9)	-	-	(3 059 576)	(341 286)	90 341 116
Furniture and office equipment	52 869	5 656	(773)	2 483	(1 280)	(5 379)	-	53 576
Computer equipment	112 169	27 796	(2 350)	10 997	(5 695)	(38 730)	-	104 187
Other machinery and equipment	56 586	2 298	(999)	3 676	(9 448)	(8 353)	-	43 760
	124 428 174	**2 307 270**	**(36 362)**	**64 236**	**(16 423)**	**(3 112 038)**	**(341 286)**	**123 293 571**

Reconciliation of property, plant and equipment - 2023

	Opening balance R '000	Additions R '000	Disposals R '000	Transfers in R '000	Transfers out R '000	Other changes, movements R '000	Depreciation R '000	Impairment loss R '000	Total R '000
Land	32 810 820	-	(188 516)	75 610	-	-	-	-	32 697 914
Buildings and improvements	91 822 340	2 628 581	(69)	-	-	-	(2 904 887)	(37 329)	91 508 636
Furniture and office equipment	47 760	16 125	-	-	(1 218)	-	(9 798)	-	52 869
Computer equipment	119 436	27 206	-	-	(111)	-	(34 362)	-	112 169
Other machinery and equipment	39 479	23 398	-	-	-	-	(6 291)	-	56 586
	124 839 835	**2 695 310**	**(188 585)**	**75610**	**(1 329)**	**-**	**(2 955 338)**	**(37 329)**	**124 428 174**

PMTE received a list of 49 completed projects valued at approximately R25 million from SAPS for the 2023/24 financial year on 11 June 2024. The projects have not been disclosed in the AFS due to non-compliance of the transfer with section 42 of PFMA. The submission was not accompanied by a signed transfer certificate from the SAPS accounting office.

7. Property, plant and equipment (continued)

Assets under construction

Additional disclosure relating to assets under construction is included in the reconciliation above	Carrying value of projects significantly delayed R'000	Carrying value of projects R'000
2024		
Building and improvements	3 144 577	9 425 009
2023		-
Building and improvements	3 146 040	10 762 461

Reasons for construction projects significantly delayed are mainly due to poor contractor performance. Projects that has surpassed the practical completion stage and are at their final completion stage are not regarded as significantly delayed.

	2024	2023
Assets subject to finance lease (Net carrying amount)	R'000	R'000
Furniture and office equipment	23 122	20 541

Refer to note 14 for further details regarding the commitments for finance leased asset.

Change in Accounting Estimate

The useful lives of assets are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate. The effect of the change in accounting estimate is disclosed for the current period only and no disclosures are made for future periods. The impact of the change in estimate is an increase in depreciation expense for the current year of R53 million

There is no intention to dispose of the PMTE buildings and improvements. It is expected that the assets will be recovered through use for the foreseeable future. This makes it impracticable to calculate the future impact on depreciation.

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Figures in Rand

Contractual commitments for acquisition and maintenance of Property, plant and equipment	Committed for acquisition (CAPEX)	Committed for maintenance (OPEX)	Total Commitment
2024			
Building and improvement	5 358 067	2 424 572	7 782 639
2023	-	-	-
Building and improvement	6 087 925	1 878 115	7 966 040

Figures in Rand

8. Investment property

	2024			Restated 2023		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	Carrying value	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Land	255 208	-	255 208	254 413	-	254 413
Building and improvements	172 224	(51 345)	120 879	168 076	(45 863)	122 213
Total	**427 432**	**(51 345)**	**376 087**	**422 489**	**(45 863)**	**374 626**

Reconciliation of investment property - 2024

	Opening balance	**Additions**	**Disposals**	**Impairments**	**Depreciation**	**Total**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Land	254 413	952	(157)	-	-	255 208
Building and improvements	122 213	4 148	-	-	(5 482)	120 879
	376 626	**5 100**	**(157)**	**-**	**(5 482)**	**376 087**

Reconciliation of investment property - 2023

	Opening balance	**Disposals**	**Impairments**	**Depreciation**	**Total**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**
Land	254 413	-		-	2554 413
Building and improvements	127 601	53		(5 450)	122 213
	382 023	**53**		**(5 450)**	**376 626**

Notes to the Annual Financial Statements

Figures in Rand

Amounts recognised in Statement of Financial Performance relating to Investment Property

	2024			2023		
	Revenue generating R'000	Non-revenue generating R'000	Total R'000	Revenue generating R'000	Non-revenue generating R'000	Total R'000
Cleaning and gardening	-	-	-	12	-	12
Security	1 113	4 629	5 742	734	5 182	5 916
Property rates	2 694	2 378	5 072	2 881	1 860	4 741
Municipal services	2 323	4 733	7 056	1 435	1 589	3 024
Maintenance	580	66	646	180	-	180
Depreciation	2 358	1 961	4 319	2 385	1 965	4 350
Total direct expenses	9 068	13 767	22 835	7 627	10 596	18 223
Revenue from exchange (Freehold private)	85 721	-	85 721	61 918	-	61 918
Total deficit on investment property	**76 653**	**(13 767)**	**62 886**	**54 291**	**(10 596)**	**43 695**

8. Investment property (continued) Change in Accounting Estimate

The useful lives of assets are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate. The effect of the change in accounting estimate is disclosed for the current period only and no disclosures are made for future periods. The impact of the change in estimate is an increase in depreciation expense for 2024 by R59 thousand.

There is no intention to dispose of the PMTE buildings and improvements. It is expected that the assets will be recovered through use for the foreseeable future. This makes it impracticable to calculate the future impact on depreciation.

9. Heritage assets

	2024			Restated 2023		
	Cost / Valuation	Accumulated **impairment losses**	Carrying value	Cost / **Valuation**	**Accumulated impairment losses**	**Carrying value**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Land	28 385 575	-	28 385 575	28 380 656	-	28 380 656
Building and improvements	2 848 516	(26 232)	2 822 284	2 790 721	(25 183)	2 765 538
Total	**31 234 091**	**(26 232)**	**31 207 859**	**31 171 377**	**(25 183)**	**31 146 194**

Reconciliation of heritage assets - 2024

	Opening balance	Additions	Impairment losses recognised	Total
	R '000	R '000	R '000	R '000
Land	28 308 656	4 919	-	28 385 575
Building and improvements	2 765 538	57 795	(1 049)	2 822 284
	31 146 194	**62 714**	**(1 049)**	**31 207 859**

Reconciliation of heritage assets - 2023

	Opening balance	Additions	Disposals	Impairment losses recognised	Total
	R '000	R '000	R '000	R '000	R '000
Land	28 353 601	27 823	(768)	-	28 380 656
Building and improvements	2 746 801	19 006	-	(269)	2 765 538
	31 100 402	**46 829**	**(768)**	**(269)**	**31 146 194**
Land			28 346 069	4 919	28 378 043
Building and improvements			2 746 801	57 795	2 822 284
			31 092 870	**62 714**	**31 200 327**

Additional disclosure relating to assets under construction is included in the reconciliation above

	Carrying value of projects significantly delayed R'000	Carrying value of projectS R'000
2024		
Building and improvements	293 929	510 092
2023		
Building and improvements	287 090	530 253

Notes to the Annual Financial Statements

Restrictions on heritage assets

The PMTE is not allowed to dispose heritage assets under its custodianship.

	Committed for acquisition (CAPEX) R'000	Committed for maintenance (OPEX) R'000	Total commitment R'000
2024			
Buildings and improvements	25 630	-	25 630
2023			
Buildings and improvements	33 330	-	33 330

10. Intangible assets

	2024			Restated 2023		
	Cost / Valuation	**Accumulated amortisation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation and accumulated impairment**	**Carrying value**
	R '000	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Computer software	104 621	(38 295)	66 326	77 575	(21 870)	55 705

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Transfers in	Transfers out	Amortisation	Total
	R '000	R '000	R '000	R '000	R '000	R '000
Computer software	55 704	19 664	7 837	(60)	(16 819)	66 326

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Adjustments	Other changes, movements	Amortisation	Total
	R '000	R '000	R '000	R '000	R '000	R '000
Computer software	40 847	19 905	-	-	(5 048)	55 704

Additional disclosure relating to assets under development included in the reconciliation above	Carrying value of projects significantly delayed R'000	Carrying value of projects R'000
2024		
Computer software	29 233	29 233
2023		
Computer software	29 233	29 233

Reason for the project significantly delayed is due to poor contractor performance relating to the Archibus software development project.

Contractual commitments for acquisition and maintenance of intangible assets	Committed for acquisition (CAPEX) R'000	Committed for maintenance (OPEX) R'000	Total commitment R'000
2024			
Computer software	11 465	243	11 708
2023			
Computer software	13 732	318	14 050

Notes to the Annual Financial Statements

	2024 R'000	Restated 2023 R'000

11. Deferred revenue

	2024	2023
Current liability	3 281 640	4 260 911
Non-Current liability	3 122 260	2 709 303
	6 403 900	**6 970 214**

This relates to recoverable capital claims for projects that are under construction which will be deferred until the project is complete.

	2024	2023
Opening Balance	6 970 214	7 022 767
Plus: Revenue deferred during the year	1 205 314	1 045 868
Less: Revenue recognised during the year	(1 771 628)	(1 098 386)
	6 403 900	**6 970 214**

12. Payables from exchange transactions

	2024	2023
Financial liabilities		
Accrued expenses - CAPEX projects	735 723	878 689
Accrued expenses - Cleaning and gardening	24 553	22 031
Accrued expenses - Leases	82 719	105 844
Accrued expenses - OPEX projects	341 796	379 593
Accrued expenses - Municipal services	530 728	593 269
Accrued expenses - Other	220 726	108 764
Accrued expenses - Property rates	613 324	554 397
Accrued expenses - Scheduled maintenance	211 130	218 795
Accrued expenses - Security	21 466	25 211
Total accrued expenses	2 782 165	2 886 593
Unallocated deposits	6 971	2 406
Trade payables	304	11 937
Deposits received	54	52
Contract guarantees	190	190
	2 789 684	**2 901 178**
Non-financial liabilities		
Revenue claimed in advance - leases	153 782	291 041
Income received in advance - other services	158 075	136 506
Debtors with credit balances	846 778	816 934
Other payables	8 329	22 933
	1 166 964	1 267 414
	3 956 648	**4 168 592**

Included in accrual amount of Capex project, Opex project and Scheduled Maintenance are the amounts that relates to the following Implementing Agents.

	2024	Restated 2023
	R'000	R'000

12. Payables from exchange transactions (continued)

Implementing Agent		
COEGA	124 882	99 210
DBSA	177 961	211 548
IDT	56 539	43 838
	359 382	**354 596**

	2024	Restated 2023
	R'000	R'000

13. Retention liabilities

Non-current liabilities	27 775	30 580
Current liabilities	367 533	364 858
	395 308	**395 438**

Retention relates to a percentage of funds withheld by the Department as security to ensure that construction projects are completed

14. Finance lease obligation

Minimum lease payments due		
- within one year	6 188	6 453
- in second to fifth year inclusive	4 706	6 682
	10 894	13 135
Less: future finance charges	(871)	(1 099)
Present value of minimum lease payments	**10 023**	**12 036**
Present value of minimum lease payments due		
- within one year	5 562	5 752
- in second to fifth year inclusive	4 461	6 284
	10 023	**12 036**
Non-current liabilities	4 461	6 284
Current liabilities	5 562	5 752
	10 023	**12 036**

The finance lease liability relates to furniture and office equipment, whereby the PMTE takes ownership of the asset upon completion of the contract. These contracts are typically for a period of 36 months. These contracts have no escalation clauses.

15. Employee benefit obligations

Reconciliation - 2024	Opening balance	Utilised during the year	(Over)/under provided	Additions	Total
	R'000	R'000	R'000	R'000	R'000
Leave	132 359	(106 170)	(26 189)	138 260	138 260
Service bonus	47 926	(57 236)	9 310	52 774	52 774
Long service awards	5 097	(2 674)	(2 423)	4 558	4 558
	185 382	**(166 080)**	**(19 302)**	**195 592**	**195 592**

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Reconciliation - 2023	Opening balance	Utilised during the year	(Over)/under provided	Additions	Total
	R'000	R'000	R'000	R'000	R'000
Leave	155 119	(181 790)	26 671	132 359	132 359
Service bonus	46 049	(41 012)	(5 037)	47 926	47 926
Long service awards	5 105	(1 846)	(3 260)	5 098	5 097
	206 273	**(224 648)**	**18 374**	**185 383**	**185 382**

16. Provisions

Reconciliation of provisions - 2024	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in estimate	Total
Maintenance	324 009	186 405	(105 435)	(199 621)	846	206 204
Legal proceedings	56 665	83 915	(7 042)	(33 600)	-	99 938
	380 674	**270 320**	**(112 477)**	**(233 221)**	**846**	**306 142**

Reconciliation of provisions - 2023	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in estimate	Total
Maintenance	879 318	296 179	(84 793)	(741 383)	(25 312)	324 009
Legal proceedings	43 919	56 665	(20 434)	(23 485)	-	56 665
	923 237	**352 844**	**(105 227)**	**(764 868)**	**(25 312)**	**380 674**

Maintenance

The PMTE appoints contractors to perform repair and maintenance services for its properties. The amount above has been classified as a provision as there is a greater element of uncertainty regarding the amounts and the timing of the work performed. Management is in the process of engaging with contractors to provide all required documentation to validate invoices. Management has developed a model to estimate the obligation for the work performed by contractors (refer to 1.1.6).

The change in estimate relates mainly to the change in the estimated cost to adjust for inflation, as well as a change in the finalisation ratio to account for the possibility that calls can be cancelled after year end.

Legal proceedings

Provisions for legal proceedings consist of claims and litigations for services that have been delivered without an indication of the timing of settlement or the amount of settlement. The provision is based on the amounts confirmed by the legal advisors of the PMTE.

17. Revenue from exchange transactions

	2024 R'000	2023 R'000
Accommodation charges - Leasehold Inter-governmental	5 620 223	5 219 354
Accommodation charges - Freehold Inter-governmental	6 725 810	6 263 287
Accommodation charges - Freehold Private	85 721	61 918
Management fees on municipal services	180 450	186 241
Reversal of impairment loss for receivables from exchange transactions	108 299	488 037
Sundry revenue	82 224	197 636
Interest revenue	1 014 146	689 158
Recoveries	5 251	3 211
	13 822 124	**13 108 842**

Amount included in revenue from exchange transactions which is revenue exchange is as follows:
Interest revenue consists of:

Interest from receivables	999 449	658 637
Interest on bank balances	13	2 820
Interest on prepayment	14 684	27 701
	1 014 146	**689 158**

	2024 R'000	2023 R'000
18. Revenue from non-exchange transactions		
Augmentation	4 276 211	3 912 823
Goods and service in-kind	22 943	3 965
Donations revenue	52 950	103 436
Accommodation charges - Prestige	1 091	1 392
	4 353 195	**4 021 616**
19. Construction revenue and expenses		
Amount recognised in surplus		
Construction Revenue	51 520	91 651
Construction Expenses	(51 520)	(91 651)
Reconciliation		
Amount paid	25 046	130 467
WCS Accrual Movement	30 071	(32 702)
WCS Retentions Movements	(4 197)	(6 095)
Implementing Agents Accruals Movements	657	(265)
Implementing Agents Prepayments Movements	(57)	246
	51 520	**91 651**
20. Depreciation, amortisation and impairments of assets		
Property, plant and equipment	3 453 324	2 990 380
Investment property	5 482	5 450
Intangible assets	16 819	5 048
Heritage assets	1 049	269
	3 477 874	**3 001 171**
21. Employee related costs		
Basic salary and non-pensionable salary	1 579 041	1 498 186
Housing allowances	73 895	69 228
Medical aid contributions	133 238	121 850
Overtime	62 762	48 149
Pension fund contributions	167 413	156 318
Performance bonus	967	1 152
Service bonus	105 530	92 806
	2 122 846	**1 987 689**
22. Impairment loss on receivables		
Receivables from exchange transactions	1 565 973	1 805 655
Receivables from non-exchange transactions	900	598
	1 566 873	**1 806 253**

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23. Interest expense

Interest on overdue accounts	9	-
Interest on finance leases	971	726
	980	**726**

	2024 R'000	2023 R'000

24. Loss on disposal/transfer of assets

Property, plant and equipment	53 002	190 504

25. Operating lease

Operating lease - building and improvements	5 598 220	5 458 464
Operating lease - Fleet vehicles	38 993	9 052
Rent on land	37 635	37 205
	5 674 848	**5 504 721**

26. Property maintenance (contracted services)

Property maintenance expense relates to the following asset categories:		
Property, plant and equipment	2 379 218	2 104 171
Investment property	645	179
Heritage assets	25 634	33 350
Leased properties	13 309	12 525
	2 418 806	**2 150 225**

The property maintenance expense constitutes transactions with contractors for services rendered relating to repairs and maintenance on properties.

27. Sundry operating expenses

Advertising	5 079	912
Auditors remuneration	28 310	33 104
Bad debts written off	808	493
Bank charges	383	530
Bursaries	18 748	18 885
Claims against the state	38	3 909
Cleaning and gardening	386 247	342 034
Computer software related expenses	41 677	35 660
Communication expenses	12 036	13 093
Consulting fees	121 931	74 194
Consumables	50 724	45 802
Fleet expenses	5 548	4 621
Other losses incurred	81 092	118 352
Municipal service expenses	441 681	432 767
Other contractors	8 652	4 758
Other goods and services	25 452	22 944
Retirement awards	1 495	5 610
Security	263 924	225 088
Travel and subsistence	138 938	125 818
	1 632 763	**1 508 574**

Other Losses incured

Other losses incurred includes losses due to defaulting contractors and losses due to fraudulent payments as a result of breaches on SAGE (2021/22: R10m).

28. Cash generated from operations

	2024 R'000	2023 R'000
Deficit	(658 005)	(624 538)
Adjustments for:		
Depreciation, impairment and amortisation	3 477 874	3 001 193
Loss on disposal/transfer of assets	53 002	102 024
Interest expense	980	726
Impairment on receivables	1 566 873	1 806 253
Bad debt written off	808	493
Revenue from transfer of immovable assets	-	(122 278)
Reversal of impairment loss on receivables	(108 299)	(488 037)
Service in-kind revenue	(22 943)	(3 965)
Other losses incurred	41 558	71 324
Donations received	(52 950)	(103 245)
Revenue from transfer of immovable assets	(1 014 133)	(686 338)
Changes in working capital:		
Receivables from exchange transactions	(1 825 553)	578 203
Receivables from non-exchange transactions	(664)	106 571
Operating lease asset	45 981	5 597
Operating lease liability	(36 124)	(2 905)
Payables from exchange transactions	(279 853)	(1 802 544)
Provisions	(78 952)	(596 124)
Employee benefit obligations	10 210	(20 891)
Retention liabilities	(130)	(10 732)
Deferred revenue	(566 314)	122 278
	553 366	**1 333 065**

29. Budget differences

Reconciliation of budget to actual

Net cash flows from operating activities	553 366
Net cash flows from investing activities	(2 328 611)
Net cash flows from financing activities	(2 925)
	(1 778 170)
Cash deficit	(1 778 236)
Deficit for the year	(658 005)
Basis difference	**(2 436 241)**

The difference between the cash surplus per the Statement of Comparison of Budget and Actual Amounts and the Statements of Financial Performance relates to non-cash movements.

Explanations of material variances between actual amounts and final budgeted amount

Receipts

Accommodation charges - private leases

This is a recoverable budget where invoices are issued to Clients based on the leased accommodation they occupy. The variance was mainly due to invoices which were not fully paid by the Department of Defence and the Department of South African Police Services..

Accommodation charges – state owned and client projects

The variance on state owned accommodation was attributable to unpaid invoices by Client Departments. The main contributors of the unpaid invoices are Department of Defence R604million; South African Police Services, owing R105 million of the total unpaid invoices and Department of Environmental Affairs, owing R44 million.

Management fees on municipal services

The variance was attributable to disputes by the client on the payment of municipal services and the shared savings contracts. The management fee is linked to the municipal services and if those invoices are not paid, the management fee is also not recovered.

Municipal services recovered

Municipal services recovered is relating to the actual recoveries where the PMTE paid municipal services on behalf of clients. The budget amount is based on expected consumption and departments consumed less utilities. It also includes recoveries from client departments relating to the water and energy savings programme. The lower amount is attributable to the unpaid invoices; 95% of the outstanding amount is linked to invoices issued to Departments owing significant amounts, namely Correctional Services, Defence, South African Police Services and Justice and Constitutional Development

Expenditure Repairs

The Repair budget is based on the cash flow projection relating to the planned projects rolled-out of an extensive project

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portfolio. The under expenditure is attributable to the poor performance by the contractors and the extension of time on some of the projects. The other reason was the delay in finalizing some of the final accounts, this is mainly due to none or late submission of the final invoices by the contractors.

Municipal Services Recoverable

29. Budget differences (continued)

Although the function of payments for municipal services was devolved in 2006, the PMTE has been administrating these accounts on behalf of the Clients. This is being devolved in totality and will be phased out. The item is fully recoverable and only included for cash flow purposes. Municipal Services expenditure is based on actual consumption by Client departments and will fluctuate due to load shedding and saving initiatives implemented by Clients. The budget amount is only for cash flow projection purposes and cannot be seen as a underspending.

Admin Goods and Services

The budget spending on Goods and Services are closely related to the filling of positions and therefore all funding were not spent. Furthermore, funding was made available for several projects that were not activated in time to spend their allocated funding. Of note are the projects for the Immovable Asset Register as well as Operation Bring Back (OBB).

Compensation of employees

The reason for variation will be attributable to non-filling of vacancies due to the moratorium as implemented by National Treasury

Property rates

Property Rates budget is based on the rates that will be due to local municipalities based on the valuations of the assets on the PMTE's immovable asset register, it is divided into Arrears and Current Rates. The under expenditure are attributable to the Property Rates invoices which could not be paid before the end of the financial year due the late submission of the invoices.

Capital recoverable expenditure (Client Capital)

As the projects are recoverable, the PMTE has to request approval from the client departments before tenders are advertised, when recommended bids are higher than the estimate and every time there is an increase in the cost of the project. Delays in client responses was a major cause of under-expenditure. Clients are expected to sign-off on their available allocations before the start of the financial year, but some Clients only make the allocations available during the first quarter of the financial year. This leads to further delays and under-expenditure as projects cannot be placed on the Procurement Plan before approval of the budget. Further delays are experiences on site by defaulting contractors and other contractors not delivering in accordance with the projected project expenditure.

Capital non-recoverable expenditure

The under expenditure is attributable to the poor performance by the contractors and the extension of time on some of the projects. The other reason was the delay in finalizing some of the final accounts, this is mainly due to none or late submission of the final invoices by the contractors.

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30. Contingencies

Contingent liabilities	2024 R'000	2023 R'000
Municipal services and property rates	264 955	189 780
Legal claims against the PMTE	1 057 079	771 841
	1 322 034	**961 621**

Municipal services and property rates

The contingent Liability/Asset relates to State Domestic Facilities (SDF) and unsurveyed properties (or land) where ownership has not yet be confirmed. The PMTE has been billed by various municipalities on SDF properties, but the PMTE is unable to make payment due to the provisions of the Property Rates Act.

Legal Claims against the PMTE

The claims against the PMTE arose from property and maintenance disputes with various third parties and/or service providers as well as litigations. The entity's legal advisors are handling the claims on behalf of the PMTE and have assessed the probability of each claim in determining the total amount of the legal contingent liability and that the outflow of economic benefits is possible at the reporting date.

Contingent assets	2024 R'000	2023 R'000
Legal claims by the PMTE	234 396	164 159
Special Investigative Unit recoveries	45 114	46 151
	279 510	**210 310**

Legal claims by the PMTE

The claims instituted by the PMTE result from numerous claims and litigation with various third parties and/or service providers, i.e. breach of contract, damages claim, counterclaims, defaulting contractors, arrear rentals, recovery of services paid by the PMTE, etc. The entity's legal advisors are handling the claims and litigations on behalf of the PMTE and have assessed the probability of each claim in determining the total amount of the contingent assets and the inflow of economic benefits is possible at the reporting date.

Special investigative Unit recoveries

The Special Investigation Unit (SIU) was tasked to investigate various contracts on various proclamations. These active and ongoing investigations are reported as contingent assets amounting to R45 million. These matters are currently in the courts and/or summons have been issued for recovery of funds. Any possible recovery is not determinable at this stage.

	2024	2023
	R'000	R'000

30. Contingencies (continued)

Property Plant and Equipment

A total of 34 properties under the custodianship of PMTE could not be reliably measured due to the extent either not being determined through the office of the Surveyor-General or the extent being too excessive to apply the valuation method on. PMTE is in the process of validating these extents. It is therefore not practicable to determine the financial effect of these 34 properties.

The PMTE is in the process of regularising the ownership of land parcels pertaining to state domestic facilities (SDF) built on land currently registered under a number of other state custodians. Whilst the SDFs have already been recognised, the PMTE estimates that 3762 land parcels will potentially need to be transferred to PMTE. Transfers can only be completed once an arrangement has been concluded with the current custodian and the land has been surveyed, registered or endorsed. The value of these land parcels can furthermore only be reliably determined once it has been surveyed and the revised Surveyor General diagrams have been issued. It is therefore not practicable to determine the financial effect of these 3 762 land parcels.

PMTE has seventeen (17) buildings that are leased from the municipalities. These properties were erroneously registered in the name of the municipalities when the townships were devolved to the Local Government. The seventeen (17) R293 properties will be recognised as State-owned upon cancellation of the lease agreements with the relevant municipalities.

The PMTE currently has a total of five thousand and fifty-five (5055) properties (land parcels) that are either not claimed by any other custodian, not recorded by other custodians or do not have extents. These properties are currently being investigated.

The investigations for these properties are still ongoing and the removal of these properties from the deemed list will occur once they have been claimed and recorded by the other custodians or it has been determined, through property research, that the land parcels belong to PMTE. From the total of 5055, a total number of 25 have also been accounted for on the 34 properties with extent issues.

31. Irregular expenditure and Fruitless and Wasteful Expenditure

	2024	2023
Irregular Expenditure	250 514	252 201
Fruitless and wasteful Expenditure	-	4
	250 514	**252 205**

The current and prior year amounts for irregular expenditure have been adjusted by an approval for removal by the delegated authority. Furthermore, the comparative amount for irregular expenditure was adjusted by an amount of R96 million for transactions that were confirmed in the current year but relate to the 2022/23 financial year.

32. Financial instruments disclosure

Categories of financial instruments

	2024 R'000	2023 R'000
Financial assets at amortised cost		
Receivables from exchange transactions	3 317 969	1 813 659
Cash and cash equivalents	8 087	22 640
	3 326 056	**1 836 299**

	2024 R'000	2023 R'000
Financial liabilities at amortised cost		
Bank overdraft	3 685 717	1 922 100
Payables from exchange transactions	2 789 693	2 901 178
Retention liabilities	395 308	395 438
Finance lease obligation	10 023	12 036
	6 880 741	**5 230 752**

33. Risk management

Financial risk management

The entity's activities are exposed to a variety of financial risks which includes market risk (including interest rate risk), credit risk and liquidity risk.

The Director-General, as the Accounting Officer, is responsible for strategic risk management. The Audit Committee provides oversight over the risk management. The PMTE has a risk management strategy that has been developed in terms of the Treasury Regulation 3.2. The purpose of the PMTE risk management strategy is to identify the risks and ensure that the overall risk profile remains at acceptable levels. The risk management strategy provides reasonable, but not absolute, assurance that risks are being adequately managed.

The PMTE risk policy sets out the minimum standards of risk management to be adopted and adhered to by all the units within the PMTE. The risk policy is established to identify and analyse the risks faced by the PMTE, to set appropriate risk tolerance levels and controls and to monitor risks and adherence these tolerance levels. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the PMTE activities. The risk management policy contains processes for identifying both the impact and likelihood of such a risk occurring. Risks that have been identified as having a potentially severe impact on the PMTE are regarded as unacceptable and where possible will be avoided. Financial risk is not considered significant with the exception of the overdraft.

Responsibility for adherence to the PMTE risk management strategy rests with the management. Internal Audit provides reviews of management's compliance to the risk management processes within the PMTE. Internal Audit reports to management and the Audit Committee on a regular basis.

33. Risk management (continued) Liquidity risk

Liquidity risk is the risk that the PMTE is not able to settle its obligations. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

For operating lease liabilities and finance lease liabilities, the maturity analysis is disclosed in note 5 and note 14 respectively. Operating lease payments for vehicles increases annually based on CPIX. All payments are due within 30 days except tender deposits and retentions which are due when the related contracts expire. These tender deposits are considered immaterial in managing the cash flows of the PMTE and have been excluded from the maturity analysis below

2024	Note	1 month R'000	2-12 months R'000	2 years R'000	3 years R'000	> 3 years R'000	Total R'000
Bank overdraft	6	3 685 717	-	-	-	-	3 685 717
Accrued expenses - CAPEX projects	12	735 723	-	-	-	-	735 723
Accrued expenses - Cleaning and gardening	12	24 553	-	-	-	-	24 553
Accrued expenses - Leases	12	82 719	-	-	-	-	82 719
Accrued expenses - OPEX projects	12	341 796	-	-	-	-	341 796
Accrued expenses - Municipal services	12	530 728	-	-	-	-	530 728
Accrued expenses - Other	12	220 735	-	-	-	-	220 735
Accrued expenses - Property rates	12	613 324	-	-	-	-	613 324
Accrued expenses - Scheduled maintenance	12	211 130	-	-	-	-	211 130
Accrued expenses - Security	12	21 466	-	-	-	-	21 466
Revenue claimed in advance - leases	12	153 782	-	-	-	-	153 782
Trade payables	12	304	-	-	-	-	304
Retention liabilities	13	330 247	37 286	26 090	1 096	589	395 308
Capital commitments - Projects		1 572 368	1 638 414	1 112 282	471 151	589 484	5 383 699
Operating maintenance commitments - Projects		625 411	582 188	511 811	417 135	288 028	2 424 573
		9 150 003	**2 257 888**	**1 650 183**	**889 382**	**878 101**	**14 825 557**

2023	Note	1 month R'000	2-12 months R'000	2 years R'000	3 years R'000	> 3 years R'000	Total R'000
Bank overdraft	6	1 922 100	-	-	-	-	1 922 100
Accrued expenses - CAPEX projects	12	878 689	-	-	-	-	878 689
Accrued expenses - Cleaning and gardening	12	22 031	-	-	-	-	22 031
Accrued expenses - Leases	12	105 844	-	-	-	-	105 844
Accrued expenses - OPEX projects	12	379 593	-	-	-	-	379 593
Accrued expenses - Municipal services	12	593 269	-	-	-	-	593 269
Accrued expenses - Other	12	108 764	-	-	-	-	108 764
Accrued expenses - Property rates	12	554 397	-	-	-	-	554 397
Accrued expenses - Scheduled maintenance	12	218 795	-	-	-	-	218 795
Accrued expenses - Security	12	25 211	-	-	-	-	25 211
Revenue claimed in advance - leases	12	291 041	-	-	-	-	291 041
Trade payables	12	11 937	-	-	-	-	11 937
Retention liabilities	13	236 294	128 564	25 648	4 932	-	395 438
Capital commitments - Projects		1 159 359	2 055 752	1 353 694	909 993	659 866	6 138 664

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Operating maintenance commitments - Projects	270 225	898 273	204 533	131 329	129 140	1 633 500
Agency commitments - Projects	200 872	11 319	12 067	5 448	-	229 706
	6 978 421	**3 093 908**	**1 595 942**	**1 051 702**	**789 006**	**13 508 979**

33. Risk Management (continued)

For further commitment disclosure for operating leases, refer to note 5.

The PMTE's policy is not to enter into capital and/or lease commitments without ensuring commitment from the client departments to settle its obligations.

The liquidity maturity analysis represents the contractual cash flows and has not been discounted.

Credit risk

Credit risk is the risk of financial loss to the PMTE if a client department or counterparty defaults on its contractual obligations to the PMTE. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

The PMTE may have financial assets arising out of transactions with suppliers due to overpayments and non-delivery. The PMTE manages this risk by requiring retentions and or guarantees before contract work commences.

The credit risk of financial assets arising out of lease contracts as it relates to transactions with other government departments and institutions is actively managed where there are disagreements about inter-governmental debt.

The PMTE first engages with the respective client to resolve the issue and if required involves National Treasury to mediate the situation. These various government institutions have no independent credit ratings.

Outstanding debt is assessed for impairment and amounts are not written off unless the authorised process is followed. However, as a result of client departments' inability to accumulate savings to settle debt, a considerable amount of time may expire before the amount is collected.

The PMTE is also exposed to additional credit risk as a result of the transfer of functions as it now also collects monies from the private sector for leases. The extent of these are not considered to be material.

The PMTE makes provision for this in the impairment calculation by discounting the expected future cash flows taking into account the expected period of payment.

The PMTE does not enter into additional leases with any client departments without first assessing the current outstanding debt of the client department.

Amounts that are neither past due nor impaired are considered to be recoverable as it relates to the current invoices not outstanding later than 30 days.

Refer to note 3 for the aging of Trade and other receivables that are past due but not impaired.

The nature of the PMTE's exposure to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior period.

33. Risk management (continued)

Financial and statutory assets exposed to credit risk at year end were as follows:

	2024 R'000	2023 R'000
Cash and cash equivalents	8 087	22 640
Operating lease asset	425 886	471 867
Receivables from exchange transactions	3 317 969	1 813 659
Receivables from non-exchange transactions	746	982
	3 752 688	2 309 148

The carrying values of the above financial assets are net of any impairments and approximate their fair value.

None of the amounts disclosed above have been pledged as security or collateral for liabilities or contingent liabilities.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The PMTE is exposed to limited interest rate risk from cash balances as it sweeps transactions through commercial accounts to the Reserve Bank account.

The PMTE is exposed to changes in the interest rate applicable to debt owed to the state. Other changes in interest rates are considered insignificant. National Treasury determines this rate and manages the risk on behalf of National Government.

33. Related parties

The PMTE performs property management services for the state owned and leasehold immoveable assets occupied by National Departments and their related parties, and recognises and recovers accommodation charges from them.

The PMTE is exempt from disclosure of related party transactions provided that the services are received/delivered within normal supplier/client relationships, on terms and conditions that is no more nor less favourable than those that would have reasonably be expected to be adopted if dealing with that entity/person in the same circumstances. The extent of those transactions delivered in accordance with the PMTE legal mandate and that meets the exemption criteria, is included in note 17 (accommodation charges - leasehold inter-governmental and management fees on municipal services).

The PMTE operates within the administration of the DPWI and as such all contracts are entered into in the name of the DPWI. The liabilities and obligations arising from these transactions are accounted for by the PMTE if it relates to the PMTE operating activities as these liabilities will be settled using the PMTE funds and resources. As such, these transactions are not considered related party transactions.

Other overhead costs include the sharing of corporate services function between the DPW and the PMTE. Due to the nature of these transactions and the operational structures between the PMTE and

the DPW, the value of these shared costs cannot be reliably measured. These costs, paid by the DPW on behalf of the PMTE and not recovered, include the following corporate shared services:

- Supply Chain Management (SCM) for head office
- Internal Audit

Notes to the Annual Financial Statements

- Human Resources (Human Resource Management and Human Resource and Organisational Development)
- Gender, people with disabilities, youth and children
- Marketing and Communication
- Information Services
- Legal Services
- Security Management
- International relations and Strategic Management Unit
- Office of the Ministry, Office of the Director General and Office of the Chief Financial Officer
- Monitoring and Evaluation
- Labour Relations

The PMTE receives an augmentation of funds from National Treasury via the DPW to fund its operations.

	2024	2023
	R'000	R'000

34. Related parties (continued)

The PMTE recognises accommodation revenue on state owned buildings based on the amount budgeted by client departments. The level of service delivery relating to this accommodation charge is not linked to the value received, it is likely that some clients may benefit to the disadvantage of others. It is not possible to identify the extent of benefit or disadvantage received. The full amount of the revenue transaction is disclosed in note 17. The related receivables (accommodation debtors - freehold inter-governmental) is disclosed in note 3.

Revenue from exchange transactions:	**2024**	**2023**
Accommodation charges - freehold intergovernmental		
Agriculture, Forestry and Fisheries	232 415	232 415
Arts and Culture	122 962	122 962
Correctional Services	815 235	1 502 327
Defence and Military Veterans	1 334 045	1 299 569
Higher Education	70	70
Environmental Affairs	50 940	44 369
South African Revenue Services (SARS)	50 345	50 345
Government Pension Administration Agency	29 239	26 944
Health	7 504	8 338
Office of Public Protector	170	446
Home Affairs	86 767	86 767
Justice and Constitutional Development	489 453	489 215
Labour	85 886	85 886
Rural Development and Land Reform	8 715	7 923
Mineral Resources	4 747	4 747
National Health Laboratory Services	8 326	8 306
National Treasury - SARS	10 187	10 061
Public Service and Administration	53 775	50 850
Public Works	54 183	102 093
SA Police Services	1 778 468	2 968 702
Social Development	908	763
SASSA	102	80
Statistics South Africa	6 422	5 838
Trade and Industry	12	9
Water and Sanitation	292 268	291 738
Science and Innovation	7 118	5 397
	5 530 262	**7 406 160**

Independent Development Trust (IDT) is the DPWI’s Public Entity responsible for the delivery of social infrastructure programmes and projects and is being accommodated in the following Regional offices at no cost:

- Bloemfontein
- Nelspruit
- Kimberley
- Cape Town.

Revenue from non-exchange transactions		
Public Works - Augmentation	4 276 211	3 912 823
Public Works - Goods and service in-kind	22 943	3 965
	4 299 154	**3 916 788**

The Augmentation is funds that are received from DPWI to cover the operational costs of the PMTE.

	2024 R'000	2023 R'000

34. Related parties (continued)

	2024 R'000	2023 R'000
Gross receivables from exchange transactions:		
Accommodation charges - freehold intergovernmental		
Correctional Services	1 697 747	1 436 839
Health	24 029	22 668
Defence	671 286	31 825
Government Pension Admin Agency	139	-
Environmental Affairs	134 723	83 783
Health Civatas	45 275	45 275
National Treasury	222	73
Justice and Correctional Services	12 047	-
SASSA	1 065	963
Science and Innovation	5 397	5 397
Social Development	2 599	1 691
Statistics South Africa	1	1
South African Police Services	61 502	69 112
Trade and Industry	155	142
Public Service and Administration	7 805	7 074
Public Works	-	41 107
	2 663 992	**1 745 950**

	2024 R'000	2023 R'000
Impairment relating to exchange transactions:		
Accommodation charges - freehold intergovernmental		
Correctional Services	1 662 648	1 436 839
Environmental Affairs	134 723	83 783
Health	67 500	66 127
Defence	670 497	728
Public Works	-	41 107
National Treasury	71	52
Government Pension Admin Agency	32	-
Justice and Constitutional Development	2	-
Social Development	2 599	1 691
South African Police Services	61 502	6 132
Science and Innovation	5 397	-
Statistics South Africa	1	1
Public Service and Administration	7 082	6 513
Trade and Industry	154	142
SASSA	1 065	963
	2 613 273	**1 644 078**

The below table shows the total outstanding debt per client department as well as the cumulative impairment recognised. The "Gross receivables from exchange transactions: Accommodation charges - freehold intergovernmental" above is included in the below receivables:

	2024	2023
	R'000	R'000

34. Related parties (continued)

Client Department	Gross receivable balance 31 March 2024				Impairment Provision 31 March 2024			
R'000	Freehold Intergovern mental	Leasehold intergovern mental	Municipal services	Total	Freehold Intergovern mental	Leasehold intergovern mental	Municipal Services	Total
Agriculture re	-	-	3 049	3 049	-	-	880	880
Agriculture, F	-14 010	-52 278	97 305	31 017	3	-	74 419	74 422
Arts and Cult	-165 971	-823	52 235	-114 558	42 376	-	44 977	87 353
Basic Educat	49 326	-	-	49 326	49 326	-	-	49 326
Border Mana	-	296	-	296	-	296	-	296
Companies &	-	-4	137	133	-	-	137	137
Centre for pu	-	-139	-	-139	-	-	-	-
Communicati	-	-19	157	138	-	-	157	157
Coop govt an	-	1	-	1	-	-	-	-
Correctional	1 735 516	10 750	2 667 410	4 413 676	1 664 087	1 379	2 516 792	4 182 258
Defence	767 639	644 666	3 056 762	4 469 067	723 710	455 401	3 056 244	4 235 354
Department o	-	472	-	472	-	-	-	-
Die Afrikaans	-	-116	-	-116	-	-	-	-
Ditsong Muse	-	153	-	153	-	153	-	153
Energy	-	59 033	-	59 033	-	21 978	-	21 978
Environmenta	151 285	41 200	29 028	221 514	151 358	11 807	14 127	177 291
Eskom Holdi	344	-	-	344	344	-	-	344
Film & Public	-	547	181	728	-	12	113	125
Financial and	-	-12	4 618	4 618	-	-	4 618	4 618
Gender Equa	-	4 133	2 212	6 345	-	4 133	2 212	6 345
Government	-	1 211	37	1 248	-	1 090	18	1 108
Government	-	-	-	-	-	-	-	-
Health	24 029	31 278	8 401	63 708	22 224	3 298	5 175	30 697
Health Civita	45 275	-	-	45 275	45 275	-	-	45 275
Government	139	2 229	1 174	3 542	32	-	10	42
Geo science	-	-	5 231	5 231	-	-	146	146
Higher Educa	-	35 918	3 316	39 234	-	2 710	2 330	5 040
Home Affairs	-1 200	91 193	40 533	130 525	22	11 573	460	12 055
Human Right	-	1 639	338	1 977	-	1 639	55	1 694
Human Settle	-	72 914	-	72 914	-	69 239	-	69 239
Independent	-	177 568	2 038	179 606	-	165 537	1 165	166 702
Inter Relation	91 161	1 971	7 168	100 300	91 161	1 971	5 852	98 984
Iziko Museum	-	-	-	-	-	-4	-	-4
Kwazulu-Nat	-	-491	-	-491	-	-	-	-
Justice and C	129 271	34 975	-	164 246	866	4 979	181 920	187 765
Justice & Con	-	6 667	-	6 667	-	175	-	175
Justice & Con	-	-	353 809	353 809	-	-	-	-
Labour	-12 939	-25 687	2 923	-35 702	-	-	1 282	1 282
Military Vetar	-	-1 166	15	-1 151	-	-	8	8
Minerals Res	-25 427	6 471	1 859	-17 097	-	173	1 179	1 352
National Heal	-	467	-	467	-	46	-	46
National Libra	-	-	-	-	-	-3	-	-3
National Pros	1 989	621	1 697	4 307	1 989	460	706	3 155
National Mus	-	223	-	223	-	1	-	1
National Sch	-	-	-	-	-	-	-	-
National Trea	222	321 481	6 973	328 676	71	321 481	6 973	328 525
Pan South Af	-	-459	-	-459	-	-	-	-
Parliament	1 257	2 079	-	3 336	1 257	1 935	-	3 192
Planning,Mon	-	-6 995	-	-6 995	-	-	-	-

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Public Enterp	-	5	32	32	-	-	32	32
Public Protec	101	53	212	366	101	1	12	114
Public Servic	7 805	-4 940	303	3 168	7 082	-	161	7 243
Public Servic	-	5 718	292	6 010	-	1 061	292	1 353
Public Works	-	-377	1 422	1 045	-	-	22	22

34. Related parties (continued)

Rural dev an	-	-34 484	-	-34 484	-	-	-	-
Robben Islan	-	695	-	695	-	77	-	77
Robben Islan	-	98	-	98	-	7	-	7
SA Police Se	94 371	296 710	997 178	1 388 259	67 031	18 018	270 081	355 131
Sa Social Se	1 126	-	-	1 126	1 126	-	-	1 126
SAMAF	-	1 355	219	1 574	-	1 171	219	1 390
SARS	-44 963	-	117	-44 846	94	-	-	94
Sa Social Se	-	-12 658	-	-12 658	-	-	-	-
SASSA- Bloe	-	-	190	190	-	-	8	8
SASSA- Joha	-	-	369	369	-	-	12	12
SASSA- Kim	-	-	21	21	-	-	-	-
SASSA- Nels	-	-	9 579	9 579	-	-	7 543	7 543
SASSA- Polo	-	-	514	514	-	-	156	156
SASSA- Pret	-	-	-	-	-	-	-	-
SASSA- Umt	-	-	1 233	1 233	-	-	695	695
SASSA-Cape	-	-	204	204	-	-	168	168
SASSA-Durb	-	-	7	7	-	-	2	2
SASSA-Port	-	-	1 540	1 540	-	-	115	115
SASSA-Mma	-	-	1 449	1 449	-	-	66	66
Science and	8 662	6 677	217	15 556	5 414	6 677	217	12 309
SITA	3 536	-	9 674	13 210	3 536	-	3 120	6 656
Registra of D	2 010	-	-	2 010	-	-	-	-
Social Develo	2 599	-357	309	2 551	2 599	-	309	2 908
Sports and R	-	23 263	4 120	27 383	-	11 455	4 120	15 575
Statistics SA	63	9 630	11 846	21 539	47	9 210	7 666	16 923
Tourism	-	6 418	7	6 425	-	16	7	23
Trade and In	154	-976	1 216	393	154	-	1 044	1 198
Transport	-	-51 404	114	-51 290	-	-	114	114
Water and Sa	-254 770	-48 727	-	-303 497	-	-	-	-
Woman and	-	352	1	353	-	352	1	353
Totals	**2 598 600**	**1 659 024**	**7 390 991**	**11 648 615**	**2 881 287**	**1 129 510**	**6 218 137**	**10 228 934**

Client Department	**Gross receivable balance 31 March 2023**				**Impairment Provision 31 March 2023**			
R'000	**Freehold Intergovernmental**	**Leasehold intergovernmental**	**Municipal services**	**Total**	**Freehold Intergovernmental**	**Leasehold intergovernmental**	**Municipal Services**	**Total**
Agriculture re	-	-	1 978	1 978	-	-	964	964
Agriculture, F	-931	-52 388	82 700	29 381	59	-	69 365	69 424
Arts and Cult	-126 239	2 155	50 556	-73 527	44 380	8	46 051	90 439
Basic Educat	49 326	-	-	49 326	49 326	-	-	49 326
Companies &	-	-4	-5	-9	-	-	-	-
Centre for pu	-	-139	-	-138	-	-	-	-
Communicati	-	-19	158	138	-	-	21	21
Coop govt an	-	3 483	568	4 051	-	17	145	162
Correctional	1 447 970	-1 045	2 119 009	3 565 934	1 437 810	-	2 055 139	3 492 948
Defence	170 134	486 461	2 649 094	3 305 689	83 128	386 163	2 649 094	3 118 386
Department o	-	514	-	514	-	514	-	514

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Die Afrikaans	-	-130	-	-130	-	-	-	-
Ditsong Muse	-	1 338	-	1 338	-	799	-	799
Energy	-	79 817	-607	79 210	-	76 612	-	76 612
Environmenta	98 680	39 943	42 429	181 052	87 294	18 598	35 098	140 990
Eskom Holdi	323	-	-	323	323	-	-	323
Film & Public	-	-28	406	378	-	-	353	353
Financial and	-	-12	4 234	4 234	-	-	4 234	4 234

2024 R'000
2023 R'000

34. Related parties (continued)

Gender Equa	-	885	2 218	3 102	-	885	1 710	2 595
Government	-	1 758	134	1 892	-	1 176	17	1 193
Government	1	-	-	1	1	-	-	1
Health	22 668	16 282	25 418	64 369	20 852	15 910	23 472	60 234
Health Civita	45 275	-	-	45 275	45 275	-	-	45 275
Government	-	-34	226	192	-	-	-	-
Geo science	-	-	3 164	3 164	-	-	128	128
Higher Educa	-	1 403	4 004	5 407	-	1	3 410	3 411
Home Affairs	-21 340	-14 178	13 320	-22 199	22	-	41	62
Human Right	-	221	307	529	-	55	62	117
Human Settle	-	68 484	-655	67 829	-	66 540	-	66 540
Independent	-	157 992	1 470	159 462	-	148 616	1 199	149 815
Inter Relation	84 097	1 971	6 580	92 648	84 097	1 971	5 781	91 850
Iziko Museum	-	-	-	-	-	3	-	3
Kwazulu-Nat	-	-238	-	-238	-	-	-	-
Justice and C	-44 784	-45 251	333 691	243 656	845	-	285 085	285 930
Justice & Con	-	-2 364	-	-2 364	-	-	-	-
Justice & Con	-	-	-	-	-	-	84	84
Labour	-11 224	-34 685	1 778	-44 131	-	-	14	14
Military Vetar	-	-823	77	-746	-	-	1 374	1 374
Minerals Res	-19 616	390	1 375	-17 851	-	24	-	24
National Heal	-	463	580	1 043	-	-	580	580
National Libra	-	1 284	-	1 284	-	11	-	11
National Pros	1 835	2 234	1 982	6 051	1 835	539	1 148	3 522
National Mus	-	82	-	82	-	-	-	-
National Sch	-	-	-271	-271	-	-	-	-
National Trea	73	259 511	6 916	266 499	52	256 221	5 005	261 277
Pan South Af	-	-230	-	-230	-	-	-	-
Parliament	1 160	3 026	-	4 186	1 160	2 538	-	3 698
Planning,Mon	-10	-680	-	-680	-	-	-	-
Public Enterp	-	-	32	32	-	-1	32	32
Public Protec	93	-56	784	821	93	-	3	96
Public Servic	7 074	25	644	7 743	6 513	-	160	6 674
Public Servic	-	1 530	340	1 870	-	2	340	343
Public Works	41 107	-841	2 263	42 529	41 107	-	2	41 109
Rural dev an	5	-37 381	3 824	-33 552	5	-	510	515
Robben Islan	-	367	-	367	-	1	-	1
Robben Islan	-	48	-	48	-	-	-	-
SA Police Se	85 922	52 346	741 637	879 905	11 283	324	530 539	542 145
Sa Social Se	1 021	-	-	1 021	1 021	-	-	1 021
SAMAF	-	1 198	219	1 418	-	1 068	219	1 287
SARS	-36 777	-	1 525	-35 252	87	-	-	87
Sa Social Se	-	-6 902	-	-6 902	-	-	-	-
SASSA- Bloe	-	-	432	432	-	-	11	11
SASSA- Joha	-	-	1 053	1 053	-	-	11	11
SASSA- Kim	-	-	97	97	-	-	-	-
SASSA- Nels	-	-	8 398	8 398	-	-	338	338
SASSA- Polo	-	-	311	311	-	-	145	145
SASSA- Pret	-	-	1 133	1 133	-	-	-10	-10
SASSA- Umt	-	-	1 506	1 506	-	-	899	899
SASSA-Cape	-	-	464	464	-	-	170	170
SASSA-Durb	-	-	192	192	-	-	-	-
SASSA-Port	-	-	1 142	1 142	-	-	93	93
SASSA-Mma	-	-	478	478	-	-	45	45
Science and	7 471	6 677	199	14 347	17	6 677	199	6 894
SITA	3 262	-	4 059	7 321	3 262	-	3 079	6 341
Small Busine	-	-	-	-	-	-	-	-

Social Develo	1 691	2 154	287	4 132	1 691	3	276	1 970
Sports and R	-	21 024	3 793	24 818	-	21 024	3 611	24 635

	2024 R'000	2023 R'000

34. Related parties (continued)

Statistics SA	75	11 109	9 786	20 969	59	10 710	7 573	18 341
Tourism	-	-5 272	8	-5 265	-	-	7	7
Trade and In	142	-976	1 125	290	142	-	1 044	1 185
Transport	-	91 677	114	91 791	-	91 677	114	91 791
Water and Sa	-168 240	-46 470	5 981	-208 729	-	-	-12	-12
Woman and	-	368	1	370	-	368	1	370
Totals	**1 640 256**	**1 068 087**	**6 144 661**	**8 853 005**	**1 921 738**	**1 109 054**	**5 738 994**	**8 769 787**

	2024 R'000	2023 R'000

34. Related parties (continued)

The PMTE incurs costs relating to cleaning and gardening services for leasehold properties occupied by certain client departments. Figures reflected in the tables below reflect the related party transactions applicable per client department. These costs are not recovered from client departments, and therefore considered a free service to them. The related party accruals disclosed below are unsecured and are expected to be settled within the normal course of business.

Expenditure		
Arts and Culture	17 971	17 630
Justice and Constitutional Development	283 233	249 605
	301 204	**267 235**

Accruals raised		
Arts and Culture	2 302	453
Correctional Services	-	33
Defence and Military Veterans	30	-
Justice and Constitutional Development	16 830	14 218
	19 162	14 704

2024 **Remuneration of management**	**Official**	**Basic salary**	**Non-pensionable salary**	**Structured service bonus**	**Post-employment benefits**	**Other short-term employee benefits**	**Total**
Regional Managers							
Bloemfontein	TP Zulu	989	46	82	129	296	1 542
Cape Town	PP Penxa	1 048	190	87	136	107	1 568

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Durban	NN Vilakazi	835	379	70	109	4	1 397
Johannesburg	JM Monare*	783	355	85	102	4	1 329
Johannesburg (Acting)	KJ Mahloko	826	157	69	107	26	1 185
Kimberley	R Baulackey	974	142	81	127	112	1 436
Mmabatho	R Matlala	860	283	72	112	107	1 434
Nelspruit	PT Mashiane	995	416	-	129	142	1 682
Polokwane	M Mathivha	639	82	91	83	108	1 003
Port Elizabeth	JG Van Der Walt**	720	309	-	-	55	1 084
Pretoria	TB Phiri	835	293	-	109	155	1 392
Mthatha	N Hlengwa	960	24	80	125	267	1 456
Other Officials							
Chief Director: Construction Management Inland	W Hlabangwane	982	415	82	128	71	1 678
Chief Director: Construction Management Inland (Acting)	TR Kolele	814	166	68	106	28	1 182

34. Related parties (continued)

Director: Town Planning	M Ganiso	979	422	82	128	60	1 671
Exco Members							
Head of PMTE	SD Sibande****	549	78	-	71	86	784
Head of PMTE (Acting)	ME Moemi	977	194	140	127	16	1 454
Construction Project Management	B Mokhothu*****	1 310	391	-	170	19	1 890
Exco Members: Deputy Director General:							
Real Estate Management Services	NC Mthetwa	1 165	164	97	151	88	1 665
Real Estate Investment Services	S Subban	1 165	180	97	151	77	1 670
Project Management Office	L Kafile******	388	78	97	50	108	721
Project Management Office (Acting)	NP Kubeka	1 048	118	87	136	113	1 502
Facilities Management	R Samuels	1 033	52	86	134	328	1 633
		20 060	**4 768**	**1 485**	**2 514**	**2 349**	**31 176**

Figures in Rand

34. Related parties (continued)

2023 Remuneration of management	Official	Basic salary	Non-pensionable salary	Structured service bonus	Post-employment benefits	Other short-term employee benefits	Total
Regional Managers							
Bloemfontein	TP Zulu	970	51	81	126	378	1 606
Cape Town	PP Penxa	1 001	200	83	131	208	1 623
Durban	NN Vilakazi	808	387	67	105	25	1 392
Johannesburg	JM Monare	910	417	76	118	32	1 553
Kimberley	R Baulackey	941	156	79	123	138	1 437
Mmabatho	R Matlala	821	284	68	107	107	1 387
Nelspruit	PT Mashiane	951	410	-	123	186	1 670
Polokwane	M Ntshani	1 077	157	89	140	162	1 625
Port Elizabeth	JG Van Der Walt	855	425	-	81	270	1 631
Pretoria	TB Phiri	797	293	-	103	155	1 348
Mthatha	N Hlengwa	916	35	76	119	229	1 375
Other Officials							
Chief Director: Construction Management Inland	W Hlabangwane	938	414	78	122	45	1 597
Director: Town Planning	M Ganiso	693	276	-	90	152	1 211
Exco Members							
Head of PMTE	ME Moemi	1 723	398	142	224	13	2 500
Exco Members: Deputy Director General:							
Real Estate Management Services	NC Makhubele	1 114	173	93	145	89	1 614
Real Estate Investment Services	S Subban	1 114	189	93	145	73	1 614
Construction Project Management	B Mokhothu	1 254	395	-	163	96	1 908
Project Management Office (Acting)	L Kafile	388	78	97	50	108	721
Project Management Office (Acting)	NP Kubeka	1 043	161	87	136	341	1 768
	-	**18 314**	**4 899**	**1 209**	**2 351**	**2 807**	**29 580**

Figures in Rand

34. Related parties (continued)

The remuneration disclosed above is for the period that the employee was occupying the role of management as indicated. Other short term benefits comprise of housing allowance, travel allowance and bargaining council contributions.

Post employment benefits comprises of pension fund and medical aid contributions to a defined contribution plan.

The following employee was not remunerated by the PMTE, however he plays a key role in management decision making:

- 'Mr. M Sithole is the Chief Financial Officer of the DPWI Main Vote.

2024

* JM Monare went on pension on 31 December 2023

** JG Van Der Walt went on pension on 31 December 2023 and N Hlengwa was appointed Acting

*** M Ganiso was appointed as Chairperson of the National Bid Adjudication Committee (NBAC) during the year.

**** SD Sibande was appointed Head of PMTE during the year

***** B Mokhuthu was seconded to CIDB during the year and W Hlabangwane was appointed Acting

****** L Kafile was appointed DDG: PMO during the year.

35. Events after the reporting date

During the month of April 2024, the PMTE discovered incidences of suspected cyber attacks wherein legitimate banking details of its service providers and suppliers were fraudulently changed on SAGE to divert payments to the fraudulent bank accounts. The matter was immediately reported to law enforcement agencies and a case was opened with the SA Police Services for further investigations

The PMTE appointed a forensic specialist company to further analyse the system for any possible breaches from August 2014, when the system was implemented by PMTE. The preliminary report issued by the forensic specialist revealed potential financial losses and have been disclosed in note 27.

Furthermore, the preliminary report also revealed potential fraudulent transactions mentioned below pending the finalisation of the analysis and the investigations by the forensic specialist company and the law enforcement agencies:

- An amount of R62.1 million relating to transactions processed from 2014/2015 financial year to date was discovered to have been deleted from the SAGE system. Furthermore, an amount of R1.4 million also incurred in 2014/2015 did not have supporting documents and also appeared to have been deleted from the SAGE system.
- An additional amount of R58.5 million was discovered relating to payments processed after 31 March 2024. However, although the analysis and the investigations are still ongoing, the PMTE managed to recover an amount of R2.8 million after year-end.
- Additional payments amounting to R59.1 million was also identified and undergoing analysis.

The law enforcement agencies investigations are ongoing and running concurrently with the analysis by forensic specialist company.

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Figures in Rand

36. Prior period errors

The following are material difference relating to prior years that have been

Statement of financial position	Restated 2023 R'000
Receivable from exchange transactions	(132 297)
Property, plant and equipment	(18 397 733)
Investment property	(27 194)
Heritage asset	24 710 690
Deferred Revenue	(19 505)
Payables from exchange transactions	823 714
Retentions liabilities	(6 174)
Provisions	(950 573)
Other liability	(22 998)
Bank Overdraft	78 989
Increase in net assets	**6 056 919**
Statement of Financial Performance	
Revenue from exchange transactions	326 428
Revenue from non-exchange transactions	2 056
Construction revenue	161
Construction expense	168
Depreciation, amortisation and impairment expense	(82 367)
Employee related costs	1 418
Impairment loss on receivables	138 642
Operating leases	(46 411)
Property maintenance	(717 193)
Property rates	48 326
Sundry operating expense	68 922
Loss on disposal of asset	3 582
Increase in deficit	**(256 268)**
Increase in opening accumulated surplus	**6 313 187**
Net effect	**6 056 919**

The prior period errors identified above were as a result of the following:

Receivables and Revenue from exchange transactions

Receivables and Revenue from exchange changed as result of the following:

During the current financial year end the entity identified and corrected the error related to recognition of revenue and measurement of receivables from exchanges transaction in prior periods. The error was as result of revenue associated with asset linked to revenue generating activities being recognised incorrectly.

Management identified errors in the calculation of lease asset and lease liability due to errors in lease data incorrectly captured.

Property plant and equipment, Heritage assets and Investment Properties

The GRAP classifications of some immovable assets were revised after taking into account their specific characteristics and what they are used for. Other corrections made include additions, derecognitions and changes in some immovable asset values after reviewing their extent/size. PMTE corrects prior period errors on property, plant and equipment, investment property and heritage assets through retrospective restatement.

36. Prior period errors (continued)

The main contributory factor for the net restatement on property, plant and equipment, heritage assets and investment property after revising GRAP classifications was R7.4 billion of vested land parcel additions from the deemed list population after investigations concluded that the land parcels belonged to DPWI. For instance, Kruger National Park with a size of about 964 000 hectares and valued at R6.7 billion, which was recorded in the deemed list in the 2022/23 financial year was recorded in the IAR in the current year after the conclusion of investigations. Another contributing factor to the restatement was the derecognition of land parcels earmarked for land restitution/land claims amounting to R754 million.

For Assets Under Construction, the main contributors were penalties that were previously not capitalised to an amount of R80.9 million, Accruals to an amount of R183.9 million and AUC expenditure from the Miscellaneous Damage and losses account to an amount of R31.7 million

Deferred Revenue

During the current year, the entity made corrections/amendments on multiple projects under construction. Amendments include project classifications (Opex/Capex) and project completion dates and additions to assets under construction.

To the extent that the projects are recoverable capital projects, the mentioned amendments had a resultant effect on deferred revenue. The effect was a cumulative decrease in the opening balance of R134 million i.e. R51 million for deferred revenue and R83 million for deferred revenue non-current.

Payable from exchange transactions

Payables from exchange transaction was one of the bases for qualified audit opinion in 2022-2023 financial year end. Together with the corresponding expenditure line items hence the need to restate.

The misstatements were due to the entity not accruing for goods and services that were received and not paid for as at yearend. Property maintenance accruals were also misclassified as Provisions.

In order to correct the prior year misstatement, the entity embarked on a rigorous exercise to identify all invoices relating to property rates, property maintenance and sundry operating expense which were not previously accrued in prior period and those previously classified as Provision

The overall movement in payables is a decrease R0.8 million due suspense account that was cleared amounting to R 78 Million and clearing of invoices relating to rejected payments amounting to R192 million.

Retention

In the prior period we were qualified on commitment because of terminations that were not updated on the system. When clearing the terminated project for commitments there were retention's attached to those contract that needed to be cleared, the change of R6.1 million is due to terminations that were cleared.

Bank Overdraft

Payables from exchange transactions were qualified due to suspense account that were recorded as Trade payables while they did not meet the definition of payables. When clearing the suspense account the bank overdraft was reduced by R78 Million as the amounts were matched to outstanding payments that affects the bank overdraft.

Employee Cost

The movement is due to other accruals that were incomplete in the prior year in relations to back payment of employees that were adjusted

Impairment loss on receivables

The adjustments of impairment loss on receivables consists mainly of R112million relating to shared savings. Numerous findings were received from AGSA regarding errors noted on shared savings at the regions, as we had previously not been accruing for shared savings. PMTE therefore went through a rigorous exercise of reviewing the entire population of shared savings from the implementation year of this project to date. The same exercise was also implemented for municipal services, the results of which accounted for the difference of R22million

Property Maintenance and Provisions

Property maintenance accruals were previously misclassified as Provision in the 2022-2023 financial year end. In order to correct the prior year misstatements, the entity embarked on rigorous exercise to identify all invoices relating to property maintenance and sundry operating expense which had been misclassified as Provisions.

The line items were then restated accordingly in order to account for transactions.

Operating leases and Sundry operating expense

Included in the adjustments for operating leases and sundry operating expenses is an amount of R47 million relating to losses incurred as a result of fraudulent transactions processed due to the breaches on SAGE discovered during the month of June 2024.

37. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Although the PMTE has a bank overdraft of R3.685 billion (2023: R1.922 billion) and the current liabilities exceed the current assets by R7.507 billion (2023 R8.320 billion) management maintains their assertion that the PMTE is able to continue on a going concern basis into the foreseeable future. Current liabilities includes Deferred Revenue as disclosed in note 11 of R3.282 billion (2023: R4.261 billion) and other non-financial liabilities of R1.167 billion (2023: R1.267 billion) (note 12) that will be settled in services rather than cash. Management applies the accounting principles of conservatism and prudence when accounting for its liabilities. The PMTE operates under the control and support of the National Department of Public Works and Infrastructure ("DPWI"). National Treasury has been informed of the PMTE's position accordingly. Management is embarking on a revenue generating drive and has reinforced its efforts in collection of all outstanding debts. The main reason for the increase in the bank overdraft was due to the increase in the amounts owed by client departments. Management has engaged in robust discussions with the relevant departments and National Treasury to resolve the issues around non-payment and to ensure payment is received on outstanding amounts.

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