ANNUAL REPORT

2021/22

Province of the
EASTERN CAPE
PUBLIC WORKS & INFRASTRUCTURE

EXPANDED PUBLIC WORKS PROGRAMME
CONTRIBUTION TO A NATION AT WORK

NDP 2030

Issued by the Communication Services Unit 040 602 4000

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GENERAL INFORMATION

1. PART A: GENERAL INFORMATION

1.1 DEPARTMENT'S GENERAL INFORMATION

Full name of the Department
Department of Public Works & Infrastructure

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1.2 LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General South Africa
AIDS	Acquired Immune Deficiency Syndrome
APP	Annual Performance Plan
APTCoD	Accelerated Professional and Trade Competency Development
ARP	Annual Recruitment Plan
BBBEE	Broad Based Black Economic Empowerment
C-AMP	Custodian Asset Management Plan
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CDC	Centres for Disease Control
CDP	Contractor Development Programme
COAF	Communication of Audit Finding
COBIT 5	Control Objectives for Information and Related Technologies
CoE	Compensation of Employees
CSD	Central Supplier Database
DBSA	Development Bank Of Southern Africa
DDI	Direct Domestic Investors
DEDEAT	Department of Economic Development, Environmental Affairs & Tourism
DFI	Direct Foreign Investors
DoE	Department of Education
DoH	Department of Health
DoRA	Division of Revenue Act
DRDAR	Department of Rural Development and Agrarian Reform
DPW	Department of Public Works
DPWI	Department of Public Works and Infrastructure
DPSA	Department of Public Service and Administration
DSD	Department of Social Development
DSRAC	Department of Sports, Recreation, Arts and Culture
ECPG	Eastern Cape Provincial Government
ECPL	Eastern Cape Provincial Legislature

ECDPWI	Eastern Cape Department of Public Works & Infrastructure
EMEs	Exempted Micro Enterprises
EoI	Expression of Interest
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
EXCO	Executive Council / Committee
EXMA	Executive Management
FM&O	Facility Management & Operations
FY	Financial Year
GBCWG	Government Business Continuity Working Group
GIAMA	Government Immovable Asset Management Act
GCIS	Government Communication and Information System
HDI	Historically Disadvantaged Individuals
HIBP	Have I Been Paid
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HRM	Human Resource Management
IAR	Immovable Asset Register
ICDP	Integrated Contractor Development Programme
ICT	Information & Communication Technology
IDT	Independent Development Trust
IDP	Integrated Development Plan
IESBA	International Ethics Standards Board for Accountants
IGR	Inter-Governmental Relations
IIA	Institute of Internal Auditors
IKM	Information and Knowledge Management
IRMSA	Institute of Risk Management South Africa
ISA	International Standards on Auditing
ISSC	Integrated Shared Services Contracts
IT	Information Technology
MBE	Master of Built Environment
MCS	Modified Cash Standard
MEC	Member of the Executive Council
MMS	Middle Management Service
MoA	Memorandum of Agreement
MPL	Member of Provincial Legislature

MTEF	Medium Term Expenditure Framework
N/A	Not Applicable
NYS	National Youth Service
OAP	Office Accommodation Plan
OBB	Operation Bring Back
OHS	Occupational Health and Safety
OMF	Operations Management Framework
OSD	Occupational Specific Dispensation
OTP	Office of the Premier
PAA	Public Audit Act
PFMA	Public Finance Management Act
PLO	Public Liaison Officer
PMDS	Performance Management Development System
PIC	Public Investment Corporation
PIDF	Provincial Infrastructure Delivery Framework
PIMO	Provincial Infrastructure Management Office
PIP	Property Incubator Programme
POAP	Provincial Office Accommodation Plan
PPE	Personal Protective Equipment
PSR	Public Service Regulations
PT	Provincial Treasury

QSEs	Qualifying Small Enterprises
RFI	Request for Information
RFP	Request for Proposals
RLCC	Regional Land Claims Commission
RPL	Recognition of Prior Learning
RTW	Return to Work
RWOPS	Remunerated Work Outside Public Service
SBD	Standard Bidding Document
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDA	Service Delivery Agreement
SDIP	Service Delivery Improvement Plan
SDM	Service Delivery Model
SITA	State Information Technology Agency
SIU	Special Investigating Unit
SMME	Small Medium Micro Enterprises
SMS	Senior Management Service
SOP	Standard Operating Procedures
TB	Tuberculosis
ToR	Terms of Reference
TR	Treasury Regulations
U-AMP	User Asset Management Plan
WIP	Work In Progress

1.3 FOREWORD BY MEC OF THE DEPARTMENT

The 2021/22 Annual Report is an expression of the recovery strides taken by the Department to implement interventions to achieve the policy directives, provincial priorities, and outcomes planned. The Department forged ahead with its effort to mitigate the impact of the pandemic and pursued the priorities set with the resources allocated. The approval of the new organisational structure is one step forward in the positioning of Department of Public Works & Infrastructure as the nerve centre for infrastructure delivery and the operationalisation of the structure including the filling of critical vacant funded posts has begun.

On the use of the immovable asset portfolio optimally and productively to facilitate service delivery objectives of the client departments and revenue generation through investments; the Department prioritised a number of interventions. These include finalising the Provincial Office Accommodation Plan which will be used as a vehicle to consolidate Government Departments into one stop shops in order to improve access to government services while equally changing the spatial outlook of small towns. The Department has also received concurrence for an award of two projects that would generate R90 million worth of revenue for the Department over a period of 9 years and 11 months as well as R1,3 billion revenue to be generated over a 99-year lease period respectively.

In developing the capacity to deliver and package infrastructure projects the Department took a strategic decision to allocate all new projects to internal professional capacity and this led to 91% of professional work done utilising existing capacity. The Department as an Implementing Agent of choice was able to complete twelve (12) facilities that were renovated and one (1) new facility for our clients.

The Department is committed to radically pursue of the transformation agenda in the built environment for both construction and property sectors through local production and technical skill development. During the period under review, 92% of goods and services and capital expenditure items were awarded to local suppliers. We have made strides in introducing 59% entrants as landlords in the leasing portfolio who are 100% black owned, controlled and managed, benefitting 14.87% Women and 2,88% Youth. The implementation of the Office Accommodation Plan, will further provide an opportunity to transform this portfolio to represent the demographics of the Province.

The provision of relief to the poor and vulnerable through job creation and enterprise development interventions with special focus on youth intensive EPWP programmes remained a priority. The Department is in partnership with sister departments to develop a Provincial Infrastructure Development skills pipeline programme with a view to integrate and consolidate available skills to build capacity to deliver on infrastructure projects in the Province. This programme will be enhanced by the current skills development initiatives including Professional Development Programme, Accelerated Professional and Trade Competency Development, National Youth Service Programme and the Technical and Designs Schools programme.

The year under review was not without formidable challenges that caused the under achievement of priorities and policy imperatives committed to, notable amongst the challenges are:

- Delays in the finalisation of the implementation of long term leases for revenue generation projects; due to Treasury Regulations which are favourable to procurement revenue generation services;
- External environmental factors which delayed the re-development of state-owned properties; and
- Slow progress in the revitalization of small towns and the transformation of the property sector caused by lack of integrated planning between the spheres of government.

Lastly, we acknowledge the unwavering support and contribution made by the Premier, the entire Executive Council (EXCO) members and all stakeholders in ensuring that the Department delivers on its mandate of being a leader in the provision of high quality services in infrastructure delivery.

Thank you.

Ms N. Nkopane
MEC for Public Works & Infrastructure

1.4 REPORT OF THE ACCOUNTING OFFICER

Overview of the Operations of the Department

This Annual Report is presented at a time when government operations have been continuously affected by the COVID-19 pandemic compelling government and indeed DPWI to adopt new models of operations, service delivery, and interactions with citizens, which include technology options of modernisation of services to citizens and businesses.

In the 2021/22 Annual Performance Plan (APP) I alluded to the fact that focus will be on realising the strategic thrusts and mandate of the Department, that of being a "Nerve Centre" in the provincial infrastructure delivery, coordination and socio-economic investment anchored in three dimensions, namely,

- Developing a Capable institution;
- Core Infrastructure delivery services; and
- Investment for Socio-Economic Growth.

This thrust was followed by the revision of eight (8) outcomes to be aligned to the Public Sector Outcomes.

Significant achievements in the 2021/22 financial year include amongst others:

- The Department achieved 83% of its planned targets with 100% expenditure of its allocated budget;
- The renaming and the new mandate of DPWI through a proclamation issued on the 06th April 2021 was formalized and the journey for defining the infrastructure model of transforming DPWI to be a capable institution of government and the nerve centre for infrastructure coordination, delivery and socio-economic investment started in earnest;
- Conceptualization of the Transversal Coordination Infrastructure function by DPWI has started with the first partner being Provincial Treasury (PT) in the year under review, in order to understand the financial implications in the infrastructure delivery space and challenges in the sector;
- The new organizational structure was approved in January 2022 thus enabling DPWI to start building its own capacity towards achieving its vision of leading and coordinating Provincial Infrastructure;
- The Department in its strides towards achieving its outcome of a **Resilient and Capacitated Public Works** has managed to capacitate its professional and leadership capacity through filling of six (6) critical SMS posts and seven (7) technical and professional posts;
- DPWI held a very successful Eastern Cape Property Development and Investment Conference on 31 March 2022, exhibiting and launching a Bid Book containing **195** properties, paving a way for optimal utilization of the property portfolio for revenue generation, economic growth and transformation of the sector;
- During the financial year under review, the Department realized an increase from 46% to 59% participation of black-owned leased companies in the leasing of office space with a clear demonstration of its commitment to transforming the Property Sector; and

- The Department has managed to pay 100% of its suppliers within 30 days, providing relief to the SMME's particularly after the severe socio-economic effects of the COVID-19 Pandemic.

The Department continued to ensure the inclusion of the previously marginalised into the mainstream of the economy by allocating and spending a large percentage of the budget on infrastructure, goods and services to SMMEs and local suppliers. Emerging contractors in the Integrated Contractor Development Programme (ICDP) were supported with awards of contracts including COVID-19 related projects and training which resulted in the upgrading of contractors to higher levels in the CIDB grading of contractors rating.

The Department's efforts in supporting local suppliers and SMMEs and ensuring their inclusion into the mainstream economy meant that 92% of goods and services and capital expenditure items were awarded to local suppliers (SMMEs, EMES and QSEs).

The operations of the department were adversely affected by the following challenges in the implementation of the 2021/22 plan.

- In revenue generation, some of the identified projects are of long term in nature and will yield results outside the MTEF period. The low collection rate is caused by the disputes between the lessor and lessee that the Department is currently addressing through debt collection agency, data cleansing project and the legal route.
- The development of the Provincial Infrastructure and Construction SMME strategy was delayed due to extensive consultation of wider spectrum of stakeholders including other spheres of government. The Office of the Premier is assisting the facilitation and expediting the process for the approval of the strategy in 2022.

Lastly, the establishment of the Provincial Infrastructure Management Office (PIMO) to build the capacity required by the Department to be an Implementing Agent of choice for all infrastructure delivery and coordination functions in the Province is yielding positive results. To date there are 66 support services personnel provided by PIMO assigned to departmental programmes and the highlights of the PIMO support include the following:

- The PIMO supported the infrastructure directorate with the implementation of the eMaxesibeni catalytic project which commenced construction in January 2022 and other various projects under the DoE and DoH infrastructure portfolios;
- The Immovable Asset Chief Directorate managed to review 288 project files for Section 42 transfers for which 94 were successfully completed. Furthermore, 176 properties valuation reports were delivered through the PIMO support;
- The ICT directorate commenced the implementation of the eGovernment Solution, the Integrated Portfolio Management System with the assistance of the PIMO; and
- PIMO is also central to the conceptualization and capacity building of the new Transversal Infrastructure Coordination Function.

Overview of the financial results of the Department

Departmental receipts

Items	2021/22			2020/21		
	Estimate	Actual collection	(Over)/Under collection	Estimate	Actual collection	(Over)/Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Rentals Dwelings	45 021	12 022	32 999	12 000	14 720	-2 720
Sale of Tenders	-	-	-	-	8	-8
Admin Fees	-	-	-		295	-295
Interest	-	201	-201	-	88	-88
Sale of capital assests	-	458	-458	-	915	-915
Commision Insurance	-	875	-875	-	923	-923
Assets and Liabilities	-	1 220	-1 220	-	376	-376
Total	**45 021**	**14 776**	**30 245**	**12 000**	**17 325**	**-5 325**

For the period under review, the Department under collected the projected revenue by R30 million.

Own revenue is mainly derived from the rental dwellings, sale of goods and services other than capital assets. Other sources include sale of tender documents as well as commissions. In 2021/22 financial year, the projected revenue was informed by the implementation of the approved Revenue strategy. Strides have been made by the department in this regard and advertisement on the properties identified for revenue collection were made and the department held an Investment Conference in an effort to fast-track the implementation of the strategy.
The reduction in collection of rental dwellings is due to non-payment of market rentals by tenants. The Department sold two properties for R458 000, namely: Hamburg ERF 255 at R238 000 and No. 10 Recreation Centre in Alice for R220 000. Assets and Liabilities relates to the recovery of previous years' expenditure for the reduced sale of property purchased by the department. Furthermore, in an effort to reduce staff debt an amount of R380 000 was recovered in 2021/22 through signing acknowledgement of debt form.

Programme Expenditure

The departmental expenditure for the period under review (2021/22) stood at R2, 526 billion or 100% of the total adjusted budget of R2, 526 billion. The table below provides expenditure trend per programme.

Programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administraiton	519 879	519 720	159	489 240	486 602	2 638
2. Public Works Infrastructure	1 855 492	1 855 492	-	1 785 302	1 750 053	35 249
3. Expanded Public Works Programme	150 958	150 958	-	134 050	131 300	2 750
Total	**2 526 329**	**2 526 170**	**159**	**2 408 592**	**2 367 955**	**40 637**

Virements

Virements were effected during the financial year from Programme 1: Administration: - Compensation of Employees R5, 528 million to Programme 3: EPWP: - Goods and Services for the provision of maintenance teams working tools and PPE as well as the provision for the NYS, APTCoD, Incubator contractors and maintenance teams basic training programmes, together with the travelling for the completion of the ARPL, pre trade tests and final trade test. Furthermore, a virement of R1, 720 million from Programme 2: Public Works Infrastructure: Provinces and Buildings to Programme 1: Administration Households and Machinery and Equipment for the purchasing of tools for the Prestige Team.

The implemented virements were within the legislated 8% threshold and are in line with all relevant legislation and regulations governing virements. The table below provides the summary of the virements that were effected in the period under review:

Appropriation per programme									
	2021/22							2020/21	
Voted funds and Direct charges	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	523 687	-	(3 808)	519 879	519 720	159	100,0%	489 240	486 602
2. Public Works Infrastructure	1 857 212	-	(1 720)	1 855 492	1 855 492	-	100,0%	1 785 302	1 750 053
3. Expanded Public Works Programme	145 430	-	5 528	150 958	150 958	-	100,0%	134 050	131 300
Total	**2 526 329**	**-**	**-**	**2 526 329**	**2 526 170**	**159**	**100,0%**	**2 408 592**	**2 367 955**

Rollovers

There are no rollovers requested.

Fruitless and Wasteful Expenditure

The fruitless and wasteful expenditure in the year 2021/22 is detailed as follows:

Financial year	Analysis	Amount	Movements (Recoveries and Resolved)	Balance	Description
2021/22	No show	14,221	3,278	10,943	None attendance of trainings
	Other wasteful	443,291	481,304	-38,012	Miscalculation of award points
	Interest	7,345	44,529	-37,184	Telkom and Eskom late payment
Total 2021/22		**464,857**	**529,111**	**-64,254**	
Prior Years	No show	258,854	115,195	143,659	None attendance of trainings
	Other wasteful	1,737,451	1,314,932	422,518	Breach of contract and attendance of cancelled meetings
	Interest	505,530	25,839	479,691	Telkom, Eskom and white fleet late payment
Total (prior year)		**2,501,834**	**1,455,966**	**1,045,868**	
Total		**2,966,692**	**1,985,077**	**981,615**	

There is a decrease of no shows since consequence management measures were implemented and employees were made to account for such transactions. Wasteful Expenditure also decreased by 61% compared to the previous financial year of R2,502,000.00 due to a vigorous monitoring by the Compliance Unit. Furthermore, there was a drastic decrease in interest charged as a result of close monitoring of invoices and payment of valid invoices within 30 days.

The strategic focus over the short to medium term period

In 2022/23, the Department will, within the resources allocated to it, refocus its efforts on the following interventions:

- Optimal and productive use of its Immovable Asset Portfolio to advance the transformation of the socio-economic agenda as well as revenue generation;
- Strengthen the department's capacity to deliver infrastructure projects and support public infrastructure delivery in the province and in the local sphere of government through offering a single pipeline of professional, technical and artisan skills;
- Radically pursue the transformation agenda in the property and construction sector;
- Commence with the coordination of Infrastructure in the Province;
- Provide relief to the poor and vulnerable through job creation and enterprise development efforts with special focus on youth intensive EPWP programmes;
- Approval and start implementation of the new structure in order to fulfil the new role bestowed upon DPWI that includes: Integrated Planning and Coordination;
- Strengthening the internal capacity of DPWI in facilities management;
- Improvement in intergovernmental relations and stakeholder engagement through development of a clear strategy; and
- Implement recruitment strategies that deliberately ensure attainment of employment equity targets, especially women in SMS, youth and people with disabilities.

Public Private Partnerships

There is one project procured under PPP which was issued out on tender.

Discontinued Activities/ Activities to be discontinued

There were no activities discontinued during the year under review.

New or Proposed Activities

- Implementation of the Facilities Management Model to provide a standardized approach in the management of state-owned facilities and realizing value for money in the investment;
- The implementation of Office Accommodation Plan for Provincial Departments including amongst others, Precinct development and acquisition of strategic properties; and
- Transversal Infrastructure Coordination to address the fragmented and disconnected infrastructure planning across the Province.

Supply Chain Management

There were no unsolicited bid proposals concluded for the year under review. SCM processes and systems are in place and are effective. There is a maintenance of segregation of activities within the unit. Each year the Accounting Officer appoints Bid Committee Members to consider and evaluate all quotations and bids for the department.

The major challenge in the SCM space is the shortage of personnel across all Regions and Head Office as well as the leaking of information which was as a result of scams. Scammers were using the information loaded to our website to defraud the system and bidders. The Department then went out on a campaign to alert the public about these scammers through a media advert.

Gifts and Donations received in kind from non-related parties

The Department approved a Gift Policy that was supplemented by a guide to the managing of gifts received and offered to employees. These documents provided direction on which types of gifts were acceptable or not, and the process of disclosure and management of gifts within the DPWI. During the 2021/22 financial year, there were two (2) gifts received and declared by the DPWI officials, whose values amounted to R300 and R500 respectively. The total value of the gifts is disclosed in the Annual Financial Statements.

Exemptions or deviations received from National Treasury

No exemptions or deviations have been received from National Treasury.

Events after reporting date

Events after reporting date are documented in the applicable notes in the Annual Financial Statements.

Other

No other material facts or circumstances which may have an effect on the interpretation and fair presentation of the financial statements.

Acknowledgements or Appreciations

I wish to take this opportunity to express my sincere appreciation for the leadership and support provided by the MEC in driving the ideal Public Works and Infrastructure initiative. Let me also thank the Departmental Management and all staff for their dedication and commitment in ensuring that the Department delivers on its mandate. The immense support provided by Oversight Bodies in improving service delivery to the people of the Eastern Cape has provided much needed encouragement.

I, acknowledge the valuable support, guidance and the efforts in ensuring that the Department is held accountable for delivering on its mandate to the public.

Conclusion

The Department presents this report in terms of the Public Service Act and the Public Finance Management Act. This report offers the Accounting Officer the opportunity to fully account for both the financial and non-financial activities for the year under review and the results thereof as contained in detail in this Annual Report.

Approval and sign off

Mr T. L. Manda
Head of Department
31 August 2022

Statement of responsibility and confirmation of the accuracy of the Annual Report

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

- All information and amounts disclosed throughout the annual report are consistent;
- The Annual Report is complete, accurate and is free from any omissions; and
- The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

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

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

The External Auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the Performance Information, the Human Resources Information and the Financial Affairs of the Department for the financial year ended 31 March 2022.

Yours faithfully

Mr T. L Manda
Head of Department

1.5 Strategic Overview

1.5.1 Vision

The vision of the Department of Public Works & Infrastructure is to be a:
“Leader in the provincial infrastructure delivery, coordination and socio-economic investment”

1.5.2 Mission

The mission of the Department of Public Works & Infrastructure is:
“A custodian of provincial government immovable assets and a provider of sustainable infrastructure resulting in socio-economic transformation and development”

1.5.3 Values

The Department of Public Works & Infrastructure holds the following values:

Values	Statements
Commitment	DPWI employees recognise that they have chosen to become public servants and, as such, are responsible and accountable to the people they serve - the people of the Eastern Cape. This commitment will be demonstrated in upholding and driving the values of the DPWI in their day-to-day activities regardless of whether they form part of management, operations, finance or administration.
Integrity	The Department will consistently honour its commitments to its clients, stakeholders and the people, to uphold ethical conduct and behaviour. As such, integrity will form the foundation for good governance within DPWI.
Accountability	Each individual in the DPWI is directly or indirectly involved in government service delivery, in so far as infrastructure management and maintenance are concerned. As such, each individual is accountable for his/her actions. The Department will strive to instil a culture of accountability to ensure service delivery excellence.
Professionalism	As a Department which provides a professional service in relation to infrastructure delivery, and overall infrastructure management and maintenance, the Department commits itself to professional conduct in all areas of management, operations, finance and administration.
Service excellence	We strive for excellence in the delivery of our mandate and in the execution of our services and commit ourselves to become the best in what we do and how we do it, with workforce that is motivated and diligent in their dealings with all Departmental stakeholders.
Transparency	We display transparency in the way we work and communicate with honesty and integrity in all our relationships.
Innovation	We embrace a challenging style that encourages creativity, free thought and calculated risk-taking in pursuit of ever-higher goals.
Fairness	We accept responsibility for consequences and commit to fair application of policies without abuse and manipulation.

1.5.4 Legislative and Other Mandates

Constitutional Mandates

Legislative Source	Directives in relation to the mandate, roles and responsibilities
Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)	**Part A of schedule 4:** Public Works and Infrastructure has a responsibility only in respect of the needs of the provincial Departments in the discharge of their responsibilities to administer functions specially assigned to them in terms of the constitution or any other law (Concurrent National Department is the Department of Public Works and Infrastructure)

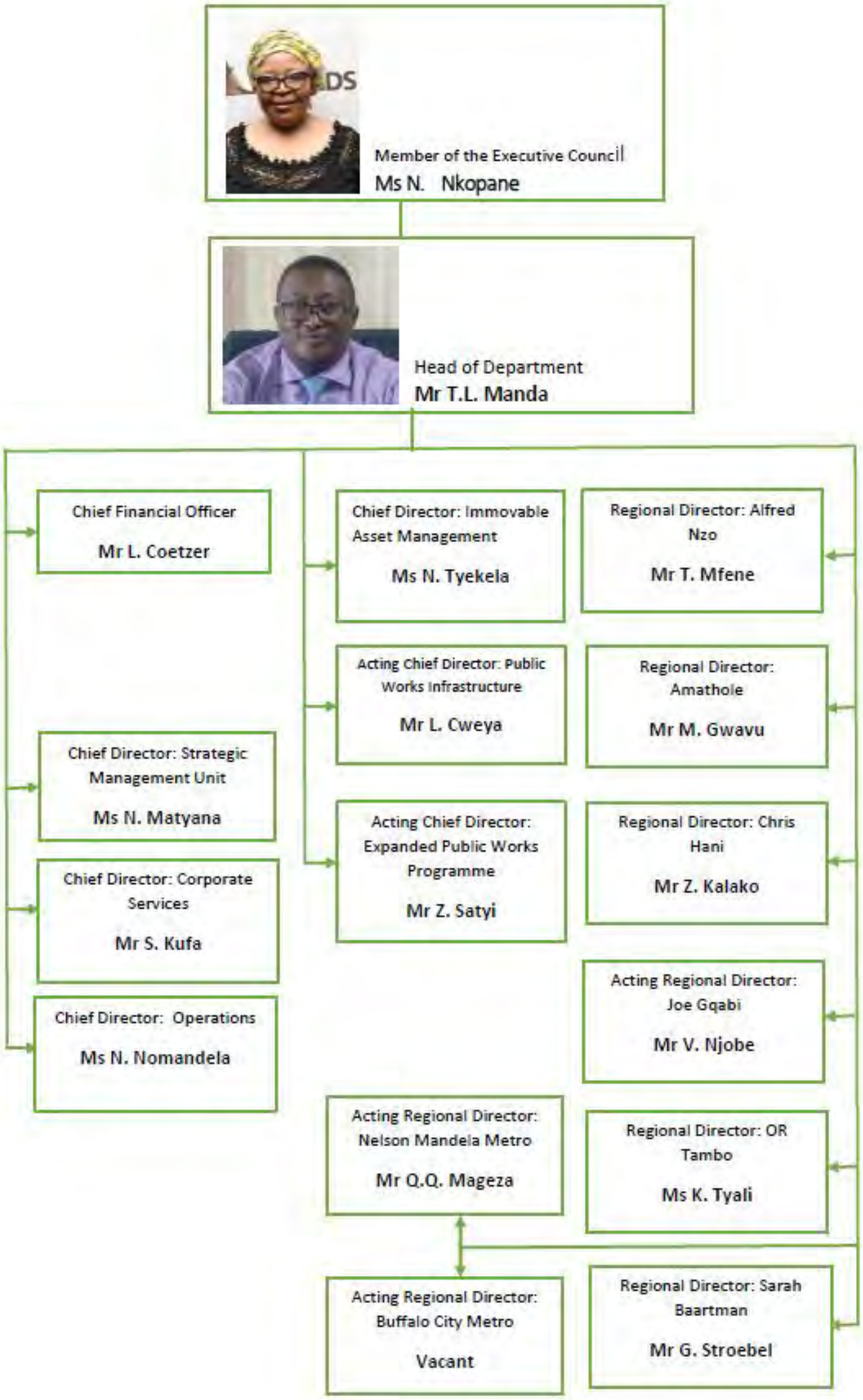
Legislative Mandates

The legislative mandates for the Department of Public Works and Infrastructure comprise the following legal prescripts:

Legislative Source	Directives in relation to the mandate, roles and responsibilities
National	
Government Immovable Asset Management, Act 19 of 2007	In terms of section 4(2)(a)(b)(ii) & (c) DPWI is designated as the custodian of Eastern Cape Provincial immovable assets responsible for all activities that are associated with common law ownership including planning, acquiring, managing and disposing immovable assets in relation to government office space, government warehousing and socio-economic infrastructure e.g. schools, clinics, hospitals etc.
Infrastructure Development Act, Act No. 23 of 2014)	To provide for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic; to ensure that infrastructure development in the Republic is given priority in planning, approval and implementation; to ensure that the development goals of the state are promoted through infrastructure development; to improve the management of such infrastructure during all life-cycle phases, including planning, approval, implementation and operations; and to provide for matters incidental thereto.
Construction Regulations, 2014	Sub-Regulation 11(2) requires an owner of structures to ensure that a competent person (typically a Built Environment Professional) carries out periodic inspections of structures at least once every six months for the first two years after its construction and thereafter yearly to render the structure safe for continued use and that the structure is maintained so that it remains safe for continued use. Thus at least annual condition assessments must be carried out and maintenance and renewal programmes must be implemented.
Spatial Planning and Land use Management Act, 2013 (Act No. 16 of 2013)	To provide for the inclusive, developmental equitable and efficient spatial planning at the different spheres of government.
Critical Infrastructure	• to provide for the identification and declaration of infrastructure as critical infrastructure;

Legislative Source	Directives in relation to the mandate, roles and responsibilities
Protection Act 8 of 2019	• to provide for guidelines and factors to be taken into account to ensure transparent identification and declaration of critical infrastructure; • to provide for measures to be put in place for the protection, safeguarding and resilience of critical infrastructure; • to provide for the establishment of the Critical Infrastructure Council and its functions; • to provide for the administration of the Act under the control of the National Commissioner as well as the functions of the National Commissioner in relation to the Act; • to provide for the establishment of committees and their functions; • to provide for the designation and functions of inspectors; • to provide for the powers and duties of persons in control of critical infrastructure; • to provide for reporting obligations; to provide for transitional arrangements; • to provide for the repeal of the National Key Points Act, 1980, and related laws; and • to provide for matters connected therewith.
Provincial	
Eastern Cape State Land Disposal Act, Act 7 of 2000	In terms of Section 5(1) (2) & (3) of the Act the Department of Public Works and Infrastructure is responsible for acquisition and disposal of immovable property on behalf of the Eastern Cape Provincial Government subject to the approval of the Premier-in-Executive.

1.5.5 Department of Public Works & Infrastructure Organisational Structure



1.6 ENTITIES REPORTING TO THE MEC

There are no entities in the Department's portfolio reporting to the MEC.

PART B

PERFORMANCE INFORMATION

2. PART B: PERFORMANCE INFORMATION

2.1 Auditor-General's Report: Predetermined Objectives

The Auditor-General's report on predetermined objectives is documented under the sub-heading ''Reporting on other legal and regulatory requirements'' of the Auditor- General's report published as Part E (Annual Financial Statements of the Department's Annual Report).

2.2 Overview of the Departmental Performance

The following section provides key performance information and highlighting the Department's service delivery achievements.

2.2.1 Service Delivery Environment

The service delivery environment provides a synopsis on how the Department of Public Works and Infrastructure has been operating in delivering on its mandate, strategies and interventions in striving to become the nerve centre for infrastructure delivery in the Province. The main aim of the service delivery environment is to provide users of the annual report an understanding of department's challenges, successes and factors that may have hindered the optimal implementation of the Annual Performance Plan 2021/22.

Buildings infrastructure

The Department is responsible for delivering both Capital and Maintenance Infrastructure projects for Sector Departments, such as the Department of Education (DoE), Department of Social Development (DSD), Department of Health (DoH), Department of Sports, Recreation, Arts & Culture (DSRAC), Department of Transport (DoT) and the Department of Cooperative Governance & Traditional Affairs (COGTA).

In the past, the Buildings Infrastructure Portfolio has experienced challenges in effectively delivering on infrastructure due to issues related to inadequate skills, capacity and optimal control of provincial infrastructure budget. First and foremost, attempts to address the noticeable ineffectiveness in infrastructure delivery, the Department had to relook at its capacity and skills as they are critical in driving the infrastructure delivery mandate.

In the Department's strides to optimally provide services to client departments and to optimise infrastructure delivery in the province, the department established the Provincial Infrastructure Management Office (PIMO) to provide support in coordinating integrated infrastructure delivery in the Province. Furthermore, the PIMO provided management much needed technical support to technical projects and programme management. In repositioning itself as the nerve centre for infrastructure delivery in the Province and to effect to the endorsement by the Executive Committee of the Province for Public Works to be Public Works and "Infrastructure", the Department acquired the services of the PIMO to carry out the vast load of projects and responsibilities with regards to the infrastructure portfolio.

Furthermore, in responding to resilient and capacitated Public Works Infrastructure, PIMO has an additional responsibility of transferring skills to the newly recruited staff in areas where professional and technical skills are lacking, thus to date, the Department has optimally utilised **91/9 ratio** of internal Building Infrastructure professionals against **30/70 split** which was planned for the period under review.

During the COVID-19 pandemic in 2020/21 financial year, internal Building Infrastructure professionals demonstrated strength and agility in implementing DoH infrastructure facilities as quarantine sites and they have maintained the momentum in implementing infrastructure projects for 2021/22 thus reducing professional services costs by 18%.

The relationship between Sector Departments and DPWI is governed by a Service Delivery Agreement (SDA) which, *inter alia,* documents the roles and responsibilities of the two parties with regard to the Sector Departments of the Infrastructure Programme. The ultimate outcome of this programme is to ensure "**Dignified Client Experience**" by providing reasonable and functional accommodation that facilitates the attainment of user departments service delivery objectives and the delivery of frontline services that are suited to the requirements of the public.

To this end, the Department completed the following capital infrastructure and maintenance projects:

Anchor Projects	User Departments
Construction of Grens Laerskool	Department of Education
Renovations to Alice Service Office	Department of Social Development
Renovations to Mthatha Government Garage	Department of Transport
Renovations to Barkley East Museum	Department of Sports, Creation, Arts & Culture
Construction of Mbuqe Extension Primary School	Department of Education
Construction of Mfesane Secondary School	Department of Education
Construction of Jubilee Park Primary School	Department of Education
Construction of Temba Mzizi Primary School	Department of Education
Renovations to Old FNB Building (Bhisho)	Department of Public Works & Infrastructure
Replacement of Fencing to Lusikisiki College	Department of Public Works & Infrastructure
Renovations to Dabi Traditional Council	Department of Cooperative Governance & Traditional Affairs
Renovations to Mt Ayliff Service Office	Department of Social Development
Renovations to OTP / Old ECDC Building	Department of Public Works & Infrastructure

Furthermore, the Department closed the 2021/22 financial year with forty-two (42) under construction projects, seventeen (17) of which were awarded during the financial year under review. Twelve (12) facilities were renovated and one (1) new facility completed. The Department also engaged in water and energy efficiency initiatives not only to give effect to other related Green Buildings efficiency programmes but to ensure that DPWI meets its commitment to contribute significantly to the reduction of Greenhouse Gas emissions in the built environment and provide dignified client experience of environmentally safe and sustainable office spaces.

The Department did not achieve all the targets as planned in the Annual Performance Plan for the year under review due to the fact that National Treasury issued an instruction to halt procurement as per the Court Ruling on PPPFA. Furthermore, contractors were unable to source materials timeously due to shortage of materials especially steel.

In an effort to transform the Built Environment, the programme has ring fenced construction projects estimated at R157 million to the ICDP database of contractors. As a result, 24% **(R157 million / R 647 million)** of the new contracts for infrastructure budget were awarded to emerging contractors. In addition to this and due to the threat of climate change and urgent need to comply with green building standards, the Department managed to conduct retrofitting of energy saving light fittings, air-conditioning to **50 state owned buildings**. The Department also ensured that new buildings comply with green building standards.

The Department has maximised the use of internal capacity by assigning and entrusting young professionals (Quantity Surveyors, Architects, Project Managers and Engineers) to strategic projects of the department. i.e. Construction of Mqanduli Cluster Offices, Emaxesibeni Cluster Offices, and the construction of Makhanda Artisan Academy. Furthermore, the Department has mentored candidates and some have managed to attain their professional registration status.

Immovable Asset Management

Property Development & Investment

To date, progress pertaining to the release of properties for economic development has been made and approvals were received from Provincial Treasury to enable further implementation of the Revenue Management Strategy. The Bid Book containing **195** properties was presented to investors at the Property Development and Investor Conference which was held on the **31st March 2022**.There are **97** properties which are not included in the **195** in the Bid Book, however these properties were approved by the Accounting Officer for revenue generation and **73** of those have been advertised, evaluated and responsive bidders were awarded.

It is important to note that despite the number of properties advertised, awards will be made on those which are responsive and compliant to the Supply Chain Management processes. During the financial year under review very few properties were responsive and this reality is a matter that is beyond the control of the Department as it is determined by responses from the market.

Approval was obtained from the MEC and an award was made for leasing **24** state-owned properties for outdoor advertising to the value of **R8 million over a 3-year lease period**. The Department also received concurrence from Provincial Treasury for an award of a project that would generate **R90 million** worth of revenue for the Department over a period of 9 years and 11 months from installation of telecommunication infrastructure and equipment on portions of various state-owned properties.

In addition, the Department has received concurrence from Provincial Treasury for the long-term leasing and for redevelopment of Erf 1, Bhisho old Amatola Sun at a R1,3 billion revenues to be generated over a 99-year lease period. However, delays experienced in awaiting support for revenue generation projects from Provincial Treasury, and approval from the OTP had a negative impact on timeous conclusion of long term leases, redevelopment of state-owned properties and subsequent revitalization of small towns and transformation of the property sector.

As far as the Bhisho Precinct is concerned, the Department has worked with National and Provincial Treasuries to deliver on this project where the 1st batch of the tender was issued in July 2021. Furthermore, plans for the development of Sarah Baartman and Port St John's office precinct have been developed.

In an effort to transform the built environment by optimizing entrepreneurship opportunities in the property sector, to date the Department managed to conclude 59% leases with black landlords.

Lease Management

Expense Lease

The Department of Public Works and Infrastructure leases 76 properties from various landlords provincially. This provides 122 444m² to all the user departments. All the 76 leases were valid as at 31 March 2022.

The Department has since embarked on a Lease Renewal Project where the lease portfolio including projects for the Department of Social Development have been advertised on open tender. The purpose of the project is to strengthen the empowerment agenda of government within this portfolio. The Lease Renewal Project focused on consolidation of more departments in one-stop offices so as to enhance cost efficiencies through a well-coordinated and seamless provision of services. It targets 100% black owned, controlled and managed companies. The DPWI achieved an increase from 46% to 59% black-owned landlord companies in the financial year under review.

Income Lease

Of the current 700 revenue leases (residential and commercial), 589 lease of these are valid. The Department appointed teams of attorneys during October 2019 in the OR Tambo and Amathole Regions, to assist Regional offices with the signing of new lease agreements, including the calculation of rental arrears and instituting due legal processes for outstanding rental collections to be followed as well as applications for eviction orders. The process of evictions is ongoing and current engagements with tenants in the OR Tambo and Raymond Mhlaba Municipalities for the disposal of the subject properties is at an advance stage.

Prestige Management

The Department is implementing the Facilities Management Model to provide a standardized approach in the management of state-owned facilities and realizing value for money in the investment. During the year under review, six (6) Prestige houses are under maintenance and are progressing according to project plan. In collaboration with EPWP, 30 participants will be mentored in garden maintenance and horticulture services at the national key point facilities (Eastern Cape Legislature, State House and Ministerial Complex).

Security Management

The progress on the following projects can be reported in the period under review:

- **Lilian Diedericks House (State House)** – The Department has installed electronic security systems and a fully operational control room;
- **Eastern Cape Provincial Legislature (ECPL)** – Phase 2 security upgrades are currently in progress which includes the installation of lights, CCTV cameras around the perimeter fence and repair of electric fence. Completion is scheduled for June 2022;
- **Ministerial Complex** – Project of installing boom gates, steel canopy, CCTV cameras and intercom system to all houses is currently in progress. Completion is scheduled for June 2022; and

- **Security Upgrade Plan for Prestige Houses outside the Ministerial Complex:** The plan for 2022/23 (also included in the procurement plan) is to appoint a service provider for monitoring, maintenance and installation of alarm systems in DPWI prestige facilities which will ensure that outside houses meet the minimum security requirements.

As the custodian of all state buildings, properties and facilities in the Province, the Department also has a mandate of providing Security Management Services to government properties. As a means of optimizing job opportunities and transforming the security sector, the Department has continued with the initiative of utilizing Security Co-operatives. To date, there are 12 Security Co-operatives that are safe guarding and protecting government properties and an amount of R58,530 million has been paid to Security Cooperatives. Moreover, an alarm system has been installed in prestige properties and in MPL's residence as means of bolstering the security system.

Expanded Public Works Programme (EPWP)

In May 2020, the COVID-19 outbreak which has been declared a pandemic by World Health Organisation (WHO), necessitated measures from all spheres of government to curb the spread of the virus. The Minister of Cooperative Governance and Traditional Affairs (COGTA), in terms of Section 3 of the Disaster Management Act, 2002 (Act No. 57 of 2002), declared the National State of Disaster, which resulted into various levels of lockdowns.

The lockdown necessitated by the pandemic had an adverse effect on the economy and threatened government's commitment to economic growth and the creation of work opportunities. To mitigate this threat, the EPWP had to be innovative by pioneering the COVID-19 youth brigade programme, which was meant to engage the youth in assisting government to curb the spread of the coronavirus in government buildings. Consequently, the Programme created 1000 much-needed jobs for the Youth. Due to its uniqueness, the initiative received a Bronze Award at the Provincial Balasela Awards.

Furthermore, through the work done to refurbish the health facilities in response to the pandemic, emerging contractors in the Integrated Contractor Development Programme (ICDP) were supported.

During the year under review, the Department maximised its coordination efforts to ensure the optimal creation of jobs and improving the programmes footprint. These efforts include ensuring the effectiveness of the EPWP governance structures and provision of technical and data capturing support to Public Bodies. Through these efforts, all fifty (50) Public Bodies reported the work opportunities created in EPWP reporting system. Accordingly, a total of 121 287 work opportunities were created and reported thereby surpassing the annual target of 93 687 set for the Province of the Eastern Cape.

The Department recognised that the economy in general and the built environment in particular would upon recovery require a skilled workforce hence it undertook to intensify its skills development efforts.

During the year under review, the Department commenced with the operationalisation of the Artisan Development Training Centre in Steynsburg. This Centre will be pivotal in ensuring that our learners in the Chris Hani and Joe Gqabi Districts are adequately prepared for their Trade Test. Furthermore, the Department undertook to establish partnership with the Department of Public Enterprises and this culminated in entering into a Memorandum of Agreement (MoA) with the Department of Public Enterprises.

Subsequently, Service Level Agreements (SLAs) were entered into with Transnet and Eskom. These partnerships will result in our Artisans getting exposure and experiential learning in cutting edge artisanal skills.

The Department acknowledges that it could not meet some of the set targets during the year under review. These include:

- The finalisation of the Provincial Construction SMME Development Strategy. The delays are due to needed consultations being undertaken with stakeholders. The plan is to ensure that the Strategy is finalised for implementation in the current financial year;
- The finalisation of the Property Incubator Programme. An Expression of Interest (EoL) to establish the database was issued, however during evaluation it was discovered that the bidders were non-responsive; and
- Delays in the implementation of the Youth Evaluation Study report. Certain elements of the Implementation Plan could not be implemented due to the fact that the recommendations of the report cut across all spheres and extensive consultations were deemed to be necessary.

2.2.2 Service Delivery Improvement Plan

Main services and standards

Key Service: Manage Leases (Lease- in and Lease-out)

Main Services	Beneficiary	Performance Area	Quality	Current/ actual standard of service	Desired standard of service	Actual Achievement
				2020/2021	2021 / 2022	2021 / 2022
1. Manage Leases (Lease- in and Lease-out)	User Departments &Tenants	Expense leases ***(Lease-in)*** and Income leases ***(Lease-out)*** provided within valid period	Quantity	95% of leased accommodation was provided within 90 days. • The desired standard aimed at providing accommodation within 60 days is not feasible. • To provide accommodation takes an average of 90 days (3 months) depending on the method followed. • In the case of new procurement, it takes up to 180 days (6 months). • Income Leases: Property Holdings is currently reviewing all income leases per region. Three regions (Chris Hani, Joe Gqabi and Alfred Nzo) have been completed and a report is currently being drafted. Sarah Baartman Region will be completed by 21 May 2021. Completion of the whole project is expected by June 2021 • In the case of Lease renewals, it takes up to 90 days (3 months) to finalise the process.	• 100% of leased accommodation provided within 40 days. • 100% of contracts addressed before expiry • 100% response rate to customer complaints related to Manage Leases (Lease- in and Lease-out)	• 97% of leased accommodation were provided within 90 days. • The desired standard aimed at providing accommodation within 60 days is not feasible. • To provide accommodation takes an average of 90 days (3 months) depending on the method followed. • If it is new procurement it takes up to 180 days (6 months). • Further, in the 2021 / 2022 FY, the department targeted 100% black owned, managed and controlled as new entries into the property sector.

Main Services	Beneficiary	Performance Area	Quality	Current/ actual standard of service	Desired standard of service	Actual Achievement
				2020/2021	2021 / 2022	2021 / 2022
				Interventions to assist the directorate include; • Conducting on-going lease negotiations with the various landlords. • Facilitating tender process that will focus on fast-tracking renewal of lease contracts and provision of accommodation • 75% of the leased-in and 98% leased-out contracts are valid and in place. • Outstanding lease contracts are in the various stages of being addressed / negotiated with landlords. • Renewal negotiations are concluded with 28 landlords. • Submissions are on-route to delegated authority for approval of 12 months' extension. • All leases have been renewed for a further 12 months in order to observe the open bid process. • 4 leases are currently with the landlord for signature, 1 lease is terminated due to User Department relocated to the State-Owned Building. • Total valid leases to date is 71. • 100% response rate to customer complaints related to Manage Lease (Lease-in and Lease-out) was achieved.		• Most of the new bidders, will construct new office accommodation and buildings will be ready within 24 months after award. This has been allowed in the bid conditions to attract new entrants. • The lease process has moved the black participation from 46% to 59% by the end of the financial year under review. • Income Leases: Property Holdings reviewed all the income lease portfolio in the financial year under review • Total valid leases to date is 76 at the end of the FY. • 100% response rate to customer complaints related to manage lease (Lease-in and Lease-out) was achieved

Main Services	Beneficiary	Performance Area	Quality	Current/ actual standard of service	Desired standard of service	Actual Achievement
				2020/2021	2021 / 2022	2021 / 2022
				Human Settlements maintenance complaints: • Maintenance issues in relation to Human Settlements have been implemented by the landlord. Health maintenance complaints (Urgent maintenance of air-conditioners, cleaning services and generator): • Maintenance issues have been implemented by the landlord. Transport request: • The need for additional accommodation for the Traffic Infringement Unit has been resolved. • Public Works Infrastructure unit is awaiting a spatial template for renovations to be effected by the FNB Building. • FNB building is currently under construction for the Traffic Infringement Unit of Department of Transport. It is expected to be completed in 10 months from commencement date. DRDAR request: • The request for accommodation for DRDAR (RATU) in Mthatha is in progress. Due to non-availability of state-owned accommodation in Mthatha, the Department opted to lease in accommodation for the		• The department completed Provincial Office Accommodation Plan for all User Departments; • The department consulted on the plan with all the various user department on the state-owned and leased accommodation; The consultations provided the department and User department to identify new needs and problems within the various buildings that needed attention • Consultations were taken further in work streams between the two departments, where interventions were taken by both departments to enhance office accommodation; • Where additional space needed needs were required, procurement of

Main Services	Beneficiary	Performance Area	Quality	Current/ actual standard of service	Desired standard of service	Actual Achievement
				2020/2021	2021 / 2022	2021 / 2022
				Department. The project will be taken to the Departmental specification committee once the lockdown regulations have been lifted. • The Department identified state-owned accommodation and DRDAR visited the accommodation. the DPW is awaiting a Bill of Quantities from • the district and the eviction order will be implemented to clear the accommodation for renovations to take place		additional space has taken place and awards for Transport, Social Development, OTP and Safety and Liaison has taken place. • The department instituted a Strategic Acquisition Project for 10 properties in Bhisho. In the financial year under review the department: · Acquired the Unathi House in Bhisho. · TBN Building has been approved by the Premier and transfer will take place in 2022/2023 financial year. · Acquisition for Indwe House is in progress and an offer has been issued to the landlord.
			Quality	The lease in and lease out was implemented in line with the	As per the requirements of the	• The lease in and lease out was

Main Services	Beneficiary	Performance Area	Quality	Current/ actual standard of service	Desired standard of service	Actual Achievement
				2020/2021	2021 / 2022	2021 / 2022
				requirements of the Government Immovable Asset Management, Act 19 of 2007. • DPW is leasing accommodation through open bid processes and the renewal process in line with the prescripts i.e. issued directive by National and Provincial Treasuries.	Government Immovable Asset.	implemented in line with the requirements of the Government Immovable Asset Management, Act 19 of 2007. • Department is leasing in accommodation through open bid processes and the renewal process in line with the prescripts i.e. issued directive by National & Provincial Treasuries.

Key Service 2: Project Implementation (Works)

Key Services	Service Beneficiary	Performance Area	Quality	Current / actual standard of service 2020/21	Desired standard of service 2021 / 2022	Actual Achievement 2021 / 2022
2.Project Implementation (Works)	User Departments MEC's MPL ECDPWI Officials	Infrastructure projects completed within agreed time period	Quantity:	Due to COVID-19 outbreaks, only 60% of site / progress meetings conducted. 40% of the meetings were conducted virtually through Microsoft Teams. • 100% success rate in managing scope creep during implementation and monitoring of quality. • 90% of Public Works infrastructure projects / works (new, rehabilitation and refurbishment) were completed within the agreed time periods for construction contract. • 100% of Public Works infrastructure projects / works (new, rehabilitation and refurbishment) completed within the agreed budget. • Reasons cited for deviation on completion of projects for the 2020/21 financial year: • Failure to process payments on time by sector departments as per the contract resulted in service providers suspending works • Non-approval of adjustment of fees by PT resulted	• 100% of site / progress meetings conducted • 80% success rate in closing scope and quality issues raised • 100% of building infrastructure projects / works (new, rehabilitation and refurbishment) completed within the agreed time periods in the construction contract • 100 % of building infrastructure projects / works (new, rehabilitation and refurbishment) completed within the agreed budget	• Monthly scheduled site meetings conducted on site. Technical issues and progress related issues discussed (100% achieved). • 100% success rate in managing scope creep during implementation and monitoring of quality. Where necessary, Value Engineering was conducted to reduce the nice to have elements and to cut unnecessary costs. • Completed projects reached practical completion stage on revised but agreed time period. This was due to challenges of late payment by sector departments in previous years, DoE in particular. • Completed projects reached practical completion stage with

Key Services	Service Beneficiary	Performance Area	Quality	Current / actual standard of service 2020/21	Desired standard of service 2021 / 2022	Actual Achievement 2021 / 2022
				consultants suspending their services		adjustment to the contract sum. This was due to challenges of late payment of service providers (contractors & consultants) by sector departments in prior financial years, DoE in particular. • Reasons cited for deviation on completion of projects for the 2021/22 financial year: • Failure to process payments on time by sector departments as per the contract resulted in service providers suspending works • Non-approval of adjustment of fees by Provincial Treasury resulted consultants suspending their services
			Quality	Project implementation Works was implemented in line with the following prescripts:	• In line with the National Treasury Standard for Infrastructure Delivery	• Project implementation Works were implemented in line with the following

Key Services	Service Beneficiary	Performance Area	Quality	Current / actual standard of service 2020/21	Desired standard of service 2021 / 2022	Actual Achievement 2021 / 2022
				• Standard for Infrastructure Procurement and Delivery Management System 2019. • Standard for Infrastructure Procurement and Delivery Management 2016. • Construction Industry Development Framework Provincial Infrastructure • • Integrated Contractor Development Policy (2015) CIDB in construction • • Procurement Construction Health and Safety Space Norms and Standards (for school infrastructure 2016)	Management System 2019 • Standard for Infrastructure Procurement and Delivery Management 2016.	prescripts: Standard for Infrastructure Delivery Management System 2019. • Standard for Infrastructure Procurement and Delivery Management 2016. • Construction Industry Development Framework Provincial Infrastructure Delivery Framework (PIDF) 2014. • Integrated Contractor Development Policy (2015) CIDB in construction • Procurement Construction Health and Safety Space Norms and Standards (for school infrastructure 2016)

Key Service 3: Payment of suppliers invoices within 30 days

Key Services	Service Beneficiary	Performance Area	Quantity	Current/ actual standard of service 2020/21	Desired standard of service 2021 / 2022	Actual Achievement 2021 / 2022
3. Payment of suppliers invoices within 30 days	Suppliers Contractors Consultants Municipality	Payment of legitimate supplier invoices within 30 days	Quantity:	99% of legitimate invoices were paid within 30 days during 2020/21 financial year.	• 100% of legitimate invoices paid within 30 days.	100% of legitimate invoices were paid within 30 days during 2021/2022 financial year.
			Quantity:	Payment of suppliers invoices were paid in line with the National Treasury Section 38(1)(f) of the PFMA • Treasury Regulation 8.2.3 and • Instruction Note 34 of 2011	• In line with the National Treasury Section 38(1)(f) of the PFMA Treasury Regulation 8.2.3 • Instruction Note 34 of 2011	• Payment of suppliers invoices were paid in line with the National Treasury Section 38(1)(f) of the PFMA • Treasury Regulation 8.2.3 • Instruction Note 34 of 2011

Batho Pele arrangements with Beneficiaries (Consultation, Access etc.)

Key Service 1: Manage Leases (Lease- in and Lease-out)

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current / actual arrangements	Desired arrangements	Actual Achievement
				2020/21	2021 /2022	2021 /2022
1. Manage Leases (Lease- in and Lease-out)	User Departments and Tenants	Expense leases (Lease-in) and Income leases (Lease-out) provided within valid period	Consultation:	The Department engaged with User Departments for office space through user forum meetings, bilateral meetings and quarterly meetings during the 2020/21 financial year.	The Department will continue to engage with User Departments on the office accommodation issues through User Forums, Property Summits, Annual and Quarterly Imbizo's and Monthly meetings will be held with tenants	• The Department completed Provincial Office Accommodation Plan for all User Departments • The Department also consulted the plan with all various User Department on state-owned and leased accommodation • The consultations provided the DPWI and User to identify new needs and problems within the various buildings that needed attention. • Consultations were taken further in Work streams between the two departments, where interventions were taken by both departments to enhance office accommodation • Where additional space needs were required, procurement of

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current / actual arrangements	Desired arrangements	Actual Achievement
				2020/21	2021 /2022	2021 /2022
						additional space has taken place and awards for Transport, DSD, OTP and Safety and Liaison has taken place. • The Department instituted a Strategic Acquisition Project for 10 properties in Bhisho. • In the financial year under review department acquired the Unathi House in Bhisho. • TBN Building has been approved by the Premier and transfer will take place in 2022 / 2023 Financial Year. • Acquisition for Indwe House is in progress and an offer has been issued to the landlord.
			Access:	Forums where tenants participated took place to address issues pertaining to lease agreements. • Complaints Registers were accessed at Regional Offices. • A Programme for Managing Leases	• Tenant Forums and Complaints Registers will be accessed at Regional Offices. • A Programme for managing Leases (notification, decision and appropriate action on Lease Renewals,	• Forums where tenants participated were conducted to address issues pertaining to lease agreements. • Complaints Registers were accessed at District Offices.

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current / actual arrangements 2020/21	Desired arrangements 2021 /2022	Actual Achievement 2021 /2022
				(notification, decision and appropriate action on Lease Renewals, Terminations, and Reviews) was developed and implemented at Head/Office level	Terminations, and Reviews) will be established and implemented at Head Office level	• The Unit in association with SITA developed a leasing (In and Out) model and forms part of LOGICA. It will be populated with leasing data in 2022/2023 Financial Year and it will provide up to date lease data and will alert the unit in sufficient time of a lease that will expire in order to enhance better planning.
			Courtesy:	Client Departments and tenants are welcomed by the Departmental staff and front-line customer care officials at Head Office/ Regional offices. • All these officials were provided with a name tag to ensure ease of identification should dissatisfactory service received by our clients. • Clients of the Department were also allocated a spacious waiting area at head office prior to consultation.	• Property Management staff and Front-line customer care officials will continue to interact courteously with User Departments and Tenants. • All these officials will be provided with personalized name tags to ensure ease of identification should the client be dissatisfied tags and be allocated a spacious waiting area.	• Client Departments and tenants are welcomed by the Departmental staff and front-line customer care officials at Head Office / district offices. • All Officials were provided with a name tags to ensure ease of identification should dissatisfactory service is received by our clients. • Clients of the Department were also allocated a spacious waiting area at head

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current / actual arrangements 2020/21	Desired arrangements 2021 /2022	Actual Achievement 2021 /2022
						office prior to consultation.
			Openness and Transparency:	User Forum meetings, Bilateral meetings and Quarterly meetings were utilised to make information available to the users.	The Department will continue to engage with User Departments for office space through User Forum meetings, Bilateral meetings and Quarterly meetings	• User Forum meetings, Bilateral meetings and Quarterly meetings were utilised to make information available to the users. • Further, at Head Office level regular work stream meetings were held with client departments to discuss and report on issues related to office accommodation. • Work stream meetings report to the Heads of Departments bi-monthly.
			Information:	Information was circulated annually through Immovable quarterly sessions and Outreach Programmes.	Information will be disseminated annually through Immovable quarterly sessions and outreach programmes	• Annually information is circulated through immovable quarterly sessions and outreach programmes.
			Redress:	Customer complaint handling system was utilised as a Redress mechanism. • The management of existing suggestion boxes through the appointment of Complaints	• Redress will continue to be done through a Customer Compliments and Complaints Register that is managed by a fully- fledged Customer Care Unit.	• Customer complaint handling system is utilised as a redress mechanism for the department. • Effective utilisation of workstream meeting assisted with redress.

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current / actual arrangements 2020/21	Desired arrangements 2021 /2022	Actual Achievement 2021 /2022
				Management Committee was managed by the fully fledged Customer Care Unit.	• All complaints received through the Presidential Hotline, DPW's • Hotline, walk-ins and electronically will continue to be escalated to the relevant Head of Programmes and Districts.	
			Value for money:	The procurement and in-house activities were assessed to ensure that the service is provided in an economical manner. Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and streamlined to ensure efficient and effective provision of this service. • The Department implemented various other activities to derive value for money: reviewing and implementing New Space Norms and Standards, implementing market related rentals and implementing the	• Value for money will continue to be informed by assessing the three E's (which are Economy, Efficiency and Effectiveness). • Business Processes and Standard Operating Procedures will continuously have reviewed to identify waste and be streamlined and optimized to ensure the provision of this service in an efficient and effective manner. • The Department will also continue to implement various other activities to derive value for money like reviewing and implementing new Space norms and	• The procurement and in-house activities were assessed to ensure that the service is provided in an economical manner. • Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and with the view to streamline processes to ensure that the provision of this lease management is in an efficient and effective manner. • The department implemented various activities to derive value for money: · review and implement New

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current / actual arrangements	Desired arrangements	Actual Achievement
				2020/21	2021 /2022	2021 /2022
				approved Revenue Strategy. • The Revenue Strategy was also rolled out to User Departments for collection of revenue. • The Revenue Strategy has been rolled out to User Departments for collection of Revenue.	Standards, implementing market-related rentals and implementing the approved revenue strategy	Space Norms and Standards · implement market -related rentals · implement approved Revenue Strategy. • The Revenue Strategy has been rolled out to User Departments for collection of Revenue.

Key Service 2: Project Implementation (Works)

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current/ actual arrangements 2020/21	Desired arrangements 2021/2022	Actual Achievement 2021/2022
Project Implementation (Works)	User Departments MEC's MPL ECDPWI Officials	Infrastructure projects Completed within agreed time period	Consultation:	Infrastructure Forum meetings were conducted on Monthly basis with Client Departments. IDP Forums were also conducted at Municipality level on a Quarterly basis, where district departmental officials were invited.	Infrastructure Forum meetings will be conducted on monthly basis IDP Forums will be conducted at Municipality level on quarterly basis	• Infrastructure Forum meetings were conducted on monthly basis with Client Departments. • IDP Forums were also conducted • at Municipality level on a Quarterly basis where districts were invited.
			Access:	Frontline personnel, Customer Care staff, Programme Managers were trained on "Batho Pele Principles" regarding how to deal with stakeholders. The sitting arrangement of Customer Care Officers and Security Officers was monitored continuously.	• Frontline personnel, Customer Care staff, Programme Managers will be trained on "Batho Pele Principles" regarding how to deal with stakeholders. • The sitting arrangement of Customer Care Officers and • Security Officers will continue to be monitored to be user friendly	• The sitting arrangement of customer care officers and security officers was monitored. • Frontline personnel, Customer Care staff, Programme Managers were trained on "Batho Pele Principles" regarding on how to deal with stakeholders. • The sitting arrangement of Customer Care Officers and Security Officers was monitored continuously.
			Courtesy:	Frontline personnel, Customer Care staff, Programme Managers,	Frontline personnel, customer Care staff, Programme	• Frontline personnel, Customer Care staff, Programme Managers,

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current/ actual arrangements 2020/21	Desired arrangements 2021/2022	Actual Achievement 2021/2022
				were trained on 'Batho Pele Principles' on how to handle stakeholders with care.	Managers, will continue to be trained on 'Batho Pele Principles' on how to handle stakeholders with care	were trained on 'Batho Pele Principles' on how to handle stakeholders with care
			Openness and Transparency:	Monthly Forum meetings at District Municipality level, through Regional Directors, were utilised to provide information. Public Service Week was held in Sarah Baartman Region, Internal Newsletter (Bazaw'sazi), external flyers, IKM Bulletin, Notice Boards, Website Notices, E-mail Notices and MEC / HoD consultation Sessions.	• The Department will continue to provide information during monthly Forums at District Municipality level through District Directors. • There will be continuous Public Service Week, Internal Newsletter (Bazaw'sazi), external Flyers, IKM Bulletin, Notice Boards, Website • Notices, E-mail Notices and MEC / HoD consultation Sessions APP, MEC's Budget.	• Monthly Forum meeting at District at Municipal level through Regional Directors were utilised to provide information. • Public Service Week was held in Sarah Baartman Region, Internal newsletter (Bazaw'sazi), external flyers, IKM Bulletin, notice boards, website notices, e-mail notices and MEC / HoD consultation Sessions.
			Information:	Information was disseminated monthly through Infrastructure	Information will continue to be disseminated	• Information was disseminated monthly

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current/ actual arrangements 2020/21	Desired arrangements 2021/2022	Actual Achievement 2021/2022
				Forum meetings that are held by the Department with its stakeholders.	monthly through Infrastructure Forum meetings	through Infrastructure Forum meetings that are held by the Department with its stakeholders.
			Redress:	MEC outreach programmes / HOD Consultation sessions to consult with the affected communities, offer an apology where necessary, give full explanation and commit to rectify the situation if there are problems encountered.	The department will continue to communicate back to communities through Portfolio Committee meetings and Forums to consult with the affected communities, offer an apology where necessary, give full explanation and commit to rectify the situation if there are problems encountered Community Liaison Officer will continue to be appointed from the same community in order to be able to update the community.	• MEC outreach programmes / HOD Consultation sessions to consult with the affected communities, offer an apology where necessary, give full explanation and commit to rectify the situation if there are problems encountered.
			Value for money:	• The department conducted a business process mapping in order to define value chain so that it maximises value as perceived by citizens.	• The department will conduct a business process mapping in order to define value chain so that it maximizes value	• The department conducted a business process mapping in order to define value chain so that it maximises value as perceived by citizens.

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current/ actual arrangements 2020/21	Desired arrangements 2021/2022	Actual Achievement 2021/2022
				• Also to ensure that departmental processes are clearly defined and standardized ensuring that services are accessible and appropriate.	as perceived by citizens. • Ensuring that services are accessible, appropriate, and adequate to citizens' need. • Eliminate waste and unnecessary expenditure • Bring more and more qualified, experienced and registered employees so that we can see quality and value for money. • The Department will bring more and more qualified, experienced and registered employees so that department can see quality and value for money.	• Also to ensure that departmental processes are clearly defined and standardised. • Ensuring that services are accessible and appropriate.

Key Service 3: Payment of suppliers invoices within 30 days

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current/ actual arrangements 2020/21	Desired arrangements 2021/2022	Actual Achievement 2021/2022
3. Payment of suppliers invoices within 30 days	Suppliers Contractors Consultants Municipality	Payment of legitimate Supplier invoices within 30 days	Consultation:	Contractor and consultants' engagements sessions were held where information was shared in relation to the plans of the Department. Contractors' concerns and needs were considered and resolutions were taken to ensure maintenance of mutual relations	Demand Management Unit (SCM) will continue engaging the suppliers telephonically, supplier day and contractor conferences.	• Contractor and consultant's engagements sessions were held where information was shared in relations to the plans of the department. • Contractor's concerns and needs were considered and resolutions were taken to ensure maintenance of mutual relations
			Access:	• Suppliers accessed the Department on a face to face basis at Head Office (Bhisho) and all six District Offices.	Beneficiaries will access the department physically at head office and districts through telephones, emails, National Treasury database and newspapers	• Suppliers accessed the department on a face to face basis at head office (Bhisho) and all six District Offices.
			Courtesy:	Training of the Communication Service Unit personnel on Batho Pele principles with the assistance of the Office of the Premier on how to	To continuously train departmental personnel.	• Training of the Communication Service Unit personnel on Batho Pele principles with the assistance of the

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current/ actual arrangements 2020/21	Desired arrangements 2021/2022	Actual Achievement 2021/2022
				handle stakeholders with care could not happen due to COVID-19 restrictions		Office of the Premier on how to handle stakeholders with care could not happen due to COVID-19 restrictions
			Openness and Transparency:	Sessions were conducted to clarify requirements and ensure that payment of suppliers within 30 days' processes are fair, open and transparent to all. • The Department also informs suppliers on unpaid invoices	The department will continue to engage with beneficiaries through telephones, emails, National Treasury database, noticeboards and newspapers	• Sessions were conducted to clarify requirements and ensure that payment of suppliers within 30 days' processes are fair, open and transparent to all. • The Department also informs suppliers on unpaid invoices
			Information:	Sessions were held to clarify requirements and ensure that payment of suppliers within 30 days' processes are fair, open and transparent to all. • The Department also informs suppliers on unpaid invoices using the Provincial Treasury tool called "Have I been paid (HIBP)"	Beneficiaries will access the departmental information physically at head office and district Offices, through telephones, emails, National Treasury database, notice boards and newspapers	• Sessions were held to clarify requirements and ensure that payment of suppliers within 30 days' processes are fair, open and transparent to all. • The department also informs suppliers on unpaid invoices using the Provincial Treasury tool call "Have I been paid (HIBP)"

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current/ actual arrangements 2020/21	Desired arrangements 2021/2022	Actual Achievement 2021/2022
			Redress:	Sessions were held to clarify requirements and ensure that payment of suppliers within 30 days' processes are fair, open and transparent to all. The Department also informs suppliers on unpaid invoices. • When invoices are paid after 30 days the programme affected is required in writing, to give reasons for the late payment.	The Department will communicate back to suppliers through supplier day sessions and forums to consult with the affected suppliers and offer an apology where necessary and give full explanation and commit to rectify the situation if there are problems encountered	• Sessions were held to clarify requirements and ensure that payment of suppliers within 30 days' processes are fair, open and transparent to all. The department also informs suppliers on unpaid invoices. • When invoices are paid after 30 days the programme affected will have to account and (written to,) to give reasons of the late payment.
			Value for money:	The processes were mapped and standard operating procedures defined, to identify unnecessary bottlenecks so as to ensure the provision of this service is in an efficient manner. • The programme has enforced the utilisation of Invoice tracking tool where all invoices received are captured and traced until payment is done. Prioritisation of invoices more than	This service will be rendered free of charge and the Department has conducted business process mapping in order to ensure that payments are done within 30 days and that the Department pays for services rendered.	• Processes were mapped and standard operating procedures documented to identify unnecessary bottlenecks so as to ensure the provision of this service is in an efficient manner. • The programme has enforced utilisation of invoice tracking tool where all invoices received are captured and traced

Key Services	Service Beneficiary	Performance Area	Batho Pele Principle	Current/ actual arrangements	Desired arrangements	Actual Achievement
				2020/21	2021/2022	2021/2022
				20days to be paid first so that they do not reach 30 days.		until payment is done. • Prioritisation of invoices that are more than 20 days to be paid first so that they do not reach 30 days

Service Delivery Information Tool

Current/ actual information tools	Desired information tools	Actual achievements
The Department delivers service delivery information through the following tools: • Facebook page • Website • External newsletter • Exhibitions • Livestreaming of events • Mainstream and community media	• The Department aims to communicate through using Facebook as a source of information	• Utilisation of the department Facebook page to communicate departmental programmes and policies. • Maximum utilisation of the digital space including newsletters now disseminated digitally. • Revamping of the website has now been completed to assist with uploading departmental information.

Complaints mechanism

The Department uses the below mentioned mechanism for client complaints.

Current / actual arrangements	Desired arrangements	Actual achievements
Public Liaison Forums	Customer Care Officials are named Public Liaison Officers as they deal with citizen complaints. PLOs are expected to attend Public Liaison Forums so as to improve on the service they offer to citizens. The Office of the Premier is responsible for the functioning of this system in Government .	Due to COVID-19 restrictions, few PLO forums were attended or convened. The meetings are convened quarterly.
Batho Pele Co-ordinators Forum	The Department established the Batho Pele co-ordinators forum in the department which has representatives from the Regions so as to implement Batho Pele in the workplace.	Few of the forums set due to COVID-19 restrictions. The meetings are convened quarterly
Effective Switchboard and Reception area	The Department has a switchboard number **040 602 4000** and reception area so as to attend to clients complaints swiftly with ease of access as per the department Customer Care policy.	The switchboard is managed for 8 hours in the day. There are currently warm bodies that attend to the switchboard and 100% direct enquiries and complaints are received and addressed through the feedback mechanism.
Presidential hotline	Complaints from the citizens are received systematically through the systems generated OTP report.	100 per cent of those enquiries or complaints are attended to on a monthly basis.
Department walk-ins	The Department has a reception area in all its offices to welcome clients of the department.	Only in few offices i.e. Mount Ayliff (due to lack of structure) and Mthatha Offices (due to multi departments in one building) that there is no proper reception area. However, clients of the

Current / actual arrangements	Desired arrangements	Actual achievements
		department are attended as walk-ins when they enter the premises of the department.
Facebook page complaints	The Department has an official Facebook page "Eastern Cape Department of Public Works and Infrastructure" and receives client complaints and enquiries.	The complaints received on the department Facebook page follow the department complaints handling strategy as enshrined in the Customer Care Policy of the department.
Formal correspondence	The Department receives formal written complaints through letters and emails	These complaints follow the complaints handling strategy of the department as reflected in the department customer care policy.
WhatsApp enquiries	The clients of the department utilise WhatsApp numbers to complain or enquire **060 983 6982, 060 983 6994, 060 983 7030**	The PLOs respond to the enquiries and follow the complaints handling procedure of the department and feedback mechanism
Toll free number	The department has a toll free number **0800 864 951** for complaints.	All complaints received in this line follow the complaints handling strategy of the department and feedback mechanism

2.2.3. Organisational Environment

The Departments focus to pursue commitments made in the Strategic Plan and Annual Performance Plan continued through building a Responsive and Citizen centric and resilient capacitated department. To build capacity, a new Organizational Structure focusing on critical units was approved by DPSA. The new organisational structure has also catered for capacitation of other areas of poor service delivery like Policy Coordination, Research and Development, Managing Institutional Knowledge as well as Business Continuity.

The Department launched and implemented its change management plans as a drive to ensure that its stakeholders especially the employees at different levels understand and own the transformation. The Department strengthened its leadership and professional capacity through identification of six (6) critical SMS posts and seven (7) technical and professional posts that were filled and these posts include the following:

- Chief Director Immovable Asset Management
- Chief Director Operations and District Coordination
- Regional Director Alfred Nzo
- Director Executive Support
- Director Financial Management
- Director Security Services
- Two (2) Professional Architects
- Four (4) Construction Project Managers
- One (1) Artisan Superintendent

The Department implemented 89% of its approved Annual Recruitment Plan (ARP), which made it possible to achieve the recruitment stated above. The assurance providers such as Risk Management, Internal Audit and Audit Committee continue to provide oversight at various level of the department to improve governance through the monitoring of audit action plans, procedures to address control deficiencies and exercise financial and performance reporting.

The Department was not immune to the effects of COVID-19 and during this reporting period the following figures reflects how the infections have affected departmental staff namely:

- Cumulative total of infected employees = 252
- Recoveries = 233
- Employees who succumbed (deaths = 19
- Employees who applied to work remotely based on identified co-morbidities = 42
- Employees who have vaccinated = 609/ 1929. This equates to 32% of the workforce

In our endeavor to accelerate skills development nine (9) out of fifteen (15) candidates attained their Professional Registration as professionals. The Department continues to capacitate its senior and middle managers through various skills development initiatives.

The Department in ensuring growth, innovative and diversified SMME led economy increased from 89% in the previous year to 92% of goods and services and capital expenditure items were awarded to local suppliers (SMMEs, EMES and QSEs). Furthermore, the Department continued to pay service providers within 30 days and has achieved 100% payment of valid invoices for the period under review providing much needed financial relief to SMMEs.

The DPWI performance reflects an organisation that is stable, with lessons that can be drawn from performance trends of the previous years. This is evident in the 2020/21 Audit Report by the Auditor General of South Africa. The following are some of the organisational challenges experienced by the Department:

- Employment Equity targets remain a challenge for the designated groups as follows:
    - ✓ Women in SMS level achieved 45% from 39% from the previous year;
    - ✓ Youth in SMS has recorded zero achievement as it is difficult to attract young people who meet the requirements of SMS posts as per the DPSA guidelines;
- Insufficient budget to adequately perform service delivery programmes;
- Ageing skills population, especially in relation to technical skills; and
- **ICT Management Capability** was also identified as a weakness at the beginning of the strategy cycle, especially given the digital transformation strategy and business modernisation outlined in the Service Delivery Model. The implementation of different levels of lockdown regulations during the COVID-19 outbreak further revealed a compromised state of business continuity in the Department especially in relation to systems and connectivity.

Despite the negative effect of the COVID-19 pandemic, including amongst others, budget cuts to fund relief initiatives and lockdown regulations that kept officials away from the workplace, the Department proved that it was fit for purpose as the nerve centre of Infrastructure delivery by completing most of the maintenance projects on time.

2.2.4. Key policy developments and legislative changes

Executive Council (EXCO) Resolution of 9 December 2020	• The EXCO approved the changing of the name of the provincial Departments of Public Works into Department of Public Works and Infrastructure; • EXCO further indicated that the name change is necessitated by the broadening of the mandate and responsibilities of the department in line with the priorities of the Sixth Administration of government.

2.3. Progress towards achievement of Institutional Impacts and Outcomes

This report marks the second year of DPWI implementation of the 6th Administration commitments and priorities. It is indeed a continuation of the priorities of government in the 5th administration with adjusted focus on issues that should take the South African democracy forward to the ideal capable, ethical and developmental state that will serve public interest. Key impacts that national and indeed Provincial Government want to see is a flourishing province with a **growing economy** that will lead to **reduced unemployment and reduced poverty** among its citizens. It wants to see **thriving citizens** participating and benefiting equally from the economy and services of the state.

To contribute towards the impact of reducing all forms of poverty and inequality and promoting inclusive socio-economic development and prosperity, DPWI will, amongst others:

- utilise its assets productively by leveraging on infrastructure and immovable assets in its custody to generate investment opportunities;
- implement (deliver) infrastructure focusing on transformational issues like promoting SMMEs, LED, bridging the equity gap by extending involvement of HDIs and designated groups to make the property sector more inclusive;
- ensure that the Eastern Cape citizenry have a decent standard of living through equitable / universal access to basic services, high quality infrastructure, job opportunities and access to economic activity; and
- focus on integrated processes of planning and delivery to ensure that infrastructure is an enabler and a critical contributor to economic activity and growth.

All of the above are intended to enable economic growth and social upliftment that will move most people and eventually the country from poverty to prosperity as opportunities of employment and /or entrepreneurship are opened up.

Given the background outlined above this report intends to give a clear picture of the DPWI's outcomes or medium –term results envisaged to achieve the impacts; the current position, where it is heading and how it plans to get to the desired outcomes. The objective is to enable all stakeholders to make an informed assessment of the Department's performance and its ability to deliver on its mandate. Below is a reflection of the second year's successes and / or failures in making progress towards achieving the Department's outcomes over the 2020/21 -2024/25 Strategy Cycle.

In line with Priority 1 of the 2019-20 to 2024-25 Medium Term Strategic Framework (MTSF), DPWI focus its attention to transforming itself to be a "Capable, Ethical and Developmental institution of the State" through the following outcomes:

Building a resilient and capacitated Public Works: This would be accomplished first and foremost by ensuring that the Department has functional, efficient and integrated plans that are consistently implemented and monitored by management and the Executive Authority. The 2021/22 APP that integrate the global, national, provincial and local government priorities was developed and tabled promptly in line with the revised planning frameworks of government. The MEC's Service Delivery Agreement (SDA) was also successfully aligned to Provincial and Departmental plans.

Implementation of the plans was still compromised by the effects of the COVID-19 pandemic. As a result, the Department fell short of achieving the targeted 95% overall performance and achieved 83% for the 2021/22 financial year. This improvement can be attributed to intense and targeted oversight and support was provided by the Executive Management Committee (EXMA), the Top Management and the Audit Committee as well as conducting all envisaged performance reviews by the MEC.

During the year under review, the Department continued on a positive trajectory towards its outcome of being a responsive and citizen centric. The OMEC again exceeded planned outreach programmes by undertaking 15 more than the 28 planned activities. This is due to impromptu requests and invitations from various stakeholders, which compels DPWI to be responsive as intended. The same was also witnessed from full responsiveness to the Presidential hotline as well as the Departmental Customer Care queries/ complaints Intergovernmental collaborations were run effectively with all resolutions from IGR structures responded to positively. DPWI is really building its brand out there – we have seen, in the year under review, 23% reduction in negative media reports. The DPWI's journey towards being citizen centric will further be refined and continuously improved through user-satisfaction surveys that will be conducted to assess quality of services DPWI provides to its clients.

In building its resilience through skilled and capable workforce, the Department forged ahead with its Professional Development Programme and managed to register nine (9) out of targeted fifteen (15) professionals during the year under review. The variance is due to insufficient availability of mentors and projects in the department that can be utilised to monitor the candidates. Capacitation of the Department was taken seriously during this financial year as a result, the target of implementing 80% of the ARP was exceeded, 89% of the critical and funded mostly Middle and Senior management posts were filled. To crown this achievement, of the six (6) SMS posts in the ARP, five (5) of the appointees were women and only one (1) was male, thus dramatically increasing the % of women in SMS from 39% in the 2020/21 financial year to 46% in the 2021/22 financial year.

With the new organisational structure approved in the last quarter of the 2021/22 financial year, the Department is confident that it will bridge the equity gap and reach a national target of 50% women in SMS during the 2022/23 financial year. The Department is trying all efforts to close the equity gap that affects the designated groups. In relation to the Empowerment Programmes for designated groups, the DPWI exceeded target and implemented 15 instead of the 14 planned. This extra one was a disability disclosure awareness session that resulted in an increase, for the first time in many years, in the % of people with disability from 1.2% to 1.4%.

The Department continues to do well in relation to general Human Resource (HR) effectiveness. The HR effectiveness relates to a number of HR key performance areas like HR playing a strategic partner role, change champion role, employee champion role and various other aspects of its technical dimension like organisational design and development, recruitment and employee lifecycle management, Human resource utilisation and Development and quality of work life and environment. In this regard, the Department again exceeded its target during the year under review and scored 94%, 14% higher than what was targeted. This evidence of concerted efforts made towards transforming DPWI to be a capable institution of government despite the trying circumstances and continued effects of the pandemic that compromised stability in the working environment.

The recovery efforts on a bigger picture, show improved HR effectiveness, however, in relation to some specific indicators that intend to build institutional capacity like the; service delivery innovation and improvement through the Operations Management Framework (OMF) as well as agile and enabling technological platforms were very much challenged by the environment within which we had to operate during the year under review. Other indicators that suffered include those that, by nature require contact session, like finalising litigations within 90 days, empowerment activities for designated groups. As a result, the Department did not do well on such indicators.

The Department is proud of its resilience in terms of its prudent financial management practices of ensuring that all DPWI programmes use and manage resources efficiently and operate with fiscal responsibility and discipline. This is evident in the improved Financial Management capability maturity model assessment score of level 3 as planned, 100% of valid invoices were paid within 30 days as well as 100% expenditure of property rates and taxes invoices from municipalities was achieved. Amongst areas that the Department is still struggling with is the implementation of Procurement Plan due to the delays caused by the revision of the procurement plan due to the client's changes to specification. The Department maintained the unqualified audit opinion from the Auditor General of South Africa (AGSA) in the two years of the 6th administration (2020/21 and 2021/22). This achievement is consistent to the audit outcome received by the Department throughout the previous strategy cycle of the 5th term. Of noticeable achievement is a positive reduction in a number of material findings in the audit report to reach a level planned for the 2022/23 financial year.

Performance in relation to other outcomes is projected below:

- **Productive Asset and Dignified User Experience** through optimal utilisation of the provincial Asset Portfolio to increase investment through interventions that facilitate revenue generation, retention as well as mobilisation of public investment (Direct Domestic (DDI) and Foreign Investment (DFI) as a lever for economy growth of the Eastern Cape and the country at large. These will, in turn, contribute towards opening entrepreneurship, jobs and skills development opportunities to alleviate the triple challenges of unemployment, inequality and poverty.

  This was being initially envisaged to be accomplished through the Property Investor Conference which was postponed due to the COVID-19 related Lockdown regulations and later an EXCO resolution to conduct an integrated Economic Development Conference. Although the Property conference was ultimately held on the last day of the financial year, 31 March 2022, the conclusion of long-term leases envisaged from the conference did not materialize. However, alternative methods of attracting long-term investments resulted in conclusion of only ten (10) commercial leases with (DDI & DFI) against a target of 88. All efforts of implementing the Revenue Strategy yielded a collection of R14,776 million and a cost savings of R14,838 million, both below the targeted R45,021 million and R20 million respectively. This under-performance can be attributed to external factors like, amongst others, non-responsiveness of bids for properties which were advertised as well as delays in approvals of tenders. However, this picture is going to change in the next three (3) to ten (10) years as DPWI has already awarded leases that will generate **R8 million** in the next 3-year and a project that would generate **R90 million** worth of revenue over a period of 9 years and 11 months.
- The above-mentioned initiatives will open opportunities for a **"Transformed Built Environment**" through optimizing entrepreneurship and job opportunities for socio-economic transformation of emerging SMMEs (Cooperatives, emerging contractors, town and village economies) and HDIs in general. In relation to this outcome the Department has progressed well towards its 5-year target. The following over – achievements were noted in relation to the outcome of transforming emerging SMMEs in our infrastructure space.:

- ✓ 24% against the targeted 5% infrastructure budget was set aside for direct contracting (ICDP) SMMEs, EMEs & QSEs prioritizing designated groups;
- ✓ 80% instead of the planned 45% infrastructure capital expenditure items were sourced from Local suppliers, manufacturers and / contractors;
- ✓ 92% against the targeted 95% awarding of goods and services & capital expenditure items were sourced from local suppliers, manufacturers and / or contractors;
- ✓ 59% against the target of 60% of leases were concluded with black landlords;
- ✓ 160 instead of the planned 100 emerging contractors were supported; and
- ✓ 52 SMMEs against the target of 50 were upgraded to a higher CIDB grading.

- There were, however, some areas that the Department fell short of achieving its planned targets. The finalization of Property Incubator Policy that would have seen 50 new entrants in the Property industry as well as the Infrastructure and Construction SMME Development Strategy were not achieved due to internal capacity constraints as well as consultation sessions that could not materialise. In the cases of the targeted hectares of land to be released for spatial transformation and social justice as well as government owned properties released toward spatial transformation and justice, the underachievement was due to external factors like the delayed receipt of Council Resolutions from municipalities and receipt of the expected land claims requests from the Regional Land Claims Commission (RLCC).
- As stated above, the major impact that South Africa wants to see is that all its citizens attain a decent standard of living through the alleviation of poverty and reduction of inequality. The latter would be attained through, amongst others, equitable access to core elements of a decent standard of living including quality education and quality healthcare. To contribute towards the 6th Administration objectives of social upliftment of citizens the Department adopted an outcome of affording Dignified Client Experience by providing reasonable and functional accommodation and facilities management services that facilitates the delivery of frontline services that are suited to the requirements of the public. Key to dignified experience of users are buildings that have the required access facilities for persons with disabilities and generally compliant to all aspects of the Occupational Health and Safety Act. To this end, an over-achievement of 75% against a target of 3% was recorded on adherence to access norms and standards for persons living with disabilities.

  This would be attained through, amongst others:

  - ✓ effective and efficient construction, maintenance and operation of all physical spaces for government (State -owned or Leasing of private office accommodation) including provision of facilities Management Services that contribute towards a dignified experience for our clients:
  - ✓ construction of prioritized basic infrastructure for DOE (sanitation, fencing and hostels), continuously replacing unsafe school buildings and sanitation service and ensure that public ordinary schools meet the basic services norms and standards; and
  - ✓ ensuring that health facilities have basic infrastructure (water, sanitation, electricity and fencing) and that Primary Health Care (PHC) centres meet the basic services norms and standards.

  Tremendous progress towards realising this outcome can be seen through conducting all 300 planned condition assessments as well as all 295 utilisation inspections for office accommodation to ensure that the condition of state-owned buildings is known and plans to improve these buildings are put in place,

- In relation to **Sustainable** Social Infrastructure Delivery 42 out of planned 49 capital infrastructure projects were under construction. Furthermore, the department completed 13 projects in the following different areas namely: maintenance, facilities renovated and new facilities completed. These are physical spaces through which citizens would interact with government in a dignified manner.
- The outcome of **Optimized Job Opportunities** focuses on the restructuring some of the programmes of the Department to optimize the creation of work opportunities in the delivery of infrastructure and through the Expanded Public Works Programme (EPWP) and also to create more work opportunities through the coordination of EPWP implementation amongst Eastern Cape public bodies at large thereby contributing towards poverty alleviation and the reduction of unemployment in the Eastern Cape Province. In 2019 the President announced that 5 million work opportunities will be created nationally through EPWP Phase 4 (2019 – 2024).
- The Eastern Cape is expected to contribute **478 267** work opportunities towards this national effort. While the Provincial Annual target for 2021/22 was 93 687 work opportunities in all districts of the EC, the DPWI targeted 4 000 work opportunities.

  Through the Department's coordination efforts, both DPWI and the EC Province exceeded the targets by creating 5 560 and 121 287 work opportunities respectively. The EPWP is continuing on its commendable effort to put bread on the table and push most destitute families of the Province at least above the lower-bound poverty line which is the 2019-2024 MTSF target.
- An integrated approach to infrastructure development is essential for realizing an impact of Infrastructure being an enabler and a critical contributor to economic activity and growth. This starts with developing an effective infrastructure management capability that aims to improve the life-cycle management of infrastructure from preliminary conception and planning through to maintenance and replacement. The Department achieved all planned aspects of Integrated Planning and Coordination including convening Infrastructure governance structures, maturity of the Immovable Asset Register (IAR) as well as compliance to GIAMA in terms of submitting the U-AMP and C-AMP to Provincial Treasury. These activities ensure that our IAR provides credible, up-to-date, reliable, integrated, secure and usable data and information to all users to enable efficient management of the Immovable Assets throughout the lifecycle.

PROGRAMME 1

ADMINISTRATION

2.4. Institutional Programme Performance Information

2.4.1. Programme 1: Administration

A. Purpose

To provide leadership, administrative, strategic, financial and corporate support services to the core programmes of the department in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

B. Sub-Programmes of Programme 1

- Office of the MEC
- Management of the department
- Corporate Services

C. Outcomes, Outputs, Output indicators, Targets and actual achievements

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Responsive and citizen centric Public Works- Improved intergovernmental relations and engagement with citizens	Political oversight provided	Number of outreach programmes undertaken by MEC	24	57	28	43	+15	The overachievement is due to some of the outreach programmes undertaken as a result of impromptu requests and invitations from various stakeholders. As a responsive and citizen centric

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								department, over performance should be understood as inevitable.
	Effective intergovernmental collaborations	% implementation of resolutions and actions from intergovernmental structures	New indicator	67%	95%	95%	N/A	N/A
Positive Public works Brand	Functional , efficient and integrated DPW	% of the overall departmental performance	New Indicator	82%	95%	83%	-12%	The underachievement on departmental performance is due to slow implementation by individual programmes.
Resilient and Capacitated Public Works - Mainstreaming of gender, empowerment and development of youth and persons with disabilities and implement gender and youth-responsive plans	Gender, youth and persons living with disability mainstreamed and empowered	Number of planned Empowerment Programmes for designated groups implemented	New Indicator	New Indicator	14	15	+1	The overachievement is due to disability disclosure awareness session that was not planned.
Resilient and Capacitated Public Works-	Effective coordination of	An improved combined Assurance	New Indicator	0	Level 2	Level 1	-Level 1	The underachievement is due to one (1)

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Improved Governance and accountability at DPW	Assurance Providers	Programme maturity assessment score						planned activity, coordinated planning of assurance activities for the 2022/23 financial year that could not be finalised by 31 March 2022.
	Effective implementation of Enterprise Risk Management Process in the Department	% implementation of Risk Strategy in the Department	New Indicator	100%	95%	95%	N/A	N/A
		% implementation of Ethics Fraud and Anti-corruption plans by department	New Indicator	100%	95%	95%	N/A	N/A
Resilient and Capacitated Public Works- Transformed Integrated Planning and Innovative Service Delivery	Functional efficient and integrated DPWI	% compliance of Annual Performance Plans to the prescribed Frameworks	New Indicator	New Indicator	95%	95%	N/A	N/A
		% alignment of the MECs Service Delivery Agreement to (SDA) accountability documents	New Indicator	100%	90%	90%	N/A	N/A
		Number of Quarterly Performance Reports (QPR) against APP	New Indicator	New Indicator	4	4	N/A	N/A

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
		produced according to the prescribed Frameworks						
		Number of performance reviews conducted by the MEC	New Indicator	1	1	1	N/A	N/A
Transformed built environment	Implemented Local Economic Development Framework	% award of goods and services sourced from local suppliers, manufacturers and / or contractors (including EMEs and QSEs) Youth: 30% Women: 50% People with disabilities: 2%	94%	89%	95%	92%	-3%	The under-achievement was due to increased competition in the market and misrepresentation of information on Centralised Supplier Database by Treasury.
		% award infrastructure capital expenditure items sourced from local suppliers, manufacturers and / or contractors (including EMEs and QSEs)	New Indicator	New Indicator	45%	80%	+35%	The overachievement is due to the departments intensifying efforts towards targeted procurement from Eastern Cape based service providers.
Sustainable Infrastructure Investment	Revenue growth	Rand value of revenue generated	New indicator	R17 million	R45,021 million	R14,776 million	-R30,245 million	The underachievement due to delayed implementation of

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								the approved revenue strategy and non-payment of market rentals due to poor state of lease portfolio.
		Rand value of cost savings made through retention strategies	New indicator	New indicator	R20 million	R14,838 million	-R 5,162 million	The under achievement is due to late appointment of the service provider that focussed on two projects (water savings (Matiwane and North Crest flats) and Makana rebate for rates) during the year under review.
Resilient and Capacitated Public Works – Prudent and sustainable management departmental resources	Unqualified audit	Number of material findings in the audit report	New indicator	2	3	0	N/A	N/A
		An improved Financial Management capability maturity model assessment score	New indicator	2.98	Level 3	Level 3	N/A	N/A
		% implementation of Procurement Plan	New indicator	77%	95%	82%	-13%	The underachievement is due to revised procurement plan

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								due to the clients changes to specification and cancellation of leasing for EC Agency for Sports and DEDEAT departments due to changes to the specification by client departments on the revised procurement plan.
		% of total budget spent on approved property rates invoices from municipalities	New indicator	100%	95%	100%	+5%	The 5% is a risk tolerance rate the Department adopted for its performance.
		% of invoiced paid within 30 days	97%	99%	100%	100%	N/A	N/A
Responsive and citizen centric Public Works- Positive Public Works Brand	More positive DPWI Image	% reduction in negative media reports	New Indicator	57%	10%	23%	+13	The overachievement is as a result of the departmental response to the concerns raised and those that were not for the department were referred to the relevant departments.

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	Approved 5 year communication strategy and 1 year plan in place and implemented	% Implementation of communication plan	New Indicator	100%	95%	95%	N/A	N/A
	Presidential hotline response report	% Improvement rate from the Presidential and Departmental Hotline	New Indicator	98%	97%	97%	N/A	N/A
	Departmental Customer Care queries/ complaints response report	% Improvement rate from the Departmental Customer Care queries/complaints	New Indicator	-	97%	97%	N/A	N/A
Dignified User Experience	Improved User experience	Number of User satisfaction surveys conducted to assess quality of services provided.	New Indicator	New Indicator	2	0	-2	The underachievement is due to delays in the appointment of research panellists by GCIS and internal procurement processes to comply with the SLA requirements.
Resilient and Capacitated Public Works – Improved Governance and accountability	Litigation Reduction Strategy implemented	% reduction of litigations against the department	New Indicator	8.6%	10%	13%	+3%	The litigations were predominantly from Department of Education who were willing for the payment or settlements of those

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								cases and that resulted to those being settled.
Resilient and Capacitated Public Works – Skilled and capable DPW including, technical, leadership and management staff	DPW Business Architecture in place: • Revised SDM • SDM aligned organisational structure • Change Management Strategy in place • Filled posts	Number of OMF building blocks in place	New indicator	5	8	5	-3	The underachievement is as a result of the Department that could not achieve the revision of SDM due to the delay in approval of the structure by DPSA which only came during the last quarter. The SDIP was not achieve due to recession granted for the reported year by DPSA. And lastly the Organisational Functionality assessment could not be achieved due to non-availability of capacity which was further requested from DPSA but could not be received.
		% Improvement on HR effectiveness	New indicator	87%	80%	94%	+14%	This is through change management as well as collaboration

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								between core programmes and HRM as a results when assessments by the Programmes showed contentment.
		% implementation of approved ARP	New indicator	58%	80%	89%	+9%	There were few critical and funded posts that were part of ARP 2021/22 and mostly were Middle Management and Senior management posts. These posts do not take much time due to the number of applicants that meet the criteria.
		% of disciplinary cases finalised within 90 days	New indicator	12.5%	90%	27%	-63%	The under-achievement is due to complexities of cases as well lodging of appeals after a case has been finalised.
		% reduction of absenteeism due to ill-health	New indicator	New indicator	10%	23%	+13%	The working arrangement that existed allowed people to rotate and mostly work from home. There was

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								also a process of persons with comorbidities as a results of COVID-19 restrictions that contributed to the reduction on utilisation of sick leaves.
	Increased number of registered professionals	Number of candidates registered as professionals	New indicator	15	15	9	-6	The underachievement is due to insufficient Mentors as the department that will enable to monitor the candidates in the available projects.
Resilient and Capacitated Public Works – Agile technology and enabling systems	Effective and efficient IT Operational System	Improved maturity level score of Departmental ICT governance based on COBIT 5 priority areas stated in the Corporate Governance of IT Framework	Not assessed	2.83	Level 3	Level 3	N/A	N/A
		% of planned ICT strategy initiatives implemented	New indicator	60%	85%	70%	-15%	The underachievement is as a result of capacity constraints within ICT especially on ICT systems.

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								Also there is non-responsive bids from the procurement that was planned to be finalised before the end of the financial year.
Resilient and Capacitated Public Works – Mainstreaming of gender, empowerment and development of youth and persons with disabilities and implement gender and youth –responsive plans	Gender, youth and persons living with disability mainstreamed and empowered.	% achievement of employment equity targets for women at SMS Level	38 % Women at SMS Level;	39 % Women at SMS Level;	50% Women at SMS;	46% Women at SMS	-4% Women at SMS	The underachievement is due to insufficient SMS posts that were available in the previous structure. The structure only approved in the last quarter of the financial year. There were only six (6) posts that were filled for SMS, of which five (5) of the appointees were women and one (1) was male.
		% achievement of employment equity targets for Youth at SMS Level	-	0% Youth in SMS;	2% Youth in SMS	0 Youth in SMS	-2% Youth in SMS	The underachievement is due to the strict requirement that require someone to have 5 years at MMS level and by the time someone

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								gets to MMS is already out of youth category.
		% achievement of employment equity targets for Youth	47% Youth;	31% Youth;	30% Youth	31% Youth	+1% Youth	The overachievement is as a result of the departmental strategy to prioritise designated groups, especially the youth in employment opportunities.
		% achievement of employment equity targets for people with disability	1% people with disability	1.2% people with disability	2% people with disability	1.4% people with disability	-0,6% people with disability	The underachievement is due to insufficient post available to attract disabled people and low rate of disclosure on those that are employed.

D. Summary of Programme Performance

The programme has recorded 85% achievement of targets, utilising 100% of the budget allocated. The programme contributes towards building a resilient and capable public works. The department significantly improved its performance on the area of operation management framework by ensuring that the business processes for core business are mapped into standardised processes especially on the areas of technical services, maintenance for all different levels of operations from Head office up to a depot level.

A noticeable achievement is related to the payment of suppliers in 30 days whereby the Department managed to pay 100% of its suppliers on time, providing much needed financial relief to the SMMEs. As part of inclusion of local suppliers and SMMEs into the mainstream economy, 92% of goods and services & capital expenditure items were awarded to local suppliers (SMMEs, EMES and QSEs).

To improve the fiscal pocket of the Province, a total of R14, 776 million of revenue was collected, which was an under-collection. However, R14 million was realised as savings made through retention strategies through fixing of water meters. The department maintained an improved Financial Management capability maturity model assessment score.

The Department had managed to develop its organisational structure and received concurrence letter from the Minister of Public Service and Administration during the last quarter of the financial year. The structure provided or cover those key service delivery areas of its core mandate that were previously not provided and those areas included:

- Provincial Infrastructure Coordination;
- Chief Directorate responsible for facilities and Security management;
- 3 separate Portfolios that will deal with infrastructure for Education, Health and other Provincial departments with sufficient resources from portfolio planning, execution of capital infrastructure including refurbishments and maintenance for each portfolio;
- Standardised core and support functions to enable districts to be centres of excellence in delivering infrastructure at district level; and
- The demarcation of district according to municipal demarcation.

Through various outreach and stakeholder engagement programmes led by the office of the MEC, a total of 43 engagements was achieved. This was due on meeting clients of the department in ensuring that all beneficiaries are engaged.

E. Strategy to overcome areas of under-performance

To improve departmental revenue streams Debt collectors were appointed to recover outstanding arrears. Furthermore, the appointed service provider to focus on other properties to realise more savings. To implement the new structure through identifying and focus on women for SMS and persons with disabilities. To conduct disability disclosure to staff so that they declare their disability status. To identify certain number of posts targeting persons with disability. To improve finalising disciplinary cases within 90 days. In future, consolidation of the combined assurance plan, based on the approved assurance plans of the various assurance units, shall be targeted for completion during the first quarter of the year under consideration. The two surveys are currently on operation for finalisation by 30 June 2022.

F. Changes to Planned Targets

During the year under review, there were no changes made on the Programme's planned targets.

Progress on Institutional Response to the COVID-19 Pandemic / Interventions or Response to COVID-19

The following non-exhaustive list, are interventions that the department embarked on in mitigating the spread of the virus:

- The appointed Compliance Officer/Chairperson of the OHS Committee continued to oversee the implementation of the regulations;
- 14 OHS Meetings across the department (Regions and Provincial) were held to communicate new information and to discuss business continuity measures;
- Departmental Circulars No:1 and 2 of 2021, were issued based on the Alert level and information that needed to be communicated at the time;
- Procurement of Personal Protective Equipment (PPE) namely: Face Masks; Hand Sanitiser and surplus of door openers that were procured in 2020-2021; were disseminated to employees. (Regions and Head Office);
- Psycho-social/Mental Health support was provided to employees who have tested positive; those with co-morbidities and other employees who needed such support;
- Risk assessment conducted and risk register developed and monitored together with Risk Management Unit;
- New cohort of Youth Brigade inducted on COVID-19, Health Screening; Good House-keeping to ensure cleanliness etc.;
- Return to Work (RTW) Preparedness Plans were also developed, consulted through the OHS Committee meetings which were held provincially and at regional level; and shared with employees after being approved by the HOD;
- Data base of COVID-19 infected and deceased employees- Annexure-A; Government Business Continuity Working Group (GBCW) reports and other reports were submitted to relevant structures; and
- Various Guidelines related to management of COVID-19 developed and disseminated to employees.

G. Linking performance with budget

Sub-Programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Office of the MEC	10 116	10 116	-	9 821	9 821	-
1.2 Management of the Department	18 742	18 742	-	15 953	15 953	-
1.3 Corporate Support	491 021	490 862	159	463 466	460 828	2 638
Total	**519 879**	**519 720**	**159**	**489 240**	**486 602**	**2 638**

The programme recorded a total expenditure of 100% of its allocated budget which contributed to 85% achievement of performance targets. The under expenditure on Compensation of Employees is due to non-payment of PMDS for employees that are no longer with the Department.

PROGRAMME 2

PUBLIC WORKS INFRASTRUCTURE

2.4.2. Programme 2: Public Works Infrastructure

A. Purpose

To provide a balanced and equitable provincial government building infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive which supports economic development and social empowerment

B. Sub-Programmes

- Programme Support
- Design
- Construction
- Maintenance
- Immovable Asset Management
- Facility Operations

C. Outcomes, Outputs, Output indicators, Targets and actual achievements

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Transformed and built environment	Optimised entrepreneurship opportunities	% infrastructure budget set aside for direct contracting (ICDP) SMMEs EMEs & QSEs prioritising designated groups (women, youth, people with disabilities)	New indicator	9%	5%	24%	+19%	The overachievement is due to procured contractors that requires grade 1-6 using ICDP database.

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Integrated Planning and Coordination	Coordinating infrastructure Planning, Delivery, Operations and Maintenance capacity	Level of adherence to approved Terms of Reference (ToR) by DPWI convened Infrastructure governance structures	New indicator	New indicator	Level 3	Level 3	N/A	N/A
Resilient and capacitated Public Works	Optimal use of DPWI professional services	Ratio on utilisation of internal vs external professional services for DPWI /Public Infrastructure projects	New indicator	New indicator	30/70	91/9	+61/-61	The overachievement is as a result of the department taking a strategic decision to assign new projects to DPWI professional teams.
Dignified User Experience	Improved user experience	% adherence to access norms and standards for persons living with disabilities	New indicator	-	30%	75%	+45%	The overachievement is due to the department conducted an access audit in 78 buildings across the province, both leased and the state owned building. By year end, 70 buildings were confirmed as user friendly and

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								eight (8) were non- compliant. However, six buildings were upgraded during the financial year.
Sustainable Infrastructure Investment Social Infrastructure Delivery (Capital and Maintenance)	Reason and functional office accommodation	Number of energy efficient DPWI buildings	New indicator	20%	50	54	+4	The overachievement is due to the department embarked on the upgrading of existing buildings with an aim of improving energy consumption. Four (4) additional achievements were as a result of work performed through the use of ad-hoc maintenance contracts.
Sustainable Infrastructure Investment Social Infrastructure Delivery (Capital and Maintenance)	Designs in place	Number of infrastructure designs ready for tender	6	22	26	23	-3	Three (3) Projects were not presented to the Bid Specification Committee due to National Treasury putting

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								procurement on hold.
	Project reports	Number of capital infrastructure projects under construction	51	41	49	42	7	49 Projects were targeted to be under construction during the financial year, however, by year end 42 projects were still under construction. Furthermore, the department completed 13 projects in the following different areas namely: Maintenance, Facilities renovated and New facilities completed.
	Facilities completed	Number of new facilities completed (Education, Health, General)	New Indicator	12	5	1	-4	Four (4) Projects were not completed as planned. Out of four (4) projects, one (1) project the contractor terminated the contract. Three (3)

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								Projects, contractors experienced late delivery of steel materials due to shortage of Supply.
	Facilities renovated	Number of facilities renovated (Education, Health, General)	New Indicator	New Indicator	11	12	+1	The overachievement is due to refurbishments that were done to Whittlesea Technical Workshop.
	Maintenance projects awarded	Number of planned maintenance projects awarded	1	7	13	17	+4	The over-achievement is due to four (4) maintenance projects that were not planned for in the 2021/22 financial year were carried out and recorded as an over-achievement.
	Maintenance projects completed	Number of planned maintenance projects completed (on Education,	New Indicator	5	10	10	N/A	N/A

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
		Health general facilities)						
Integrated Planning and Coordination	Improved IAR	Improved asset management maturity index for asset register data	New indicator	New indicator	Basic	Basic	N/A	N/A
Improvement of the Immovable Asset Register	U-AMP	Number of U-AMP submitted to the relevant Authority in accordance with GIAMA	1	1	1	1	N/A	N/A
	C-AMP	Number of C-AMP submitted to the relevant Treasury in accordance with GIAMA	1	1	1	1	N/A	N/A
	Draft diagrams submitted to Surveyor General for approval	Number of State Land surveyed	New Indicator	300	450	463	+13	The overachievement is due to a more land surveyed by the appointed service provider.
Sustainable Infrastructure Investment – Optimal utilisation of the State Asset Portfolio	Appropriate investment secured	Number of government commercial leases concluded (DDI & DFI	New indicator	0	88	10	-78	The under-achievement is due to non-responsiveness of bids for properties which were advertised for long-term leasing. Another factor is

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								the delays in obtaining concurrence and/or approval on long-term leasing projects from external Departments e.g. Treasury and OTP.
Transformed Built Environment	**Implemented – spatial transformation and social justice**	Hectares of land released for spatial transformation and social justice	New Indicator	6891 ha	4000 ha	373ha	-3 627 ha	The under-achievement is due to no new land claims as originally expected were received from the Regional Land Claims Commission (RLCC)
		Number of government owned properties released toward spatial transformation and justice	New Indicator	15	60	20	-40	The underachievement is due to non-responsiveness of bids for properties which were advertised for long-term leasing. Another factor is the delays in

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								obtaining concurrence and/or approval on long-term leasing projects from external Departments e.g. Treasury and OTP.
	Optimised entrepreneurship opportunities	% of leases concluded with black landlords Youth: 25% Women: 50% People with disabilities: 2%	New Indicator	46% Black African=21% Black Coloured =2% Black Chinese=1.5% Black Indian=21,5%	60% Youth: 25% Women: 50% People with disabilities: 2%	59% Women= 14.87% Youth= 2,88% People with disability= 0%	-1%	The under-achievement is due to the embargo on procurement with regards to preferential for getting of 100% Black-owned managed companies. The embargo is still in place.
Productive assets-to create value through provision of fit for purpose	Functional facilities provided	Number of facilities provided to Users (fit for purpose)	New Indicator	New Indicator	300	296	-4	The underachievement is due to review omission.
	Utilisation Inspections Reports	Number of utilisation inspections concluded for	New Indicator	New Indicator	295	295	N/A	N/A

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
		office accommodation						
	Condition Assessment Report	Number of condition assessments conducted on state owned buildings	300	190	300	300	N/A	N/A
Dignified User Experience – Delivery of accommodation, facilities and Operations Management Services in a dignified manner that focuses on time, quantity, quality, values for money and fitness of purpose for its clients, namely the user departments and service recipients	Production management State-Owned facilities • Unplanned maintenance • Hygiene &Environmental Services • Security Protection Services • Customer Business Management Services	Level of adherence to Facilities Maintenance and Operations (FM&O) services standards	New Indicator	New Indicator	Level 2	Level 1	-Level 1	The underachievement is due to delays in the approval of Facilities Management Policy. A service provider has since been appointed to develop a Facilities Management Model.

D. Summary of Programme Performance

The programme has recorded 75% achievement of targets for Immovable Asset Management and 90% for Buildings Infrastructure, making an average of 83% during the year under review. The performance has been achieved utilising 100% budget.

The Department continues to make strides with the approval and award of the eight (8) projects comprising 10 properties with the support of Provincial Treasury for the long-term leasing and redevelopment of Amatola Sun Hotel which is currently awaiting the approval of the Premier. The transformation of the property sector and built environment remains a priority of the Department, and this commitment resulted in 59% of leases being concluded with Black Landlords with a breakdown as follows; Women= 14.87%, Youth= 2,88%, People with disabilities= 0%. Further, to this is the allocation and award of 24% of the infrastructure budget set aside for direct contracting (ICDP) SMMEs, EMEs & QSEs prioritising designated groups (women, youth, people with disabilities. The Department in its endeavour to be the nerve centre of infrastructure delivery took a strategic decision to assign new projects to DPWI professional teams, which resulted in more projects being done in-house.

Immovable Asset Management as the custodianship of all Provincial Assets and facilities were able to successfully complete 463 new land surveys. The Property Development and Investor Conference took place on the 31st March 2022 provided an excellent platform for the Department to market the Provincial portfolio of immovable assets. The Conference has been viewed as a springboard for transformation of the property sector for decades to come.

Despite the challenges which the Department is currently experiencing in the implementation of its Revenue Management Strategy, the Department can only look forward to more transformation of the property sector. The revenue initiatives will facilitate a swift implementation of the Revenue Management Strategy through continuous identification of new revenue streams, that will subsequently increase the revenue capability of the Province.

The Department continues to provide functional and reasonable accommodation to ensure Dignified Client Experience to user departments for the attainment of service delivery objectives. Worth noting are the following achievements:

- 54 energy efficient DPWI buildings contribute towards the Green agenda of the Province.
- 10 planned maintenance projects completed
- 23 infrastructure designs ready for tender to facilitate delivery of building infrastructure
- Conducted 300 conditional assessments to ensure uninterrupted service delivery by Client Departments.

Nine (9) young graduates were able to attain their professional registration in various fields of the Built Environment through the implementation of these projects. The Department has gain some strides in getting confidence in planning and delivering infrastructure within the agreed time period, quality and scope. The infrastructure budget allocated to the department by various departments was spent fully by year end. Furthermore, the Department supported strategic programmes such as ICDP by ensuring that procurement on projects below R20 million is directed to the ICDP programme.

E. Strategy to overcome areas of under-performance

The Department to catch up on the under-achieved targets of designs ready for tender due to National Treasury instruction of halting procurement process above R30 000 intend to conclude all the planning (designs, and tender document) by third quarter for projects to be implemented in the outer years. Furthermore, the Department did not complete four (4) new facilities as planned due to shortage of building materials in the main steel within the country risks associated with delays in the delivery of building material are to be catered when projecting construction time frames.

The Department will continue to influence policy considerations especially with regard to PFMA regulations related to revenue generation, in order for Supply Chain Management policies to favour and fast track the procurement which is intended to generate rather than spend government revenue. This hopefully would restore the confidence of the investors in the state and its processes which most of the time are clouded by red tape and related bureaucracy.

The Department will strive to enhance its efforts to create more awareness and support to the emerging property investors. This will be achieved through the integration of external stakeholders, especially the financial institutions, towards the development of funding models which are intended to assist emerging property investors in accessing development finance and related support, for development of state land which is released by the Department for long-term leasing. The fast-tracking of surveying of the remaining unsurveyed and unregistered land will enable the Department to release more land for revenue generation, transformation of the property sector and small town revitalisation through infrastructure development.

F. Changes to planned targets

During the year under review, there were no changes made on the Programme's planned targets.

G. Linking performance with budget

Sub-Programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Programme Support	158 570	158 570	-	121 710	121 710	-
2.2 Planning	5 186	5 186	-	4 122	4 122	-
2.3 Design			-	-	-	-
2.4 Construction	250 193	250 193	-	222 281	193 933	28 348
2.5 Maintenance	174 754	174 754	-	174 079	174 079	-
2.6 Immovable Asset Management	1 014 184	1 014 184	-	991 711	991 711	-
2.7 Facility Operation	252 605	252 605	-	271 399	264 498	6 901
Total	**1 855 492**	**1 855 492**	**-**	**1 785 302**	**1 750 053**	**35 249**

The programme recorded a total expenditure of 100% of its allocated budget which contributed to 83% achievement of its planned targets.

H. Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (where possible)	Disaggregation of Beneficiaries (Where possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
COVID-19	Sir Henry Hospital	King Sabata Dalindyebo	Whole population	N/A	R48,365,041.80	90%	N/A	100 Isolation beds
COVID-19	Frere Hospital	Buffalo City Municipality	Whole population	N/A	R48,818,261.23	85%	N/A	100 Isolation beds

PROGRAMME 3

EXPANDED PUBLIC WORKS PROGRAMME

2.4.3. Programme 3: Expanded Public Works Programme

A. Purpose

To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and coordination of the Expanded Public Works programme.

B. Sub-Programmes

- Programme Support
- Community Development
- Innovation and Empowerment
- Co-ordination & Compliance Monitoring

C. Outcomes, Outputs, Output indicators, Targets and actual achievements

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Optimised Work opportunities	Work opportunities created	Number of EPWP work opportunities created by Provincial Department	3 770	4434	4000	5560	+1560	The over-achievement is as a result of more work opportunities that were created through the extension of some APTCoD learners. Furthermore, the over-achievement is attributable to the appointment of the new cohort for EPWP Maintenance and COVID-19

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								Youth Brigade Programme in quarter 2.
Transformed built environment	Enterprise Development	Number of beneficiaries participating in the Contractor Development Programme (CDP)	160	177	160	160	N/A	N/A
		Number of emerging contractors supported	New Indicator	177	100	166	+66	The over-achievement is as a result of more SMME's were supported in the form of training.
		Number of enterprises in the Property Incubator Programme	New Indicator	0	50	0	-50	The under-achievement is as a result of delays in the finalisation of database for Property Incubator Programme.
		Number of emerging contractors upgraded in Construction Industry Development Board (CIDP) grading	New indicator	26	50	52	+2	The over-achievement is as a result of the online system that was introduced by CIDB which resulted in them focusing on the other services including upgrades

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
		Number of SMME Strategy roll-out and uptake activities coordination	New indicator	New Indicator	4	0	-4	The under-achievement is as a result of delays in the finalisation of SMME strategy.
	Artisan Skills development	Number of APTCoD learners trained	New indicator	1092	1000	1216	+216	The extension of some APTCoD learners has resulted in the over-achievement of this indicator.
		Number of APTCoD learners passed trade test	New indicator	38	50	72	+22	The extension of some APTCoD learners has resulted in the over-achievement of passed learners indicator.
		Number of NYS learners trained	New indicator	139	150	242	+92	The over-achievement is as a result of more NYS learners trained.
		Number of NYS learners passed RPL	New indicator	New indicator	50	63	+13	The over-achievement is as a result of more learners that passed the RPL training.
Optimized Work opportunities	Work opportunities created	Number of Public Bodies reporting on EPWP targets	50	50	50	50	N/A	N/A

Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
		within the Province						
		Number of interventions implemented to support Public Bodies	New indicator	New indicator	7	7	N/A	N/A
		Number of interventions implemented as per the EPWP Youth Evaluation Study.	New indicator	New indicator	6	4	-2	The underachievement is as a result of SOP's that could not be completed due to uncertainty on its budget implications. The Amathuba portal could not be rolled out due to a change in the service provider which affected the functionality of the existing system and delays from MTN on ebulk SMSes

D. Summary of Programme Performance:

The Programme has recorded an 81% performance during the year under review. Of importance, the programme continues to lead departmental interventions on poverty alleviation and skills development. Key in poverty alleviation is the creation of work opportunities for poor households in the Province.

E. Strategy to overcome areas of under-performance

- The Programme will finalise the database for the Property Incubator Programme by the end of September 2022. Furthermore, Property Specialist will be sourced through the PIMO to assist in the implementation of the PIP;
- The Programme will finalise SMME Development Strategy by the end of September 2022. Furthermore, the Programme will source SMME Development Specialist though PIMO to assist in the finalisation of the SMME Development Strategy; and
- The Programme has put measures in place to ensure that recommendations of the Youth Evaluation Study are fully implemented during 2022/23 Financial Year.

F. Changes to planned targets

During the year under review, there were no changes made on the Programme's Strategic Objectives.

G. Linking performance with budget

Sub-Programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Programme Support	8 625	8 625	-	9 762	9 762	-
4.2 Community Development	45 487	45 487	-	38 436	35 686	2 750
4.3 Innovation and Empowerment	64 839	64 839	-	53 744	53 744	-
4.4 Co-ordination and Compliance Mont	32 007	32 007	-	32 108	32 108	-
Total	**150 958**	**150 958**	**-**	**134 050**	**131 300**	**2 750**

The programme has recorded an expenditure of 100% on which it has achieved 84% of its planned targets.

2.5. Transfer of Payments

2.5.1 Transfer payments to all organisations other than public entities

Name of the Transferee	Purpose for which the funds were used	Compliance with s 38(1) (j) of the PFMA	Amount received	Amount spent by entity	Reasons for the funds unspent by
DPW	Payment of rates and taxes for the government owned buildings	N/A	601 859	601 859	N/A

2.6 Conditional Grants

Conditional grants and earmarked funds paid

N/A

Conditional grants and earmarked funds received

Grant name	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Expanded Public Works Incentive to Provinces	10 272	10 272	-
Total	**10 272**	**10 272**	**-**

EPWP INCENTIVE GRANT	
Department who transferred the grant	National Department of Public Works
Purpose of the grant	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods.
Expected outputs of the grant	Number of people employed and receiving income through EPWP
	Increased avarage duration of work opportunities created
Actual outputs achieved	Number of people employed and receiving income through EPWP were **1 181**
	Increased avarage duration of work opportunities created was **263.37**
Amount per amended DORA R'000	10 272
Amount Transfered R'000	All funds transfereed
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department R'000	10 272
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	N/A

2.7 Donor Funds

Donor Funds Received

No donor funds were received by the Department in the year under review.

2.8 Capital Investment

2.8.1. Capital Investment, Maintenance and Asset Management Plan

The following table accounts for the infrastructure expenditure of the Department of Public Works and Infrastructure for the 2021/22 financial year.

Infrastructure projects	**2021/22**			**2020/21**		
	Final Appropriation	**Actual Expenditure**	**(Over)/Under Expenditure**	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
New and replacement assets	83 658	83 658	-	77 415	69 123	8 292
Existing Infrastruture	-	-	-	-	-	-
Upgrade and Additions	91 981	91 981	-	103 139	83 083	20 056
Rehabilitation, renovations and refurbishments			-	-	-	-
Maintenance and Repairs	48 534	48 534	-	61 492	61 492	-
Total	**224 173**	**224 173**	**-**	**242 046**	**213 698**	**28 348**

A. Progress made on implementing the capital, investment and asset management plan

User Asset Management Plan for Public Works and Infrastructure and the Custodian Asset Management Plan have been submitted to Provincial Treasury.

Investment: The Department advertises properties for long-term leasing and expects revenue over a period of time. For the period under review 56 properties were advertised, plus 11 additional. Out of the 56, only one (Erf 1, Amatola Sun) has been approved for award. An additional 14 properties which were carried over from the 2020/21 Financial Year have also been approved for award, and are estimated to generate revenue after 2 years from the date of award.

Capitalization of completed projects in the IAR for 2021/2022: R359 476 796,95

- Aliwal North cluster offices **R257 682 000,18;**
- Botha Sigcau Building- Operation Plan Upgrading-Phase 1 **R46 073 135,24;**
- Chungwa House –General Renovations and Upgrades **R2 612 385,05;**
- EX-Mary Theresa Hospital **R6 251 038;**
- Komani Office Park: Extension and additions for Department of Education (DOE) **R4 500 404,59;**
- OTP-ECDC - Repairs and Upgrade to fire damage **R39 428 264,53; and**
- OLD FNB Building: **R2 929 569,36**

Closing Balance of Capital Work in Progress as at 31 March 2022: R155 335 744

B. Infrastructure projects, which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year: Provide reasons for material variances (2% variance).

During the period under review, the Department planned to complete 5 new facilities, however only one (1) was achieved as planned.

- Grens Laerskool;

However, five (5) projects that were completed but were not part of the planned initial listing.

- Thembelihle ECD;
- Edlelweni ECD;
- Themba Mzizi Primary School;
- Mfesane High School; and
- Dinizulu High School

In addition, the following planned maintenance projects were completed:

- Repairs and renovations to the Office of the Premier;
- Repairs & Renovations to Old FNB Building;
- Repairs and maintenance to Mt Ayliff Service Office;
- Renovations to Dabi Traditional Council;
- Renovations to Additions to Barkly East Museum;
- Renovations to Alice Service Office;
- Renovations to Mthatha Government Garage
- Botha Sigcau Building – Ablutions, Kitchens, Cleaners Room, Skylight to Atrium and Plant Room, Fire Detection and Electrical Upgrade – Phase 1;
- Lusikisiki College of education; and
- Construction of Addo Cluster offices

The underachievement was due to the following reasons:

Project	Reasons
Asherville Primary School	Project is 79% complete, contractor experienced late delivery of materials. (Steel)
Lingcom High School	Project is 85% complete, contractor experienced late delivery of materials. (Steel)
Masizakhe Primary School	Project is 85% complete, contractor experienced late delivery of materials. (Steel)
Nkwezana Primary School	Project is 60% complete, contractor terminated the contract.

C. Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed

No.	Project Name	Region	Project Status	Project Start Date	Nature of Investment	Original End Date	Projected End Date	Total Project Cost
1	Asherville PS	Sarah Baartman	Under Construction (progress –40%)	27/03/2018	Rehabilitation	17/04/2020	01/12/2022	R 88 million
2	Lingcom PS	Sarah Baartman	Under construction (Progress – 89%)	06/12/2017	New	06/12/2019	12/12/2022	R 88 million
3	Wilo S.S.S	OR Tambo	Under construction (Progress – 58%)	5/09/2019	New	15/10/2021	30/04/2023	R 55 million
4	Atwell Madala S.S.S	OR Tambo	Under construction (Progress – 80%)	15/10/2019	New	14/04/2022	30/03/2023	R 83 million
5	Masizakhe JPS	Chris Hani	Under construction (Progress – 90%)	24/01/2018	New	24/01/2020	29/11/2022	R 67 million
6	David Livingstone S.S.S	Sarah Baartman	Under Construction (Progress – 65%)	28/06/2017	New	28/06/2019	29/11/2022	R 13 million
7	Mpumelelo Mfundisi SPS	Joe Gqabi	Under construction (Progress - 85%)	09/01/2017	Repairs and renovations	09/07/2018	31/10/2022	R 29 million
8	Phambili Mzontsundu S.S.S	Joe Gqabi	Under construction (Progress -81%)	09/01/2017	New	01/01/2018	30/12/2022	R 25 million
9	Khiba ECD	Joe Gqabi	Under construction (Progress – 87%)	01/02/2017	New	30/04/2020	28/09/2022	R 36 million
10	Lavelilanga J.,S.S	Chris Hani	Under construction (Progress – 85%)	15/08/2016	New	15/11/2017	11/11/2022	R 47 million
11	Lower Ngqungqu J.S.S	OR Tambo	Under construction Progress – 75%)	31/01/2017	New	31/07/2018	18/02/2023	R 129 million
12	Mhlontlo J.S.S	Joe Gqabi	Under construction (Progress – 73%)	22/08/2017	New	30/10/2019	01/02/2023	R 19 million
13.	Hanker Document Centre	BCM	Under Construction (Progress – 58%)	05/07/2018	New	05/12/2020	05/12/2023	R 136 million
14.	Bathelsdorp J.S.S	Sarah Baartman	Under construction	17/02/2017	New	19/02/2019	31/12/2023	R 57 million

No.	Project Name	Region	Project Status	Project Start Date	Nature of Investment	Original End Date	Projected End Date	Total Project Cost
			(Progress – 50%)					
15.	Ngubengcuka S.S.S	Chris Hani	Under construction (Progress – 5%)	01/04/2022	New	01/04/2023	01/04/2023	R 23 million
16.	Sterkspruit S.S.S	Joe Gqabi	Under construction (Progress – 45%)	13/06/2017	New	13/07/2018	30/06/2023	R 33 million
17.	Zwelitsha Flats Electrical Upgrade	BCM	Under construction (80%)	17/05/2021	New	30/08/2022	30/08/2022	R 2.5 million
18.	Botha Sigcau Building - Refurbishment of Electrical, Mechanical and Fire installation in the building (From 3rd Floor to 11th Floor)	OR Tambo	Under Construction (Progress – 85%)	05/02/2021	Repairs and renovations	30/03/2022	30/07/2022	R 17 million
19.	Construction of Artisan Academy in Makhanda	Sarah Baartman	Under construction (Progress – 41%)	20/11/2021	New	06/06/2022	06/08/2022	R 15 million
20.	UNISA Building Mthatha	OR Tambo	Under construction (Progress – 90%)	30/09/2021	Repairs and renovations	30/08/2022	30/08/2022	R 8 million
21.	Construction of Mt Ayliff Cluster offices (Civil Works)	Alfred Nzo	Under construction (Progress – 17%)	17/01/2022	Repairs and renovations	30/08/2022	09/12/2022	R 48 million
22.	Butterworth Sewer Ponds	Amathole	Under construction (Progress – 10%)	01/03/2022	Repairs and renovations	30/04/2023	30/04/2023	R 30 million
23.	Upgrade of Water Reticulation Systems, Sewerage Systems and Structural Repairs at Tyamzashe	Amathole	Under construction (Progress – 52%)	05/07/2021	Additions	30/07/2023	30/07/2023	R 24 million
24.	Chungwa Building	Amathole	Under construction (Progress – 27%)	15/10/2021	New	14/10/2022	14/10/2022	R 9 million

No.	Project Name	Region	Project Status	Project Start Date	Nature of Investment	Original End Date	Projected End Date	Total Project Cost
25.	Refurbishment of Legislature	Amathole	Under Construction (Progress – 50%)	01/09/2021	Repairs and renovations	15/12/2022	15/12/2022	R 8 million
26.	Second floor Botha Sigcau	OR Tambo	Under construction (Progress – 95%)	02/09/2021	Additions	01/10/2022	01/10/2022	R 11 million
27.	Refurbishment to Fort Beaufort Museum	Amathole	Under construction (Progress – 70%)	07/03/2019	Traditional Council	11/06/2021	10/010/2022	R 3.1 Million
28.	Refurbishment to Uitenhage Museum	Nelson Mandela	Under Construction (Progress – 60%)	11/09/2019	Refurbishment	31/03/2021	21/0/2022	R 10 million
29.	Refurbishment and Additions to Jeffrey's Bay Public Library	Nelson Mandela	Under construction (Progress –88%)	08/06/2020	New	28/04/2021	21/06/2022	R 12 million
30.	Construction of Cookhouse Public Library	Sarah Baartman	Under construction (Progress – 48%)	20/07/2021	New	22/07/2022	19/03/2023	R 36 million
31.	Refurbishment to Fort Beaufort Public Library	Amathole	Under construction (Progress – 70%)	23/06/2021	New	11/04/2022	31/05/2022	R 24 million
32.	Komani Hospital Fencing	Chris Hani	Under construction (Progress – 90%)	30/07/2021	Upgrades & Additions	26/03/2022	30/05/2022	R 8.9 million
33.	Sir Henry Hospital	OR Tambo	Under construction (Progress – 30%)	15/08/2021	New	15/10/2022	30/05/2023	R 28.4 million
34.	Nelson Mandela Academy Hospital	OR Tambo	Under Construction (Progress – 10%)	18/10/2021	New	14/12/2022	14/06/2023	R 39.4 million
35.	Ntabankulu CHC	Alfred Nzo	Under construction (Progress – 10%)	08/02/2022	New	08/11/2022	08/03/2023	R 8.9 million
36.	S.S. Gida Clinic	Amathole	Under Construction (Progress – 30%)	2/11/2021	Upgrades & Additions	12/12/2022	12/08/2023	R 39.8 million
37.	Bhisho Youth Care Centre	Bhisho	Under construction (Progress – 42%)	05/12/2021	Upgrades & Additions	13/07/2022	30/10/2022	R 11.4 million

No.	Project Name	Region	Project Status	Project Start Date	Nature of Investment	Original End Date	Projected End Date	Total Project Cost
38.	Middledrift Service Office	Amathole	Under construction (Progress – 6%)	22/03/2022	Upgrades & Additions	30/11/2022	30/11/2022	R 6.9 million
39.	Emalahleni Service Office	Chris Hani	Under construction (Progress – 15%)	15/03/22	New Construction	15/03/2023	15/03/2023	R 14.6 million
40.	Molteno Service Office	Chris Hani	Under construction (Progress – 10%)	12/04/22	Upgrades & Additions	12/01/23	12/01/23	R 8.4 million
41.	Butterworth Service Office	Amathole	Under construction (Progress – 57%)	29/09/21	Upgrades & Additions	20/01/2023	20/01/2023	R 13.5 million
42.	Mfazwe Technical High School	Alfred Nzo	Under Construction (Progress- 90%)	01/07/2021	Upgrade and additions	30/10/2021	30/05/2022	R 1.3 million

D. Plans to close down or downgrade any current facilities.

Property Management does not have any record of schools planned to close down or down grade as it is not its mandate to deal with closed schools, but that of the Department of Education in terms of its school rationalisation programme.

E. Progress made on the maintenance of infrastructure.

As per the approved IPIP for 2021/22 financial year, the following APP targets were achieved:

- Thirteen (13) out of eight (08) declared targets – designs ready for tender
- Six (06) out of three (03) declared targets – projects to be awarded
- Five (05) out of (05) declared targets – planned maintenance project completed
- Two (02) out of two (02) declared targets – projects completed

F. Developments relating to the above that are expected to impact on the Department's current expenditure.

To achieve the above declared target, a budget of **R 207,827 million** has been spent against the allocation of **R 230,430 million**. Over achievement with respect to design is as a result of unbundling of projects into phases to support ICDP contractors. Over achievement on planned maintenance awarded is as a result of unbundling of projects into phases to support ICDP contractors.

G. Details on how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft.

IAR movements for the 2021/2022 Financial Year:
Opening balances: 4 560 properties (audited list) **R8 571 069 083.80**
Closing balances: 5 442 properties (audited list) **R9 168 181 619.84**

Movements for the financial year:
Summary of movements:

The verified movements in the asset register consists of:

- *Disposals : 14
- Acquisitions : 04
- Vesting certificates : 900
- *Withdrawn diagrams : 01
- Researched : 01
- *Consolidated : 14
- Endorsements (Provincial) : 06
- Endorsements (National) : 03
- Registered subdivisions/ consolidations : 03

H. Measures taken to ensure Department's asset register remained up-to-date during the period under review.

The IAR is maintained on a daily basis and all movements (financial and non-financial) are recorded in a monthly narrative report. These movements include transfers *vide* S42, new Item 28(1) – vesting received from National Rural Development and Land Reform, disposals and acquisitions of assets through the Deeds Offices, etc. The WIP register is also updated on a monthly basis.

Completeness is verified against the records of the deeds offices (deeds down load). This is further supported by comparisons with other custodians (national and provincial) to avoid any duplication. Value-added information is received from physical site inspections, land audits as well as other sources, e.g. lease registers from Regions. Due to the national lockdown travel restrictions site visits and land audits were limited.

I. The current state of the Department's capital assets, for example what percentage is in good, fair and bad condition.

C1 – Very Poor: 4%
C2 – Poor: 10%
C3 – Fair: 40%
C4 – Good: 41%
C5 – Excellent: 5%

J. Major maintenance projects that have been undertaken during the period under review.

Maintenance Projects completed

- Repairs and renovations to the Office of the Premier;
- Repairs & Renovations to Old FNB Building;
- Repairs and maintenance to Mt Ayliff Service Office;
- Renovations to Dabi Traditional Council;
- Renovations to Additions to Barkly East Museum;
- Renovations to Alice Service Office;
- Renovations to Mthatha Government Garage
- Botha Sigcau Building – Ablutions, Kitchens, Cleaners Room, Skylight to Atrium and Plant Room, Fire Detection and Electrical Upgrade – Phase 1
- Lusikisiki College of education
- Construction of Addo Cluster offices

K. Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not, why? and what measures were taken to keep it on track.

During the period under review, the department achieved its planned maintenance projects completed and over-achieved on projects to be awarded therefore, there are no maintenance backlog recorded.

PART C

GOVERNANCE

PART C: GOVERNANCE

3.1 Introduction

Section 38(1)(a)(i) of the PFMA states that the accounting officer for a department, trading entity or constitutional institution must ensure that department, trading entity or constitutional institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control. In order for the government to implement the above provision of regulations, the Department maintains Governance processes for making and implementing decisions. The focus is not only on making **‘correct**’ decisions, but about how the Department goes about in making the best possible decisions.

The success of governance in the DPWI begins by setting of the tone at the top, where the executive and senior management lead by example. The tone at the top is demonstrated by strong ethical leadership, appropriate accountability and positive ethical culture. This is supported by effective risk governance, which drives the risk culture by having a risk aware management that are able to generate smart mitigation plans, which will improve the probability of achieving the departmental outcomes.

The risk governance assists the Department towards establishing relevant enabling policies and business processes, which drives performance management and regular reporting. Below are a number of good governance structures and practices the department put in place to economically, effectively, and efficiently utilise state resources entrusted to it by the tax payers.

3.2 Risk Management

During the 2021/22 financial year, the Accounting Officer committed the Eastern Cape Department of Public Works and Infrastructure (DPWI) to a process of risk management that is aligned to the principles of good corporate governance, as supported by legislation and leading practice.

The Department reviewed and approved Risk Management Policy that articulates the DPWI’s risk management philosophy. The approved Risk Management Policy is aligned to the Risk Management Strategy and the departmental Business Strategy that ensure an integrated approach in the management of risk in the Department by adopting a common language, process and methodology. Both the Risk Management Policy and Strategy are yearly reviewed and approved to ensure that the overall risk management approach is in line with current best practice.

The DPWI established a standard approach to risk management that ensured that all risks that could affect people, reputation, business processes and systems, financial and environmental performance identified, assessed and treated. Because the risk management policy acts as the primary internal risk governance mechanism, it provides the guidance required for the broader department to practice sound risk management, therefore enabling the successful drafting of a risk management plan to implement risk management that has full spectrum of risks that included the following:

- **Strategic risks**: possibility of a variance in the outcome of decisions and choices made in the setting of strategic goals from what is expected to be achieved
- **Operational risks**: possibility of a variance between the expected and actual performance, reliability, quality and efficiencies of internal operations.

During the year of assessment, the Department approved Risk Management Strategy which provided an accepted methodology in the implementation of risk management process. The Strategy is aligned to Treasury Regulation 3.2.1 on the expectations of the Accounting Officer towards risk management.

The Department identified and assessed the risk and also considered emerging risks during 2021-2022 financial year as risk are evolving and creates changes into the departmental processes. This process was performed because some risks materialise and trigger other risks when materialising. These risks therefore were managed in an integrated manner by continuously identifying emerging factors and risks that could ensure appropriate level of risk response and strategies are in place. The risk profile of the department was also used to direct the internal audit plan as required by the internal audit standards.

The risk management implementation plan was also developed for the Department of Public Works and Infrastructure wherein it gave effect to the implementation of the risk management policy and strategy and set out all risk management activities planned for the year of assessment.

The Strategic risk identification process as outlined by strategy took into consideration the Institute of Risk Management South Africa Risk Report on top 10 risks identified in the country, the State of the Nation Address as well as the State of the Province address in addition to the Departments Strategy to ensure effective risk assessment process and incorporation of emerging risks into departmental risks profile.

The Head of Department appointed an independent executive to chair the departmental Risk & Ethics Management Committee. During the year of assessment, the Department also appointed Chief Directors, Regional Directors, Head of Internal Audit and Director Information and Communication technology as Ex-officio members as per approved Risk and Ethics Management Committee Terms of Reference.
The committee's roles and responsibilities were clearly outlined in an approved Risk & Ethics Management Committee Terms of Reference.

The committee advises the Head of Department (HOD) and the Audit Committee of the Department on matters relative to risk management and its effectiveness on mitigating of unacceptable risk as outlined in the DPWI Risk Appetite and Tolerance Statement. One of the key responsibilities of the committee had to provide quarterly inputs on the evaluation, assessment, mitigation, and monitoring of all risk affecting the achievement of departmental objectives thus ensuring that risk management processes are implemented timeously.

During the year of assessment, the Audit Committee provided oversight on the Risk Management in the Department.

This was implemented through having Risk Management as a standing item on Audit Committee meetings. Risk Management policies and plans developed and reviewed were endorsed by the Audit committee prior approval by the Head of the department. Risk Management reported progress on the implementation of risk management activities to the Audit Committee on a quarterly basis. During the year of assessment, Internal Audit unit performed audit on the Risk Management to assess effectiveness of the processes implemented.

On a quarterly basis, the Department conducts monitoring process on risks identified to assess changes on the residual risk rating. The monitoring process entails in-depth analysis of the actions implemented to mitigate or respond to a risk.

The monitoring further analysed the effectiveness of the responses to risk, the impact of the responses to the risk and a conclusion on the status of the risk. The process then depicted improvements and regression in the management of risks per Programmes.

The Department demonstrated a matured risk management capability to pursue opportunities that improved the delivery of services to its stakeholders even though it was affected by the COVID-19 pandemic. The reviewed risk management policy currently enforced alignment in the risk management process and the departmental performance. The alignment impacted on the changes in the risk profile mirroring on departmental performance. These changes are expected to further influence a positive correlation between improvements in the system of risk management and the organisational performance.

3.3. Fraud and Corruption

The Department has an approved Ethics & Anti-Corruption strategy (i.e. Fraud Prevention Plan) developed and designed to prevent, detect and investigate unethical behaviour, corruption and maladministration. This Fraud Prevention plan is aligned to a 5-Year DPWI strategy and focuses on training of officials on ethics and corruption matters, implementing stringent internal control measures prevent fraud from occurring. It also articulates detection mechanisms as deterrence to fraud, corruption and unethical behaviour.

These include, conducting proactive investigation arising from effective fraud risk management, reactive investigation arising from internal and external reporting mechanisms. and harsh actions against officials and service providers involved in unethical conduct, fraud and corruption activities.

During the 2021/22 financial year, the Department continued to realise the benefits from the implementation of the strategy over the previous MTEF, by developing a fraud prevention plan strictly focusing on responding to fraud and corruption opportunities that emanated as a result of COVID-19 pandemic, which has become the new normal. This meant that fraud risks such as cyber fraud, manipulation of procurement processes as a result of COVID-19 emergency requirements that emerged during the previously financial year needed to be responded to. In that, the President's proclamation R23 of 2020, gave authority to Special Investigation Unit (SIU) to investigate all allegations of COVID-19 related procurements in the Public Service.

According to the statement released by SIU, the Department was cleared on two (2) investigations related to renovations of four (4) buildings in Dora Nginza Hospital, including an investigation into allegation of awarding a tender to a deceased person as reported on the newspaper. Other measures taken to prevent and detect cyber fraud was to strengthen controls within the Department' ICT system and rigorous campaigns designed to make employees aware about the importance of anti-cyber fraud mechanisms.

Considering that in 2021/22, the Department still operated under COVID-19 lockdown regulations, challenges regarding limited coverage of officials during the fraud and ethics awareness workshops, and unavailability of officials for investigations were still prevalent.
Apart from the challenges, DPWI was able to achieve 100% in implementing its output indicator on % effective implementation of Ethics and Anti-Corruption Strategy as per its Annual performance plan.

This was a great achievement and a contributing factor towards the improvement of governance within the organisation.

Moreover, the management of fraud risk from a high to more moderate and low risks by DPWI management demonstrate great progress of the strides taken to effectively deal with a risk of fraud and corruption within DPWI.

Internally, the Department finalised thirteen (13) investigations for the period under review and decisive actions were taken against those found to have committed acts of corruption, maladministration and unethical conduct. Furthermore, at the end of 2021/22 financial year DPWI had zero reported National Anti-Corruption Hotline cases referred by the Public Service Commission (PSC). This significant feat is symbolic towards the Department's fight on corruption and its commitment towards a clean and corrupt free public service.

Other mechanisms put in place by the department to detect fraud and corruption include but not limited to an approved Whistle Blowing Policy on Fraud & Anti-Corruption that direct employees on how to report any allegations of corruption, maladministration and unethical conduct. Employees are advised to always remain anonymous in order to protect themselves against any possible occupational detriment. The cases reported are investigated as per the approved Investigation Policy that guides the department on how to investigate action.

3.4. Minimising Conflict of interest

The Supply Chain Management (SCM) mechanisms available for the Department to manage conflict of interest include amongst others, declaration of interests in bid committee sittings, SBD4(Standard Bidding Document) declaration for suppliers, signing of the SCM Code of Conduct by all officials who are in SCM on conflict of interest. Despite the outlined SCM mechanisms, DPWI approved an Ethics & Anti-Corruption strategy, which manages conflict of interest using the various mechanisms.

3.4.1 Financial Disclosure of SMS and Other designated employees

The Financial Disclosure (FD) mechanism is a method applied by Department of Public Works and Infrastructure during the period in managing conflict of interest amongst designated employees. These designated employees are members of the Senior Management Services (SMS), Middle Management Services (MMS), Occupational Specific Dispensation (OSD), and SCM and Finance officials respectively.

The Financial Disclosure mechanism enabled officials to declare their personal financial interest to ensure transparency and integrity within the Department. As a result, all categories of designated employees from the DPWI were able to achieve 100% compliance as required by the DPSA Financial Disclosure Framework. Moreover, the analysis of financial disclosure performed revealed that no designated employees had direct conflict of interest and also those identified potential conflicts of interest were disclosed and explained accordingly.

3.4.2 Management of Other Remunerative Work

The DPWI developed a guide to manage RWOPS for its employees in an effort to provide a standard management approach to manage conflict of interest for employees wishing to undertake outside work. Out of the eleven RWOPS applications received, the Department approved ten and disapproved one. The approved RWOPS were in relation to residential accommodation, funeral parlour services, private maintenance work, lecturing and other selling of products. No approval was granted for any employee doing business with an organ of state or any employee that conducts business that is in conflict with the primary mode of services offered by the Department.

3.4.3 Other Conflict of Interest mechanisms

To manage Conflict of Interest, DPWI approved an Ethics and Conflict of Interest and Gift policies to guide the declaration process of non-designated employees, management of gifts, and management of conflict of interest in recruitment processes. These policies articulate a position of the department and advise on proactive measures to be taken to deal with any other matters of conflict of interest.

Additionally, the Department ensured that there are no employees who conduct business or are directors of companies that conduct business with any organ of state as at the end of 2021/22 financial year. This achievement was achieved as part of contributing to the seven (7) Provincial priorities of Eastern Cape government to ensure that there are zero employees registered on Provincial Treasury CSD Conflict of Interest list as potential suppliers for government. Furthermore, the Auditor General did not report on any employees of the department that traded with other institutions of government.

3.5 Code of Conduct

As part of advocacy on the Code of Conduct an Ethics & Anti-Corruption Strategy was approved to drive the awareness programmes on communication the message of ethical behaviour. Activities performed to advocate Code of Conduct in 2021/22 include, various awareness programmes from both the regional and head office level through collaborated efforts by Corporate Services and Enterprise Risk Management within the Department. The Service Delivery Charter, Anti-Corruption pledge and Departmental Values placed in visible areas within the department, ensure that stakeholders and the public understand the DPWI messages on its intent to adhere to the professional ethical values and principles of good governance as enshrined in Section 195(1) of the Constitution. As a result, all officials who breach the code of conduct are dealt with within the Departmental Disciplinary Code and Procedures.

3.6 Health Safety and Environmental Issues

The Department is committed to implementing Safety, Healthy, and Environment measures, to ensure a safe and healthy working environment for employees and visitors. The Department is also committed to preventing occupational injuries and diseases in the workplace and is continually providing Health and Safety standards operational procedures, to minimise hazards in a safe manner and compliance with relevant legislation, regulations, codes, standards and practices. DPWI stresses the effects of health and safety practices in the workplace as follows:

Protecting staff

Health and safety guidelines are primarily to protect management and staff from injury, illness, or coming into any other form of harm in the workplace.

Reducing absences

Health and safety guidelines reduce the risk of work-related illnesses and injuries and therefore reduce staff absences.

3.7. Portfolio Committees

Date	Time	Activity	Attendees	Venue
04 November 2021	14:00 – 17:00	• Briefing of the Committee by Researcher on Annual Report 2020/21 Financial year	Portfolio Committee, only	Virtual Meetings on Ms Teams
11 November 2021	14:00 – 20:00	• Presentation of Political, Administrative and Financial Overviews by MEC, SG & CFO on Annual Report 2020/21 Financial Year • Presentation of Financial Overview by CFO on Financial Oversight & Half Year Performance Report (01 April – 30 September 2021) • Presentation of Programme 1 by Department on Annual Report 2020/21 Financial Year	Portfolio Committee & Department	
16 November 2021	08:30 – 13:00	• Presentation of programmes 2 – 3 by Department on Annual Report 2020/21 Financial Year • Presentation of programmes 1 – 3 by Department on Financial Oversight & Half Year Performance Report (01 April – 30 September 2021)	Portfolio Committee & Department	
19 November 2021	08:30 – 16:30	• Report by Department on SMMEs' allegations	Portfolio Committee, Department & Main Contractor	

- Matters raised by the Portfolio Committee and how has the department addressed these matters

Programme 1: Administration

Programme 1: Administration			
No	**Findings**	**Recommendations**	**Progress as to Date**
1.	Although the Department has finalized its engagements with OTP and DPSA regarding the Organizational Structure, DPSA has not approved the structure yet.	The Department must make a follow up with DPSA and provide the Committee with feedback on a quarterly basis. .	The latest development is that DPSA has required one change on the structure before concurrence. The MEC has on the 28 September 2021, confirmed the changes as required. Awaiting OTP covering letter to DPSA. The Department has received the concurrence letter from DPSA during January 2022. Following the concurrence letter the structure was signed off by Hon MEC and HOD. The department started rolling out awareness on the implementation of the structure and the process that will be followed.
2.	The Department does not have adequate technical capacity to allow it to fully implement its mandate. The previous recruitment efforts have not yielded the desired results.	The Department must provide the Committee with a recruitment plan focusing on how it intends to attract and employ the scarce critical human resources. The plan must indicate the timelines.	The Annual recruitment plan will be compiled after receiving the approved structure, which will have approved posts that will further require costing and prioritization. The department received approval or concurrence letter from DPSA in January 2022. The department is currently implementing the organogram with the projected finishing 30 September 2022. Annual recruitment plan for technical capacity will be determined after having finalized placement of the internal staff.
3.	The Department has since slowly but surely moving to the right direction towards closing the gap at SMS level and bringing about the necessary required balance of gender equity.	The Committee commends the Department for closing the gap at SMS level.	The comments are noted and the department will continue prioritizing appointment of women in SMS position until we achieve 50%. As of current the Department is sitting at 40% Female versus Males at 60%. The department has managed to achieve up to 41% by end of the financial year. The department has prioritized the placement of SMS on the new structure and upon completion the number of SMS post that have been identified critical and funded will be advertised before the end of June 2022. In the advertisement it will be clearly indicated the targets as women and persons with disability
4.	Of the 160 contractors in the ICDP database, 26 have been awarded contracts to the value of R60.4 million and 18 of these are youth while 06	The Committee commends the awards to contractors especially to youth and women-owned contractors.	Committee comments Noted.

Programme 1: Administration			
No	**Findings**	**Recommendations**	**Progress as to Date**
	are women-owned contractors.		
5.	User Departments in the Province are not implementing the parking policy. Of great concern, this policy should be playing a vital role for revenue generation.	The Department must have constant engagements with the Accounting Officers heading departments that are not implementing the parking policy as departments must do what is expected to be done. The Committee must be furnished with a report on quarterly basis regarding this matter.	Correspondence was sent to all Accounting Officers of various Departments regarding concerns with slow implementation of the approved Parking Policy. Regional Offices were sensitized to follow up with Regional Districts. Provincial Treasury was requested to issue a circular to all Departments regarding this matter. All correspondence proving the efforts made by the DPWI was submitted to Treasury before they could prepare the circular. A follow up will be made with them and a report will be follow.

Programme 2: Public Works Infrastructure

Programme 2: Public Works Infrastructure			
No	**Findings**	**Recommendations**	**Progress as to Date**
1.	The Bhisho Office Precinct is still at procurement stage.	The Department must facilitate the completion of procurement processes towards the development of the Bhisho Office Precinct and ensure that the Committee is provided with the progress report on a quarterly basis on this project.	The DPWI issued the bid (RFP) to the four (4) approved SOE's (PIC, IDT, CDC and DBSA) on 3 August 2021. The bid will close on 30 June 2022.
2.	The closed schools are not leased out yet to prospective tenants although there is a need.	The Department together with the Department of Education must agree on a process plan on the usage of the closed schools including gazetting and leasing of these schools and report the progress to the Committee on a regular basis.	A Framework Agreement outlining the management of closed and unutilized school buildings has been developed by the Immovable Asset Management Chief Directorate and forwarded to the Building Infrastructure Chief Directorate for input related to maintenance and related responsibilities to be performed by the Building Infrastructure. **The Framework Agreement** will be forwarded to the Department of Education once it's been signed by the DPWI Accounting Officer. **An Expression of Interest (EOI) for leasing of the closed and unutilized school buildings** has been presented to the DPWI Bid Specification Committee and is currently on advertisement to invite individuals and groups to be included in a database for the Department for leasing of the closed schools on request.

Programme 2: Public Works Infrastructure			
			The Department has received a list of 1 142 closed schools from the Department of Education prepared for gazetting. Some of the DPWI Regional Offices have submitted their priority lists for closed schools which will be advertised based on the demand that has been displayed by the target groups who have an interest in leasing the schools for different purposes.
3.	The Department has no proper plans to secure/ safe guard closed schools.	The Department must provide the Committee with a clear plan on how it intends to secure and protect closed schools.	The Department has appointed 3 service providers to provide security on an **As** and **When** basis. The purpose is to ensure that schools that become vacant are secured as soon as possible for a period of approximately 3 months. At the end, however, the plan is as No.2 above
4.	The Department has no formal strategy to deal with illegal invasion of land.	The Department must provide the Committee with a proper and clear strategy on how it intends to address the illegal invasion/ occupation of land.	Immediate legal action is initiated as soon as the Department becomes aware of any case of illegal land invasion. Illegal occupation of land: Legal firms have been appointed through the various offices of the state attorney to proceed with legal proceedings for the eviction of illegal occupants. To date, in the OR Tambo region a total number of 89 cases was handed over. To date, 38 court orders have been secured in favor of the Department. The other matters are sub- judice This project is enrolled to all other regions. The Department has taken a position to avail underutilized vacant properties to property developers, for both transforming the property sector and attracting investment in the Province.
5.	The Department has no clear plans regarding the maintenance of properties brought back by Operation Bring Back (OBB).	The Department must share with the Committee the plans they intend to implement for the maintenance of properties brought back by the OBB.	DPWI before processing the eviction notice, convenes the housing allocation committees in terms of Policy, as a process of leasing the property in terms of Market related Rentals. The Department has appointed a service provider for the development and implementation of an overall facilities management model. This Model will bridge alignment between condition assessments and

Programme 2: Public Works Infrastructure			
			deploying allocation of resources for maintenance. This approach will be implemented for all government properties.
6.	The Department has no clear coherent plan to deal with the Prestige Portfolio houses.	The Department must develop a comprehensive plan on how it intends to deal with the Prestige Portfolio houses and submit a report to the Committee.	The maintenance plan is as follows: Nine (9) Houses have been identified at the Ministerial Complex which the department will renovate during the financial year 2021/22. DPW&I is planning to acquire thirty-eight (38) houses from National Department of Public Works and Infrastructure for the Members of the Legislature. A letter has been sent to National regarding the latter and awaiting a response. The overall plan will also be enhanced in terms of No. 5 above.
7.	The Department has set aside funding for the ministerial residence only and excluded the other housing portfolio of other members living outside that precinct.	The Department must submit a report on how it intends to address housing defects and or maintenance challenges identified within the Prestige Portfolio houses where most members reside.	The Department is in the process of procuring a general buildings contractor for day-to-day maintenance of the residential portfolio.
8.	The Committee noted the completion of the procurement process for the usage of Amatola Sun which will bring the necessary fiscal consolidation the Province dire needs.	The Committee commends the Department for long-term leases as keeping its own assets is encouraged and plays an important role in generating revenue and acts as a building block towards fiscal consolidation of the Province.	The Department notes the commendation and will work even harder to strengthen this area. The department will work with buildings unit to ensure that the construction phase of all the long term lease projects is monitored .

Programme 3: EPWP

No	Findings	Recommendations	Progress up to date
1.	In the year under review the EPWP grant budget increased by 19%.	The Committee commends the Department for the increase as EPWP programme is a flagship that helps the poor with income to sustain their livelihood especially in this COVID-19 environment where more people have lost their jobs and are unemployed.	The recommendation by the Committee is noted and appreciated.
2.	In 2020/21 financial year the Department did not achieve desired targets on provincial performance by designated groups such as people living with disabilities and the youth.	The Department must improve its processes so as to ensure that what is planned for a particular period is accomplished giving more focus on people living with disabilities and the youth.	The recommendation by the Committee is noted and appreciated. The Department is implementing the Youth Participation Improvement Plan to improve participation in the programme (EPWP). In respect of people living with disabilities, the Department will continue to engage the organized formations for people with disabilities in the Province to assess areas of collaborations to improve participation in the programme (EPWP).

General Findings and Recommendations

No	Findings	Recommendations	Progress up to date
1.	The Committee has established that the department has turned the corner in bringing the Department of Public Works & infrastructure that they want to see.	The Department must sustain the good work and continue to improve in areas where they still have challenges.	The Comment of the Committee is Noted and Appreciated.

3.8. SCOPA Resolutions

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
1.	**Administration**	The Departments' audit action plan was not fully implemented; this resulted in some repeat findings. *It was recommended that: The implementation of the audit improvement plan must be linked to the respective managers' performance agreements. Leadership must account quarterly for the progress made.*	*The recommendation is noted and the implementation of the audit improvement is included in the CFO and Director: Internal Control's performance agreements.*	**Yes**
2	**Administration**	Inadequate capacity in the contracts management Unit has resulted in contracts that are modified without the approval of a properly delegated official. This is in contravention of the requirements of section 44 of the PFMA and Treasury Regulations 8.1 and 8.2. *It was recommended that: The Accounting Officer must prioritize the Contracts Management Unit as soon as the organogram has been approved by DPSA. The lease register must be effectively managed to ensure that procurement processes are initiated timeously to avoid irregular expenditure.*	*Although the organogram has not been approved by DPSA. The Accounting Officer reprioritized internally to establish a contract management unit headed at director level.* *The management of leases are closely monitored to avoid irregular expenditure.*	**Yes**
3.	**Administration**	The Department incurred R504 000 worth of Fruitless and Wasteful Expenditure; they have however only been able to initiate recoveries totalling R37 000. This amount is relatively low as it accounts for only 16% of the fruitless expenditure. *It was recommended that The Accounting Officer must ensure that there is a recovery of the fruitless and wasteful expenditure from officials that were found to be liable, a report must be submitted to the Committee within 30 days after adoption of this report. A plan must be developed to curb the occurrence of this finding in the future.*	• *The R 504 000 is made up of the follow:* - ***No Show to accommodation booking totalling up: R 266 000.00*** - ***Interest on Late payments totalling up R 238 000.00.*** • *The Accounting Officer has prioritized investigations of fruitless and wasteful expenditure cases.* • *Officer has mandated the irregular, fruitless and wasteful expenditure committee to sit regularly to expedite the cases.* • *Effecting recoveries from responsible officials.* • *These transactions are being investigated and as a result the Department has improved and fruitless and*	**Yes**

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			wasteful expenditure is no longer one of matters of emphasis in the AG Report 2020/21.	
4.	**Administration**	Irregular expenditure of R969 million that has accumulated over several years and has not been recovered or condoned, irregular expenditure of R132 million incurred during the current year is included in the balance of R969 million. This is a recurring finding. *It was recommended that: Accounting Officer must ensure that effective and appropriate steps are taken to prevent irregular expenditure as required by provisions of section 38 (1) (c) (ii) of the PFMA. Consequence management must be implemented against officials responsible, a report analysing irregular expenditure for the previous and current year under review must be submitted to the Committee in the following format within 30 days after adoption of this report in the following manner:* • When did the Department incur irregular expenditure? (financial year) • How much was incurred as an irregular expenditure? • How many cases and the status of each case? • What were the reasons for its occurrence? (type of irregular expenditure) • Who is responsible for the occurrence of irregular expenditure? (Provide Name, Surname, and rank). • What steps were taken and how soon did it take to act or investigate after it was identified?	*The R 969 mil is made up of the following:* - *Non-compliance matters: 85 408 990* - *Security contracts: 188 625 958* - *Leases: 144 068 142* - *AG findings: 70 552 926* - *Consultants: 9 982 621* - *Over-expenditure: 122 005 296* - *Roads deviations: 46 498 721* - *Supply chain management: 301 813 527* *Furthermore, the R 665 mil is a result of:* *Opening balance: 969 million* *Approved condonations by PT (405 million)* *Irregular expenditure – 2020/21 101 million* ***Total*** ***665 million*** *The Department is continuing to work with Provincial Treasury to condone irregular expenditure. The balance has reduced from R3.3 billion in 2017 to R665 million currently.* *The Accounting Officer has:* • *Utilized the provincial infrastructure management office to provide support in performing investigation of reported cases of irregular expenditure.* • *Applied consequence management through assistance of Labour Relations.* • *Conducted refresher training.* • *Ensured that all the cases on the register are under investigation.* • *Ensured that the irregular, fruitless and wasteful expenditure committee sits regularly to consider the investigation reports and recommend to Accounting Officer for approval.*	**No. Investigations done but condonation has not yet been received from Provincial Treasury**

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		• Was there consequence management implemented? Please provide evidence of sanctions awarded. • What are the timelines for completion and clearing of irregular expenditure?	*The main reasons for occurrence include:* • *Non-compliance with relevant prescripts mainly inconsistence in the application of bid conditions, pass over without justifiable conducting risk analysis, lack of understanding local production and content.* *The balances are as follows:* ***2018/19** Opening balance R1.9 billion* *Condonation R706 million* *Current R131 million* ***2018/19** Closing balance R1.3 billion* ***2019/20** Opening balance R1.3 billion* *Condonation R462 million* *Current R132 million* ***2019/20** Closing balance R969 million* ***2020/21** Opening balance R969 million* *Condonation R405 million* *Current R101 million* ***2020/21** closing balance R665 million* *The Office of the Premier/ Provincial Treasury has given timelines for completion and clearing of irregular expenditure by 30 September 2021.*	
5.	**Administration**	The audit Improvement Plan of the Department indicates that outstanding payments are dating back to the 2017/2018 financial period. It was recommended that: *Accounting Officer must ensure that all payments are done within the prescribed or agreed period in line with the provisions of section 38 (f) of the PFMA. Consequence management must be implemented to the responsible officials. A report with evidence of consequence management must be forwarded to this Committee within 30 days of adopting this*	*The Department implemented an invoice tracking system and put a Standard Operating Procedure (SOP) in place. The Department now pays 100% of invoices within 30 days.*	**Yes**

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		report. The report must also include the amount that was owed, the projects that were not paid, reasons for non-payment, and corrective measures implemented to curb the occurrence of this finding in the future.		
1G.	**General findings and recommendations**	Preventing the occurrence of irregular expenditure is still a major challenge with most Departments, accumulated irregular expenditure for previous years is not addressed by Departments. It was *recommended that: Accounting Officers must take proactive steps to prevent irregular expenditure as required by section 38 (1) (a) of the PFMA, they must not work on an expo facto basis. Strengthening of internal controls is important and provision of a conducive environment to comply with the regulations.*	*The Accounting Officer has:* • *Conducted training of bid committee members and supply chain management practitioners. Issue SCM circulars to address weaknesses identified.)* • *Performed investigation of reported cases of irregular expenditure.* • *Effected consequence management against responsible officials.*	**No as Irregular expenditure increased during the year 2021/22**
2G.	**General findings and recommendations**	Departments continue to fail to comply with regulations regarding procurement processes and contract management. This is evidenced by contravention of Treasury Regulations, flouting of procurement processes is susceptible to fraud. *It was recommended that: Accounting Officers must* provide a conducive *environment to ensure compliance with procurement processes and contract management as flouting of these processes is susceptible to fraud, disciplinary actions must always be taken against officials who fail to comply with laws and regulations.*	*The Accounting Officer has:* • *Capacitated supply chain management by appointing four officials.* • *Conducted training of bid committee members and supply chain management practitioners.* • *Performed investigations of reported cases of irregular expenditure.*	**Yes**
3G.	**General findings and recommendations**	The Committee found that there is no due diligence done by Departments in responding to questions raised by the Committee with regards to audit findings and financial management in Departments. It was recommended that Accounting Officers must ensure that	The Accounting Officer has: • For each finding raised, developed corrective measures to reduce recurrence. • Monitor implementation of corrective measures. • Evidence is reduction of irregular expenditure and SCM related findings.	**No as Irregular expenditure increased during the year 2021/22**

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		appropriate and honest responses are furnished to the Committee when responding to issues raised and provide realistic and achievable plans to correct any wrongdoing.		
4G.		The Committee found that audit intervention plans compiled by Departments are ineffective, not implemented and monitored by some departments, and only cover findings by the Auditor General for that particular year under review. *It was recommended that: Audit improvement plans must be based on the whole environment of the Departments and not just on audit findings by the Auditor General, risk management unit in Departments should assist in identifying potential risks that may emerge*	The Accounting Officer has: • Developed a realistic audit intervention plan. Monitor implementation of the corrective measures. Effected Improved audit outcomes	**Yes**
5G.	**General findings and recommendations**	There is the slow implementation of internal and audit committee recommendations by Departments. It was recommended: The Committee should be provided with a report on the implementation of audit intervention plans as well as recommendations by internal audit and audit committees. Continuous monitoring and implementation of measures that are put in place must be adhered to by Departments and entities.	• For each finding raised, developed corrective measures to reduce recurrence. • Monitor implementation of corrective measures. • Evidence is reduction of irregular expenditure and SCM related findings.	**No as Irregular expenditure increased during the year 2021/22**
6G.	**General findings and recommendations**	Most Accounting Officers are still lacking a zeal to implement consequence management. *It was recommended that: The Office of the Premier must ensure the implementation of consequence management in the provincial administration*	The Accounting Officer: • Perform Compliance Assessments throughout the financial year. • Removal of audit report paragraph re consequence management.	**Yes**

3.9 Prior Year emphasis of matters

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter*
Unqualified with matters of emphasis on: • Irregular expenditure to an amount of R1,003 Billion. • Fruitless and wasteful Expenditure to an amount R2,7 million. • Restatement of corresponding figures: ✓ Immovable Tangible Capital Assets; ✓ Operating future lease revenue ✓ Operating lease Commitments-Buildings	Before 2015/16	• Irregular expenditure cases investigated and consequence management has been applied to transgressors. This resulted to an amount of R575 million applied for condonation in the current financial from Provincial Treasury. • Fruitless and wasteful expenditure cases investigated and an amount of R4.9 million has been resolved, in the form of write off, recovery and reversal of invalid entries. The restatement was due to the following: • The guide for Accounting and Reporting for Immovable Assets does not require financial disclosure for properties where there is no legal tittle even though these properties might have reliable cost but instead are recorded in a separate register and reported on in a narrative format; • Non-Disclosure of operating future lease revenue; • Overstatement of operating Lease Commitments. The two were resolved at the time of signing the Audit Report, and the operating future lease revenue will be disclosed in the current Annual Financial Statements
Matters of emphasis • Irregular expenditure, R664.8 million • Accrued departmental revenue, R139.7 million	2020/21	• Trainings offered to officials on irregular expenditure • Investigated reported cases • Applied consequence management where necessary • Applied for condonation • Monthly reconciliations are performed to address the matter

3.10 Internal Control Unit

3.10.1 Governance

A. Managed 2021/22 external audit with a total of 88 RFIs and 15 COAFs as follows:
- ✓ 72 FRIs for Public Works and Infrastructure (DPWI) and 12 COAFs;
- ✓ Four (4) RFIs for Department of Health (DoH) and two (2) COAFs;
- ✓ Five (5) RFIs for Department of Education (DoE) and one (1) COAF;
- ✓ One (1) RFI for DRDAR;
- ✓ One (1) RFI COGTA;
- ✓ Two (2) RFI for DSRAC; and
- ✓ Three (3) RFIs for Department of Social Development (DSD).

B. Facilitated responses to SCOPA questions; and

C. Facilitated the development and monitored implementation of the 2020/21 external audit improvement plan.

Facilitated 27 policy review and approval as per table below:

Number	Policy Description	Approval Date
1	Fleet Management and Transport Policy	07 March 2022
2	Communication Policy	13 April 2021
3	Leave Policy	16 March 2022
4	Resettlement Policy	16 March 2022
5	Health and Productivity Management Policy	11 May 2021
6	Acting Appointment Policy	16 March 2022
7	HIV&AIDS, TB AND STIs Policy	16 March 2022
8	Policy on Sports and recreation	16 March 2022
9	Consequence Management Policy	11 May 2021
10	Exit Interview Policy	16 March 2022
11	Subsistence and travel	23 March 2022
12	Debt and Revenue Management	07 July 2021
13	Employee Debt Management	07 March 2022
14	Expenditure Management	23 March 2022
15	Bank and cash Policy	07 March 2022
16	ICT Acceptable Use Guidelines and Behaviour Policy	11 May 2021
17	ICT Hardware Management Policy	11 May 2021
18	ICT Incident Management Policy	11 May 2021
19	ICT Network Infrastructure	11 May 2021
20	Policy Guidelines and Procedures on Departmental Policies	01 October 2021
21	Security Policy	11 May 2021
22	Policy on Strategic Management	07 March 2022
23	SCM Goods and Services Policy	23 November 2021
24	SCM Infrastructure Policy	23 November 2021
25	SCM Delegation	23 November 2021
26	Immovable Asset Management Policy	11 May 2021
27	Property Incubator	01 October 2021

3.10.2 Pre- Audit

✓ Number of pre-audited documents at Head Office:

No	Description	2019/20 Total Number	2020/21 Total Number	2021/22 Total Number
1	Pre-Audited Orders	3 695	1 836	2 046
2	Pre-Audited Payment	8 963	4 056	5 536
3	Irregular, Fruitless and Wasteful Expenditure Detected	296	87	182
4	Rejected documents with errors	825	340	414

3.10.3 Loss Control

Asset Losses

Office/Region	Description	Number of Investigated Cases	Value	Status		
				Under investigation	Awaiting Loss Control Committee sitting/ HOD approval	Finalized
Head Office	Laptops	6	45 315.80	2	1	3
	Vehicle	7	335 862.00	3	2	2
	Other	1	44 093.58	0	0	1
Amatole Region	Laptop	1	13 422.16	0	0	1
O.R. Tambo Region	Vehicle	1	33 502.34	0	1	0
	Laptops	1	0	0	1	0
Joe Gqabi	Vehicle	2	33 865.00	0	0	2
Alfred Nzo Region	Laptop	1	26 844.90	0	0	1
	Vehicle	2	17 642.44	1	0	1
Chris Hani Region	Vehicle	2	3 902.99	0	2	0
	Laptop	2	40 354.95	0	0	1
	Other	1	23 000.00	1	0	0
Total	596 118.18					

Irregular Expenditure

✓ Application for condonation made to Provincial Treasury R274 million after investigations and effecting consequence management

Application for Condonation Breakdown

Application	Amount in Rand Thousand
Roads	146 033
Non-compliance with SCM	4 617
Non-compliance with SCM	20 431
Joe Gqabi	264
Non-compliance with SCM	81 673
Training of security coops	21 250
Total	**274 268**

Fruitless and Wasteful expenditure

- ✓ Amount resolved R1 630 million within the year under review:

Description Classification	Number of Cases	Amount in Rand Thousand
Written Off	38	1 144
Recoveries	25	486
Total	**63**	**1 630**

- ✓ Amount transferred to receivables R 355 thousand.

3.11 Internal Audit and Audit Committee

The objective of the internal audit activity of the Department of Public Works and Infrastructure is to provide the Audit Committee and Senior Management with independent, objective assurance and consulting services that are designed to add value and to continuously improve the operations of the Department. The internal audit activity assists the department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

The key activities of internal audit activity are to evaluate whether the department's system of governance, risk management and internal control, as designed by management, is adequate and functioning in a manner that ensures that:

- ✓ Risks are appropriately identified and managed;
- ✓ Interaction with the various governance groups occur as required;
- ✓ Significant financial, managerial, and operational information is accurate, reliable, and timely;
- ✓ Employee's actions are consistent with policies, standards, procedures, and applicable laws and regulations;
- ✓ Resources are acquired economically, used efficiently, and adequately protected;
- ✓ Programs, plans, and objectives are achieved;
- ✓ Quality and continuous improvement are fostered in the department's control process; and
- ✓ Significant legislative or regulatory issues impacting the department are recognized and addressed appropriately.

Interaction with the Audit Committee

The Audit Committee is responsible for the functional oversight over the provision of internal audit services by the internal audit activity.

The Audit Committee reviewed and approved the Internal Audit Charter, Internal Audit Methodology, and the Internal Audit three year rolling and annual operational and coverage plan for the 2021/22 financial year.

Periodical reports on the internal audit 's performance against the annual audit plan, results of work conducted, and other pertinent matters, were presented to the Audit Committee in terms of the agreed upon reporting intervals.

The Chief Audit Executive attended all meetings of the Audit Committee as a standing invitee and the Head of the Audit Committee Secretariat.

Implementation of the approved operational and annual internal audit coverage plans

The Internal Audit Annual Coverage Plan was comprehensively implemented and consulting work emanating from Senior Management and Audit Committee resolutions was also completed.

Summary of internal audit work done during 2021/22 financial year is as follows:

Audit Projects Completed Per Programme		
Programme	**Nature**	**Centres covered**
Public Works Infrastructure	Risk based audit and follow-up audit	Head Office; Amathole, Chris Hani, and Sarah Baartman Regions
Corporate Management	Risk based audit and follow-up audit	Head Office; Alfred Nzo; Chris Hani; O.R. Tambo; and Sarah Baartman Regions
Expanded Public Works Programme	Risk based audit and follow-up audit	Head Office; Amathole, and Chris Hani Regions
Financial Services	Risk based audit and follow-up audit	Head Office; Alfred Nzo, Amathole, and Joe Gqabi Regions
Immovable Assets Management; and Security Management	Risk based audit and follow-up audit	Head Office, Alfred Nzo, Chris Hani, and Joe Gqabi Regions

<table>
<tr><th colspan="2">Other Completed Internal Audit Projects</th></tr>
<tr><th colspan="2">Review of asset register</th></tr>
<tr><td colspan="2">• Review of the immovable assets register</td></tr>
<tr><th colspan="2">Audit Improvement Plan</th></tr>
<tr><td>• Review of the Draft Audit Improvement Plan</td><td>• Review of the implemented Actions Audit Improvement Plan – 3rd Quarter</td></tr>
<tr><th colspan="2">Periodical Financial and Performance Reporting</th></tr>
<tr><td>• Draft annual financial statements for the 2020/21 financial year
• Review of interim financial statements before submission to Provincial Treasury
- 2021/22 1st Quarter interim financial statements
- 2021/22 2nd Quarter interim financial statements
- 2021/22 3rd Quarter interim financial statements</td><td>• Draft annual report for the 2020/21 financial year
• Draft annual performance plan for the 2022/23 financial year
• Review of periodical performance reports before submission to the Department of Planning, Monitoring, and Evaluation
- 2021/22 1st Quarter Performance Report
- 2021/22 2nd Quarter Performance Report</td></tr>
</table>

Other Completed Internal Audit Projects	
	- 2021/22 3rd Quarter Performance Report
Information and Communications Technology	
• COBIT 19 assessment on policies and operating procedure manuals	• Network Vulnerability Testing
Other	
• Governance, Ethics, and Risk Management • Transfer payments and leave gratuities	• Conditional Grants – Expanded Public Works Incentive Grant • COVID-19 Interventions

Provincial Treasury's Transversal Internal Audit Services Chief Directorate ensured that internal audit practitioners received the minimum training that is required to ensure continuous development obligations for certified internal audit technicians are met.

Quality Assurance and Improvement Programme

The internal audit activity of the department has and maintains a quality assurance and improvement program, in line with the International Standards for the Professional Practice of Internal Auditing.

The Internal Audit Activity complied with the International Standards for the Professional Practice of Internal Auditors issued by Institute of Internal Auditors (IIA).

An external quality assurance review, was completed in March 2022. The department obtained a "General Conformance" rating.

Secretariat services to the Audit Committee Membership and Attendance

The internal audit activity is responsible for providing secretariat services to the Audit Committee.

Minutes and resolutions lists of all Audit Committee meetings were drafted and provided by the internal audit activity for review and approval by the Audit Committee.

The table below discloses relevant information on the Audit Committee membership and attendance of Audit Committee meetings:

Name	Qualifications	Internal or external member	Initially appointed	If internal, position in the department	Appointment renewed	Appointment terminated	No. of Meetings attended
Mr. S. Ngqwala (Chairperson) **	Honours in Bachelor of Accounting Science.	**external**	October 2014	N/A	October 2017	April 2021	01 / 11
Ms. P. Ntisana (Chairperson)	Chartered Accountant	**external**	May 2021	N/A	Not applicable	Not applicable	10 / 11
Mr. S. Dibate (Member)	Master of the Built Environment (MBE) Postgraduate Diploma in Property Development and Management B Tech degree in Quantity Surveying National Diploma in Buildings	**external**	February 2017	N/A	February 2020	Not applicable	10 / 11
Mr. M. Mbambisa (Member)	Post Graduate Diploma in Business Management Executive Leadership Development Programme Certificate Programme in Management Development – Municipal Finance Bachelor of Science in Engineering	**external**	May 2021	N/A	Not applicable	Not applicable	08 / 11
Mr. O. Mhlwana (Member)	Chartered Accountant National Diploma : Internal Auditing	**external**	May 2021	N/A	Not applicable	Not applicable	03 / 11
Mr. D. Padayachy	Information Technology	**external**	July 2019	N/A	Not applicable	Not applicable	11 / 11

Name	Qualifications	Internal or external member	Initially appointed	If internal, position in the department	Appointment renewed	Appointment terminated	No. of Meetings attended
(Member) *	Management for Government Executive Development Programme Post Graduate Diploma in Education Bachelor of Science						

*Also the Chairperson of the Information and Communications Technology Governance Committee
**The members' eligibility for DPWI Audit Committee service expired before the end of the financial year.

Mr. C. Sparg attended the meetings of the Audit Committee in his capacity as the Chairperson of the Risk and Ethics Management Committee.

3.12. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2022.

Adoption of Audit Committee terms of reference and execution of assigned responsibility

The Audit Committee of the Department of Public Works & Infrastructure derives its mandate from section 38(1)(a)(ii) of the Public Finance Management Act (PFMA) and Treasury Regulations (TR) 3.1.13.

The objective of the Audit Committee is to assist the Accounting Officer and the Member of Executive Council in fulfilling their oversight responsibilities in respect of the following:

- Financial reporting process;
- The system of internal control;
- Internal and external auditing processes;
- The department's process of monitoring compliance with laws and regulations, and the code of conduct; and
- Information and communications technology governance arrangements.

In order to regulate its affairs, the Audit Committee adopted appropriate terms of reference, which are reviewed at least annually and approved by the MEC.

The Audit Committee confirms that it has satisfied its responsibilities and has exercised its oversight role regarding the following:

- Internal controls, and management of risks;
- Internal audit activity;
- Ethics Management and Fraud Prevention;
- Information and communications technology governance;
- Compliance with laws, regulation, and internal policies;
- In-year monitoring; and
- Auditor General of South Africa audit processes and the audit report.

Audit Committee appointments and terminations

The Audit Committee has five (5) external (non-executive) members.

There were three (3) new appointments to the Audit Committee in the 2021/22 financial year.

There was one (1) termination of membership during the 2021/22 financial year. The termination was effected as a result of the completion of six (6) consecutive years of Audit Committee service at the Department and the need to allow the terminated members a cooling off period, thus managing the risk of familiarity.

Interaction with other stakeholders in governance and oversight

The Audit Committee ensured that an acceptable and productive relationship is maintained with stakeholders in governance and oversight.

Provincial Treasury, the Auditor General, the Chairperson of the Risk and Ethics Management Committee (REMC), the Head of the Department, and the Chief Audit Executive, or representatives of these stakeholders, are standing invitees of Audit Committee meetings.

Provincial Treasury's Transversal Internal Audit Services facilitated the formal evaluation of the functioning of the Audit Committee of the Department. The results of the evaluation indicated that, overall, the Audit Committee stakeholders were satisfied with the functioning of the committee during the period under review.

Closed meetings were held with the internal audit activity management and the Head of the Department, separately, during the period under review.

Effectiveness of internal control systems

Our review of the effectiveness of internal control systems through management reports, internal audit reports, and enterprise risk management reports indicates that while the system of internal controls of the department is improving, the system is not yet fully matured.

The Audit Committee made recommendations to management regarding further improvements of the system of internal controls.
The Audit Committee is of the view that the systems of internal control of the Department will be significantly improved when the revised and recently approved organisational structure is implemented.

Enterprise Risk Management processes

During the year under review, the Audit Committee provided oversight on the development and review of Enterprise Risk Management (ERM) Policies, Strategies and Plans. The Committee monitored operations of Enterprise Risk Management, reviewed the Departmental Strategic & Fraud Risk registers and continuously monitored the progress on the implementation of risk mitigation plans on a quarterly basis through Enterprise Risk Management reporting. This has been achieved through having Enterprise Risk as a standing agenda item in all Audit Committee meetings.

The Department has an independent Chairperson of the Risk and Ethics Management Committee (REMC) who attends all Audit Committee meetings which provide a positive impact on the functioning of the Audit Committee. The Audit Committee endorsed the approval of the Risk and Ethics Management Committee Charter which is reviewed annually. The Charter guided and assisted the Risk and Ethics Management Committee members in delivering their responsibility as they are listed. The Chairperson of the REMC recommended all the Enterprise Risk Management Policies which included Fraud Prevention Plan and Ethics Management framework policies.

The REMC monitored the risk management activities of the Department including reviewing the strategic risk register to ensure that the risks are aligned to the business objectives and that the implementation of the strategies to mitigate identified risks are effective. In addition, the REMC advised the Department regarding improvements that could be made to ensure the effective mitigation of risks. The Audit Committee monitored the work of the Risk and Ethics Committee through ensuring that the Risk and Ethics Management Committee was functioning and operating as per their terms of Reference. The Chairperson of the REMC attended all Audit Committee meetings with the purpose of sharing and providing assurance on matters relative to Risk and Ethics Management in the department.

The Audit Committee received reports from the Department and provided oversight on the identification of emerging risks, provided guidance on ways to improve the effectiveness of risk management. The Audit Committee recognised the efforts and improvements in the maturity of the management of risk and ethics by the department including the capacitation of the Risk & Ethics Management Committee.

The Department was able to achieve 100% of its APP targets on the percentage (%) implementation of the Risk Management Strategy. Furthermore, the Department was assessed on its maturity to implement Risk Management principles. The maturity assessment was conducted by the Institute of Risk Management South Africa (IRMSA) through the Provincial Treasury Transversal Risk Management and a level three maturity score was attained.

The maturity level attained indicated that the management of risk within the department utilises a Top Down approach where the basic fundamental framework for Risk Management are in place.

Management of Ethics and Conflict of Interest

During the year under review, the Audit Committee provided oversight as the department reviewed its Ethics Management Strategy and plan in line with ethics risk profile that was developed in the prior financial periods.

The Audit Committee monitored the Departmental performance on Management of ethics and Conflict of Interest as it was able to achieve 100% of its APP targets on the percentage (%) implementation of the Ethics Management Plan. The committee also monitored the implementation of prevention and detective controls through use of virtual messaging platforms to create awareness on fraud and corruption related issues, including the cyber fraud awareness risks such as phishing via all Departmental laptops and desktops as screensavers. An independent review of the effectiveness of Department's ethics management was performed by the internal audit activity and no adverse findings were detected.

The Audit Committee also monitored the process where all senior management, middle management and other designated officials declared their financial interest on time. A review of the periodical reports that are provided by Provincial Treasury on employees trading with the state indicated that there have been no officials of the Department that have been identified as trading with the state during the financial year. Furthermore, the department was recognised by the Office of the Premier as the leader in the implementation of Ethics Management Framework and was used as benchmark for all other Provincial Departments.

The Audit Committee commends the department on the work that has been put into the improvement of the management of ethics and conflict of interest.

Anti-fraud and corruption

During the year under review, the Audit Committee and the Risk and Ethics Management Committee (REMC) reviewed the Ethics & Anti-Corruption strategy, policy, plan, gift policy, investigation policy and ethics & conflict of interest policy. The Audit Committee fulfilled its role of overseeing the implementation of the fraud prevention strategy in the department during the year under review.

This was done through interrogation of fraud and corruption case reports submitted by the department and regular updates on progress during meetings of the Audit Committee. All the reports submitted to the Audit Committee emanating from recommendation of identified potential fraud were presented and fully accepted. The Audit Committee also monitored the follow up on fraud indicators that were identified by Internal audit.

These fraud Indicators were referred to ERM for further investigation. Progress was reviewed by the Audit Committee during the meetings.

In Conclusion, The Audit committee ensured that all the above mentioned functions were reported to the committee by having Enterprise Risk Management as a standing item on all the regular audit Committee meetings.

Effectiveness of internal audit activity

The risk based internal audit annual coverage plan was comprehensively implemented (reference is made to the summary included in paragraph 3.11 above) and progress reports were presented to the Audit Committee. Internal control weaknesses and recommendations for significant findings were discussed by the committee together with programme managers.

The internal audit activity implemented the audit plan, and conducted its audits in general conformance with the International Standards for the Professional Practice of Internal Auditors as required by the Institute of Internal Auditors.

This was further confirmed by the results of the external quality assurance review that was performed and completed by an independent reviewer in March 2022.

The independence of the internal audit activity was maintained by the department and no interference was reported on, and / or observed by the Audit Committee.

All internal auditors of the Department are members of the Institute of Internal Auditors.

Information and Communications Technology

Based on the approved ICT Strategy, an implementation plan was developed and submitted to the Audit Committee for review and subsequent monitoring. However, the initiatives that were identified had to be reprioritised as the challenges related to the emergence of the COVID-19 pandemic materialised.

The following projects were thus given priority:

Deployment and use of collaboration tools to conduct business. Within the shortest period, management and users were required to adapt to new ways of doing business. This necessitated prompt training for all critical users on utilisation of MS TEAMS to conduct their meetings. Utilization of collaboration tools has seen a shift on how we conduct business as DPWI.

- ✓ Laptops have been procured for 300+ employees working from home. Furthermore, Video Conferencing equipment has been delivered to assist in conducting meetings between regions, whilst leveraging on the collaboration tools.
- ✓ As most employees had to work remotely, procurement of tools of trade (laptops and increase in data rations) became a high priority.

- ✓ E-Government solutions like, e-leave, e-submission and e-recruitment were prioritised and as such the department is working closely with Office of the Premier and Provincial Treasury to ensure finalisation and proper utilisation of these solutions.
  From the three modules identified, the department with the assistance of resources from the PIMO Office, has been able to deploy the e-leave module to the department. All that is outstanding is the finalisation of training for staff members. The project is to be finalised by 30 June 2022, and Go-live date is July 2022.

The COBIT 5 score for 2021/22 financial year has improved significantly, from a score of 2.83 in 2020/21 to a score of 3 in 2021/22. The Audit Committee noted the significant improvement and further emphasised the need to pay special focus on process area, AP003 (Manage Enterprise Architecture). This process area has since been allocated to Organisational Design, as it is more on Enterprise Architecture. From the assessment conducted by OTP in March 2022, an achievement of the target of 3 has been attained. Internal Audit has recently conducted its validation and no objections have been received against the score of 3.

The Audit Committee notes that all four (4) planned ICT Governance Committee meetings for the 2021/22 financial year were successfully held. Information Technology Operational Committee has since been resuscitated, and has managed to sit for three meetings out of four meetings. SLA meetings for external service providers have been initiated. For services received from SITA, all SLA meetings managed to sit on a monthly basis.

The quality of in-year management and quarterly reports

The Department reported financial and performance information quarterly to the Audit Committee. The department is still facing challenges in terms of not meeting performance targets in the core business programs and the negative impact thereof on the reputation (perception) of the department and its ability to deliver on its core business of being the custodian of immovable property and immovable asset planning and management in the province.
The Audit Committee reviewed the interim financial statements prepared by the Department through the internal audit activity.

The Audit Improvement Plan

The Audit Committee reviewed the department's audit improvement plan to address matters raised in the previous year. The Committee is satisfied that management has addressed the majority of the actions on this plan. The Committee is, however, very concerned about the continued incurrence of irregular, fruitless and wasteful expenditure by the department (although this is at a lesser scale when compared with the prior financial periods).
The department has been able to isolate the programmes / activities that are the main contributors to irregular expenditure and has thus developed actions to curb the recurrence.

Evaluation of the draft annual financial statements and performance report

The evaluation of the draft annual financial statements and reporting on predetermined objectives entailed:

- Review and discussions of the draft annual financial statements to be included in the annual report with management;
- Review and discussions of the draft report on predetermined objectives to be included in the annual report with management;
- Review of any changes in accounting policies and practices;

- Review of the department's compliance with legal and regulatory provisions;
- Review of significant fluctuations compared to previous years and variances between the financial statements and budgeted amounts;
- Review of the internal audit activity's report on the review of the draft annual financial statements and the draft annual report on predetermined objectives; and
- Enquiry of management in respect of the adequacy, reliability, and completeness of supporting information to the annual financial statements and the annual report on predetermined objectives.

Following its review of the draft Annual Financial Statements (AFS) and the draft Annual Report on Predetermined Objectives (PDO) for the year ended 31 March 2022, the Audit Committee recommended that they be submitted to the Auditor General for auditing.

The Auditor General's audit report

The Auditor–General presented the audit strategy to the Audit Committee, where the focus areas for the audit of the annual financial statements and performance information were presented.

The Audit Committee was invited by the Auditor-General to the Audit Steering Committee meetings where the Auditor-General presented the draft management report and the draft audit report.

The Audit Committee commends the department for achieving an unqualified audit result and will continue to monitor the Audit Report to ensure the achievement of a clean audit result in future.

The Audit Committee notes with and accepts the conclusion of the Auditor-General on the annual financial statements and the annual performance report of the department.
The audited annual financial statements and the annual performance reports, should be accepted and read together with the report of the Auditor General.

Appreciation

The Audit Committee expresses its sincere appreciation to the Honourable MEC, the Head of the Department, Management, Internal Audit Activity, Provincial Treasury and the AGSA for their co-operation in enabling the committee to fulfil its responsibilities.

Ms P Ntisana
Chairperson of the Audit Committee
31 August 2022

3.13. B-BBEE Compliance Performance Information

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion** (*include a discussion on your response and indicate what measures have been taken to comply*)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	DPWI is not mandated to issue licences, concessions or other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	Yes	DPWI engaged services of an approved B-BBEE verification service provider to verify the B-BBEE status of the Department. DPWI achieved **level 4** overall BBBEE status after this verification exercise. In terms of this criteria 85.94% was achieved which related to: • B-BBEE Procurement Spend from all empowering suppliers based on the B-BBEE Procurement recognition level as a percentage of Total Measured Procurement Spend • B-BBEE Procurement Spend from all empowering suppliers that are Qualifying Small Enterprises based on the B-BBEE Procurement recognition level as a percentage of Total Measured Procurement Spend • B-BBEE Procurement Spend from all exempted micro-enterprises based on the applicable the B-BBEE Procurement recognition level as a percentage of Total Measured Procurement Spend • B-BBEE Procurement Spend from empowering suppliers that are 51% black owned based on the applicable B-BBEE Procurement recognition level as a percentage of Total Measured Procurement Spend • B-BBEE Procurement Spend from empowering suppliers that are 30% black women owned based on the applicable B-BBEE Procurement recognition level as a percentage of Total Measured Procurement Spend.
Determining qualification criteria for the sale of state-owned enterprises?	No	DPWI does not have any state owned enterprise and did not sell any state owned enterprise in the 2021/22 financial year.
Developing criteria for entering into partnerships with the private sector?	No	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?		DPWI was involved in employee skills development, supplier and enterprise development. In terms of this criteria 100% was achieved which was in the form of: • learnership programmes for black employees • training programmes for unemployed black people Some black people were absorbed by the Department and the industry at the end of learnership and training programmes.

PART D

HUMAN RESOURCE MANAGEMENT

4. PART D: HUMAN RESOURCE MANAGEMENT

4.1. Introduction

Section 31 (1) of Public Service Regulations 2016 provide that the Head of Department shall include in the annual report, referred to in section 40(1)(d) of Public Finance Management Act, such information pertaining to the public service as the Minister may direct and in the format that the Minister may direct. (2) An Executive Authority shall immediately after he or she has tabled the annual report in the relevant legislation in terms of section 65 (1) of Public Finance Management Act, submit to the relevant Treasury and the Minister, make available on its website and on request, make it available free of charge to any member of the media or the public. Section 195 (1)(a) (h &i) of the Constitution of the Republic of South Africa, provides that Public Administration must be governed by democratic values and principles enshrined in the Constitution including the following principles:

- ✓ High standard of professional ethics must be promoted and maintained;
- ✓ Good human resource management and career development practices, to maximise human potential must be cultivated; and
- ✓ Public administration must be broadly representative of South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

Chapter 13 of the National Development Plan 2030 requires specific areas that need to be addressed in order to build a capable and developmental state and these include:

- ✓ A clear separation of the roles between the political principals and the administrative head;
- ✓ Making the departments in the public service careers of choice by building skilled and professional public service from top to bottom;
- ✓ Reinvigorate the state role in producing the specialist technical skills to fulfil its core mandate;
- ✓ To improve interdepartmental coordination in order to avoid duplication and wastage;
- ✓ To strengthen delegation, authority and oversight; and
- ✓ Take a proactive approach in improving relations between National, Provincial and Local government.

The Department has therefore aligned its Human Resources strategies and approaches with the principles and provisions of the above mentioned prescripts, and has successfully provided a strategic and enabling role to the core mandate of the department.

The status of Human Resources in the Department

The year 2021/22 was a recovery year from the previous year that was mostly affected by the results of COVID-19 restrictions. More restrictions were relaxed which led to staff returning to work gradually until the department reach 100% towards the end of the performance year. Many HRM activities such as recruitment, disciplinary hearings and business process mapping required a lot of physical or contact sessions, due to the issue of limited data as well users having the tools for virtual sessions. One of the key achievements during this reporting period was a two-day session on the revision of HR Plan which took place on the 04 to 05 August 2021. It was such a success being a virtual session with break-away sessions but what made it a success was the fact that the target group was made up of people with sufficient tools of trade to be able to participate.

There was not much recruitment due to continued consultation with the Minister of Public Service and Administration regarding the approval of the structure.

The Department had a very busy and engaging year with organised labour when the migration guidelines as part of change management were developed and consulted between management and organised labour. It was such an achievement to have finalised migration guidelines agreed upon between Management and Labour. The department's turnover rate during this year under review was just above 10% due to the expiry of contracts of over 70 candidate professionals who could not finalise their registration as professionals during the past three years. The Department also focused its attention on ensuring that those employees that left the system, exit interviews were conducted and their responses were so vital in making sure that after having been analysed per quarter, appropriate interventions are put in place.

Lastly, a lot of focus was on management of discipline which saw a growth in the number of disciplinary cases that were administered for different levels of staff including the aspects that were investigated by the department (internal) as well as those that were investigated by Special Investigation Unit. Over eighty (80) disciplinary cases were recorded from the beginning of the financial year and by the end of financial year sixty-eight (68) disciplinary cases were finalised with different sanctions being imposed.

Human resource priorities for the year under review and impact of these

- ✓ Organisational development and HR planning
  - Approval and operationalisation of the DPWI revised organogram
  - Well-defined business architecture
  - Development and implementation of departmental change management plan
  - Full implementation HR Effectiveness Implementation strategies
- ✓ Human Resource Practices and Administration
  - Attraction and retention of professional and technical staff
  - Implementation of conditions of service to qualifying staff
  - Pledge to process payment of exit benefit to exiting staff
- ✓ Human Resource Capacity and Utilisation
  - Implementation of professional development as a talent management strategy
  - Management of external and internal bursaries
  - Coordination performance management and development system to support organisational performance
- ✓ Employment Relations
  - Management of discipline within the department
  - Establish trends for unethical behaviour and conduct awareness on such identified gaps
- ✓ Employee Health and Wellness
  - Draw lessons from pandemic and ensure productivity is enhanced
  - Partner with external service providers to enhance wellness programmes especially counselling during and post pandemic

Workforce planning and key strategies to attract and recruit a skilled and capable workforce

The Department successfully managed to revise and further HR plans for 20221/22 under the following:

- Department restructured successfully and received concurrence from Minister of Public Service and Administration end of January 2022;
- The Department has successfully achieved the required target of HR effectiveness for 2021/22 with a resounding average score of 92% from 87% during the previous financial year;
- The Department achieved five (5) elements of Institutionalising Operations Management Framework against eight (8) that were planned and this is due to continued restrictions caused by COVID-19 which constrained some of the operations;
- The Department continued supporting Professional Development Programmes that was started in 2019/2020 financial year and nine (9) candidates qualified as registered professionals;
- Successfully awarded forty (40) external bursaries in the built environment and property management disciplines for 2022 academic year. In the same financial year, twenty-six (26) candidates completed their studies in different fields under built and property management disciplines;
- Department continued to improve its recruitment turn around through filling six (6) critical SMS positions as follows
  - Chief Director Immovable Asset Management
  - Chief Director Operations and District Coordination
  - Director Executive Support
  - Director Security Services
  - Director Financial Management
  - Regional Director: Alfred Nzo
- Additional to SMS there were seven (7) professional and technical posts that were filled as follows:
  - Artisan Superintendent for Joe Gqabi
  - Two (2) posts of Architects
  - Four (4) Construction Project Managers posts
- Monitored the vacancy rate to remain less than 10% on all funded posts in the establishment.

Attraction and Retention on critical staff

The Department had a very lean Annual Recruitment Plan during the year under review due to the consultation process on the revised structure which only arrived towards the end of the financial year. Through these strategies the department has managed to attract and retain its professional and technical capacity through appointment of six (6) professionals who were previously awarded bursaries and were under professional development namely four (4) Construction Managers and two (2) Architects.

Employee Performance Management

The Department through the HRD directorate managed consistently to implement its annual training plan. A total of 312 staff were trained on management programmes on all different management levels. The Department managed to place two hundred and fifty-two (252): youth into development programmes in the different internship programmes. The internship programmes provides appropriate and relevant work experience that is commensurate with their qualification.

As part of contributing towards the one of the key priorities of government and national Development Plan, “building the capacity of the state”, the department continued managing its bursary program for both internal staff and external candidates. By the end of the reporting period a total of one hundred and fifty-five (155) candidates were on the roll at different institutions of higher learning and also at different levels. There were seventy-one (71) internal bursary candidates and eighty-four (84) external candidates with active bursary contracts.

Employee Wellness Programmes

The Department also was not immune to the effects of COVID-19 and during this reporting period the following figures reflects how the infections have affected departmental staff:

- Cumulative total of infected employees = 252
- Recoveries = 233
- Employees who succumbed (deaths) = 19
- Employees who applied to work remotely based on identified co-morbidities = 42
- Employees who have vaccinated = 609/1929. This equates to 32% of the workforce.

Interventions or Response to COVID-19

The following non-exhaustive list, are interventions that the department embarked on in mitigating the spread of the virus:

- The appointed Compliance Officer/Chairperson of the OHS Committee continued to oversee the implementation of the regulations;
- Fourteen (14) OHS Meetings across the department (Regions and Provincial) were held to communicate new information and to discuss business continuity measures;
- Departmental Circulars No:1 and 2 of 2021, were issued based on the Alert level and information that needed to be communicated at the time;
- Procurement of Personal Protective Equipment (PPE) namely: face masks, hand sanitiser and surplus of door openers that were procured in 2021/2022; were dissemination to employees. (Regions and Head Office);
- Psycho-social/Mental Health support was provided to employees who have tested positive, those with co-morbidities and other employees who needed such support;
- Risk assessment conducted and risk register developed and monitored together with Enterprise Risk Management Unit;
- New cohort of Youth Brigade inducted on COVID-19, health screening, good house-keeping to ensure cleanliness etc;
- Return to Work (RTW) Preparedness Plans were also developed, consulted through the OHS Committee meetings which were held provincially and at regional level; and shared with employees after being approved by the HOD;
- Data base of COVID-19 infected and deceased employees- Annexure-A, Government Business Continuity Working Group (GBCW) reports and other reports were submitted to relevant structures; and
- Various Guidelines related to management of COVID-19 developed and disseminated to employees.

Highlights on achievements and challenges faced by the department, as well as future resource plans / goals

The Department has successfully revised its organogram in line with the new 5 Year Strategy (2020-2024) and the Minister of Public Service and Administration has ultimately concurred the structure which led to the approval of the structure for implementation by Honourable MEC and the Head of Department:

- ✓ Despite COVID-19 restrictions the department implemented its change management plan in different fora of the department;
- ✓ The department had also revised its MTEF Human Resource Plan in line with strategy of the 6th Administration term with its clear priorities that support the Transformation agenda of the department;
- ✓ The Department has achieved over 88% in the implementation of its Annual Recruitment Plan;
- ✓ The Department continued to build capacity through filling of critical SMS positions as well as professional posts;
- ✓ Despite COVID-19 restrictions, additional nine (9) candidate professionals successfully obtained their professional registrations with different disciplines within built environment;
- ✓ Maintaining the vacancy rate below 10% as required by DPSA threshold;
- ✓ Business processes mapping for core programme were a focus for the year under review and all were completed and that will enable all programmes to have a standard or uniform application across the board; and
- ✓ Improved employment equity target from 12% gap to just 5%, through its exerted effort in employment of women in SMS positions.

Challenges

- The Department still struggled to meet the target of 50% women at SMS level, 2% youth at SMS and 2% persons with disability;
- There is still delays in finalising disciplinary hearings within 90 days as well as appeal lodged after dismissals;
- Due to COVID-19 restrictions the department did not achieve its target of 15 registered candidate professionals and only nine (9) managed to obtain their professional registration status; and
- The employee satisfaction survey was not finalised as part of change management plan

Human Resource Oversight Statistics

4.2 Personnel Related Expenditure

Table 4.2.1. Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

Programme	Total expenditure (R'000)	Personnel expenditure (COE only) (R'000)	Training Expenditure (R'000)	Professional and Special Services expenditure (R'000)	Personnel expenditure as a percent of total expenditure	Average Employees Cost per Employee (R'000)	Employment (Including Periodical - and abnormal appointments)
Administration	519 720	362 610	2 878 775	0	69,77	427	850
Expanded Public Works Programme	150 958	51 703	179 235	0	34,25	183	282
Public Works Infrastructure	1 855 492	408 369	1 155 260	0	22	392	1 042
Total as on Financial Systems (BAS)	**2 526 170**	**822 682**	**4 213 270**	**0**	**32.57**	**378**	**2 174**

Table 4.2.2. Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Personnel expenditure Including transfers (R'000)	% of total personnel cost	Number of Employees	Average personnel cost per employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)
Lower skilled (Levels 1-2)	44 785	5,26	232	193 041	847 883
Skilled (Levels 3-5)	125 948	14,78	446	282 394	847 883
Highly skilled production (Levels 6-8)	283 967	33,33	605	469 367	847 883
Highly skilled supervision (Levels 9-12)	267 512	31,40	324	825 654	847 883
Senior and Top management (Levels 13-16)	49 486	5,81	40	1 237 146	847 883
11 Contract (Levels 3-5)	1 558	0,18	8	194 747	847 883
12 Contract (Levels 6-8)	11 219	1,32	30	373 975	847 883
13 Contract (Levels 9-12)	47 618	5,59	74	643 480	847 883
14 Contract (Levels >= 13)	3 469	0,41	2	1 734 533	847 883
18 Contract Other	15 528	1,82	230	67 512	847 883
20 Abnormal Appointment	787	0,09	183	4 304	847 883
Total	**851 877**	**100,00**	**2 174**	**391 848**	**847 883**

Table 4.2.3 Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme for the period 1 April 2021 and 31 March 2022

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of Personnel Costs	Amount (R'000)	Overtime as % of Personnel Costs	Amount (R'000)	HOA as % of Personnel Costs	Amount (R'000)	Medical aid as % of Personnel Costs
Administration	245 576	67,72	262	0,07	10 848	3	20 298	5.60
Public Works Infrastructure	275 349	67,42	0	0	15 055	3,69	20 129	4,92
Expanded public works programme	35 394	68,46	0	0	1 511	2,9	2 911	5,63
Total	**556 319**	**67,62**	**262**	**0**	**27 414**	**3,20**	**43 338**	**5,38**

Table 4.2.4 Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of Personnel Costs	Amount (R'000)	Overtime as % of Personnel Costs	Amount (R'000)	HOA as % of Personnel Costs	Amount (R'000)	Medical aid as % of Personnel Costs
Lower skilled (Levels 1-2)	25 400,74	57,70	7,56	0	3 961,65	9	5 512,71	12,50
Skilled (Levels 3-5)	75 055,59	60,60	209,10	0,20	8 295,80	6,70	10 640,54	8,60
Highly skilled production (Levels 6-8)	176 045,49	62,60	47,87	0	10 882,31	3,90	18 955,58	6,70
Highly skilled supervision (Levels 9-12)	180 344,38	67	0	0	3 937,69	1,50	7 758,41	2,90
Senior management (Levels 13-16)	35 470,56	71,30	0	0	335,55	0,70	469,75	0,90
11 Contract (Levels 3-5)	1 242,54	81,20	0	0	0	0	0	0
12 Contract (Levels 6-8)	8 977,26	80,90	0	0	0	0	0	0
13 Contract (Levels 9-12)	38 095,79	80,40	0	0	0	0	0	0
14 Contract (Levels >= 13)	2 563,76	73,40	0	0	0	0	0	0
18 Contract Other	12 494,24	81,70	0	0	0	0	0	0
20 Abnormal Appointment	627,83	81,10	0	0	0	0	0	0
Total	**556 318,18**	**65,60**	**264,52**	**0**	**27 413**	**3,20**	**43 336,99**	**5,10**

4.3 Employment and vacancies

Table 4.3.1. Employment and vacancies by programme as on 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	911	850	6,70	273
Public works infrastructure	1 136	1 042	8,30	251
Expanded public works programme	132	99	25	1
Total	**2 179**	**1 991**	**8,60**	**525**

Table 4.3.2 Employment and vacancies by salary band as on 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	292	232	20,50	43
Skilled (3-5)	463	446	3,70	59
Highly skilled production (6-8)	664	605	8,90	55
Highly skilled supervision (9-12)	367	324	11,70	27
Senior management (13-16)	49	40	18,40	3
09 Other, Permanent	230	230	0	230
11 Contract (Levels 3-5), Permanent	8	8	0	7
12 Contract (Levels 6-8), Permanent	30	30	0	28
13 Contract (Levels 9-12), Permanent	74	74	0	73
14 Contract (Levels = 13), Permanent	2	2	0	0
Total	**2 179**	**1 991**	**8,60**	**525**

Table 4.3.3 Employment and vacancies by critical occupations as on 31 March 2022

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	278	254	8,60	114
Agriculture animal oceanography forestry & other science, permanent	1	1	0	1
Agriculture related, permanent	2	2	0	2
All artisans in the building metal machinery etc. Permanent	299	265	11,40	27
Appraisers-Valuers and related professionals, Permanent	31	30	3,20	2
Architects town and traffic planners, Permanent	27	21	22,20	13
Artisan project and related superintendents, Permanent	27	21	22,20	3
Auxiliary and related workers, Permanent	1	1	0	0
Boiler and related operators, Permanent	0	0	0	0
Building and other property caretakers, Permanent	10	10	0	8
Bus and heavy vehicle drivers, Permanent	13	12	7,70	2
Cartographers and surveyors, Permanent	0	0	0	0
Cartographic surveying and related technicians, Permanent	1	1	0	1
Chartered accountants, Permanent	0	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	155	150	3,20	43
Client inform clerks (switchboard, reception information clerks), Permanent	4	4	0	0
Communication and information related, Permanent	15	15	0	3
Community development workers, Permanent	0	0	0	0
Computer programmers., Permanent	1	1	0	0
Earth moving and related plant operators, Permanent	0	0	0	0
Engineering sciences related, Permanent	90	87	3,30	52
Engineers and related professionals, Permanent	31	27	12,90	14
Finance and economics related, Permanent	17	17	0	6
Financial and related professionals, Permanent	57	51	10,50	6
Financial clerks and credit controllers, Permanent	101	98	3	10
Firefighting and related workers, Permanent	3	3	0	0
General Legal administration & related professionals, Permanent	1	1	0	0
Head of Department/ Chief Executive Officer, Permanent	1	1	0	0
Health sciences related, Permanent	1	1	0	0
Housekeepers laundry and related workers, Permanent	2	2	0	0
Human resources & organisational development & relate profession, Permanent	50	50	0	1
Human resources clerks, Permanent	45	39	13,30	1
Human resources related, Permanent	49	46	6,10	2
Information technology related, Permanent	3	3	0	0
Inspectors of apprentices works and vehicles, Permanent	69	63	8,70	6
Language practitioners interpreters & other community, Permanent	0	0	0	0
Legal related, Permanent	3	3	0	0
Library mail and related clerks, Permanent	24	22	8,30	1
Light vehicle drivers, Permanent	11	10	9,10	1
Logistical support personnel, Permanent	133	118	11,30	13
Material-recording and transport clerks, Permanent	2	2	0	0
Messengers porters and deliverers, Permanent	5	5	0	3
Motor vehicle drivers, Permanent	9	9	0	3

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Nature conversation and oceanographically related technical, Permanent	1	1	0	0
Other administration & related clerks and organisers, Permanent	129	123	4,70	86
Other administrative policy and related officers, Permanent	22	22	0	3
Other information technology personnel., Permanent	14	13	7,10	0
Other occupations, Permanent	1	1	0	0
Printing management and supervisory personnel, Permanent	5	5	0	0
Production advisers: factories, Permanent	99	93	6,10	17
Quantity surveyors & related professions not class elsewhere, Permanent	39	35	10,30	13
Regulatory inspectors, Permanent	0	0	0	0
Risk management and security services, Permanent	15	14	6,70	3
Road superintendents, Permanent	0	0	0	0
Road trade workers., Permanent	0	0	0	0
Road workers, Permanent	6	6	0	0
Safety health and quality inspectors, Permanent	3	3	0	0
Secretaries & other keyboard operating clerks, Permanent	36	33	8,30	3
Security guards, Permanent	7	7	0	0
Security officers, Permanent	105	99	5,70	10
Senior managers, Permanent	48	39	18,80	3
Trade labourers, Permanent	57	42	26,30	40
Trade quality controllers, Permanent	1	1	0	1
Trade related, Permanent	13	2	84,60	2
Trade/Industry advisers & other related profession, Permanent	5	5	0	5
Water plant and related operators, Permanent	1	1	0	0
Total	**2 179**	**1 991**	**8,60**	**525**

4.4 Filling of SMS Posts

Table 4.4.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General /Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	0	0	0%	0	0%
Salary Level 14	10	7	70%	3	30%
Salary Level 13	33	32	97%	1	3%
Total	**45**	**41**	**91%**	**4**	**8.9%**

Table 4.4.2 SMS post information as on 30 September 2021

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%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	0	0	0%	0	0%
Salary Level 14	9	6	67%	3	23%
Salary Level 13	30	29	97%	1	3%
Total	**41**	**37**	**90%**	**4**	**10%**

Table 4.4.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

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 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	1	1	0
Salary Level 13	3	3	0
Total	**4**	**4**	**0**

Table 4.4.4 Reasons for not having complied with the filling of funded vacant SMS-Advertised within twelve months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
All posts were filled within twelve (12) months
N/A

Reasons for vacancies not filled within twelve months
All posts were filled within twelve (12) months

Table 4.4.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
No disciplinary steps were taken since all posts were filled within the prescribed timeframes

Reasons for vacancies not advertised within six months
All posts were filled within twelve (12) months that is within the prescribed timeframes

4.5 Job evaluation

Table 4.5.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	292	0	0	0	0	0	0
Skilled (Levels 3-5)	463	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	664	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	367	0	0	0	0	0	0
Senior Management Service Band A	39	0	0	0	0	0	0
Senior Management Service Band B	9	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
09 Other	230	0	0	0	0	0	0
11 Contract (Levels 3-5)	8	0	0	0	0	0	0
12 Contract (Levels 6-8)	30	0	0	0	0	0	0
13 Contract (Levels 9-12)	74	0	0	0	0	0	0
14 Contract Band A	1	0	0	0	0	0	0
17 Contract Band D	1	0	0	0	0	0	0
Total	**2 179**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4.5.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022

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

Table 4.5.3. Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

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

Table 4.5.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

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

Total Number of Employees whose salaries exceeded the grades determined by job evaluation	0

4.6 Employment changes

Table 4.6.1. Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Number of Employees at Beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Lower skilled (Levels 1-2)	238	0	3	1,30
Skilled (Levels 3-5)	493	0	41	8,30
Highly skilled production (Levels 6-8)	668	6	65	9,70
Highly skilled supervision (Levels 9-12)	345	5	24	7
Senior Management Service Bands A	31	3	4	12,90
Senior Management Service Bands B	6	2	0	0
Senior Management Service Bands C	0	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	0	0	0	0
09 Other Permanent	156	92	10	6,40
11 Contract (Levels 3-5) Permanent	8	0	0	0
12 Contract (Levels 6-8) Permanent	30	0	0	0
13 Contract (Levels 9-12) Permanent	78	51	55	70,50
14 Contract Band A Permanent	1	0	0	0
17 Contract Band D Permanent	1	0	0	0
Total	**2 056**	**182**	**225**	**10,90**

Table 4.6.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical Occupation	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Administrative related, Permanent	239	36	18	7,50
Agricultural animal oceanography forestry & other science Permanent	1	1	1	100
Agriculture related Permanent	2	2		100
All artisans in the building metal machinery etc., Permanent	300	0	33	11
Appraisers-valuers and related professionals, Permanent	34	0	3	8,80
Architects town and traffic planners, Permanent	21	11	11	52,40
Artisan project and related superintendents, Permanent	21	1	2	9,50
Auxiliary and related workers, Permanent	1	0	0	0
Boiler and related operators, Permanent	0	0	0	0
Building and other property caretakers, Permanent	11	0	1	9,10
Bus and heavy vehicle drivers, Permanent	17	0	5	29,40
Cartographers and surveyors,	0	0	0	0

Critical Occupation	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Permanent				
Cartographic surveying and related technicians, Permanent	2	0	1	50
Chartered accountants, Permanent	0	0	0	0
Chemical and physical science technicians, Permanent	0	0	0	0
Civil engineering technicians, Permanent	0	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	159	0	8	5
Client inform clerks (switchboard reception information clerks), Permanent	4	0	0	0
Communication and information related, Permanent	16	0	0	0
Community development workers, Permanent	0	0	0	0
Computer programmers., Permanent	1	0	0	0
Earth moving and related plant operators, Permanent	0	0	0	0
Electrical and electronics engineering technicians, Permanent	0	0	0	0
Engineering sciences related, Permanent	95	38	45	47,40
Engineers and related professionals, Permanent	20	12	5	25
Finance and economics related, Permanent	18	0	0	0
Financial and related professionals, Permanent	59	0	7	11,90
Financial clerks and credit controllers, Permanent	104	0	6	5,80
Firefighting and related workers, Permanent	3	0	0	0
General Legal Administration & rel. Professionals Permanent	1	0	0	0
Head of Department/chief executive officer, Permanent	1	0	0	0
Health sciences related Permanent	1	0	0	0
Housekeepers laundry and related workers, Permanent	2	0	0	0
Human resources & organisation development & related professions, Permanent	55	0	4	7,30
Human resources clerks, Permanent	45	0	5	11,10
Human resources related, Permanent	47	1	2	4,30
Information technology related, Permanent	3	0	0	0
Inspectors of apprentices works and vehicles, Permanent	68	0	5	7,40

Critical Occupation	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Language practitioners interpreters & other communicate, Permanent	0	0	0	0
Legal related, Permanent	3	0	0	0
Library mail and related clerks, Permanent	25	0	3	12
Light vehicle drivers, Permanent	10	0	0	0
Logistical support personnel, Permanent	121	4	6	5
Material-recording and transport clerks, Permanent	3	0	2	66,70
Mechanical engineering technicians, Permanent	0	0	0	0
Messengers porters and deliverers, Permanent	5	0	0	0
Mining geology & geophysical & related technicians, Permanent	0	0	0	0
Motor vehicle drivers, Permanent	9	0	0	0
Nature conservation and oceanographically related. technical Permanent	1	1	1	100
Other administration & related clerks and organisers, Permanent	90	45	5	5,60
Other administrative policy and related officers, Permanent	26	0	3	11,50
Other information technology personnel., Permanent	14	0	1	7,10
Other occupations, Permanent	1	0	0	0
Printing management and supervisory personnel, Permanent	5	0	0	0
Production advisers: factories, Permanent	105	0	11	10,50
Quantity surveyors & related professions not class elsewhere, Permanent	38	9	14	36,80
Regulatory inspectors, Permanent	0	0	0	0
Risk management and security services, Permanent	16	0	2	12,50
Road superintendents, Permanent	0	0	0	0
Road trade workers., Permanent	7	0	0	0
Road workers, Permanent	0	0	0	0
Safety health and quality inspectors, Permanent	3	0	0	0
Secretaries & other keyboard operating clerks, Permanent	35	0	2	5,70
Security guards, Permanent	7	0	0	0
Security officers, Permanent	105	0	5	4,80
Senior managers, Permanent	38	5	4	10,50
Trade labourers, Permanent	31	14	2	6,50
Trade quality controllers, Permanent	1	0	0	0
Trade related, Permanent	2	0	0	0
Trade/industry advisers & other related profession Permanent	3	2	0	0

Critical Occupation	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Water plant and related operators, Permanent	1	0	0	0
Total	**2 056**	**182**	**225**	**10,90**

Table 4.6.3 Reasons why staff left the department for the period 1 April 2021 and 31 March 2022

Termination Type	Number	% of total resignation
Death	24	10,70
Resignation	34	15,10
Expiry of contract	72	32
Discharged due to ill health	0	0
Dismissal-misconduct	3	1,30
Retirement	92	40,90
Transfer to other Public Service Departments	0	0
Other	0	0
Total	225	100
Total number of employees who left as a % of total employment	**225**	**11,30**

*The expiry of contracts was for candidate’s professionals who were on fixed term contracts.
*Resignations were more as a results of early retirements that were approved to release aging staff

Table 4.6.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees as at 1 April 2021	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Administrative related	239	2	0,80	151	63,20
Agricultural animal oceanography forestry & other science	1	0	0	1	100
Agriculture related	2	0	0	2	100
All artisans in the building metal machinery etc.	300	0	0	278	92,70
Appraisers-valuers and related professionals	34	0	0	32	94,10
Architects town and traffic planners	21	0	0	21	100
Artisan project and related superintendents	21	0	0	20	95,20
Auxiliary and related workers	1	0	0	1	100
Boiler and related operators	0	0	0	0	0
Building and other property caretakers	11	0	0	10	90,90
Bus and heavy vehicle drivers	17	0	0	12	70,60
Cartographers and surveyors	0	0	0	0	0
Cartographic surveying and related technicians	2	0	0	1	50
Chartered accountants	0	0	0	0	0
Chemical and physical science technicians	0	0	0	0	0
Civil engineering technicians	0	0	0	0	0
Cleaners in offices workshops hospitals etc.	159	0	0	153	96,20
Client information clerks (switchboard, reception information clerks)	4	0	0	4	100
Communication and information related	16	0	0	16	100
Community development workers	0	0	0	0	0
Computer programmers.	1	0	0	1	100
Earth moving and related plant operators	0	0	0	0	0
Electrical and electronics engineering technicians	0	0	0	0	0
Engineering sciences related	95	0	0	88	92,60
Engineers and related professionals	20	0	0	22	110
Finance and economics related	18	0	0	17	94,40
Financial and related professionals	59	0	0	53	89,80
Financial clerks and credit controllers	104	0	0	98	94,20
Firefighting and related workers	3	0	0	3	100

Occupation	Employees as at 1 April 2021	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
General legal administration & related professionals	10	0	0	1	100
Head of Department/ Chief Executive Officer	1	0	0	1	100
Health sciences related	1	0	0	1	100
Housekeepers laundry and related workers	2	0	0	2	100
Human resources & organisation development & related professionals	55	0	0	52	94,50
Human resources clerks	45	0	0	41	91,10
Human resources related	47	0	0	46	97,90
Information technology related	3	0	0	3	100
Inspectors of apprentices works and vehicles	68	0	0	64	94,10
Language practitioners interpreters & other communication	0	0	0	0	0
Legal related	3	0	0	3	100
Library mail and related clerks	25	0	0	23	92
Light vehicle drivers	10	0	0	10	100
Logistical support personnel	121	0	0	119	98,30
Material-recording and transport clerks	3	0	0	2	66,70
Mechanical engineering technicians	0	0	0	0	0
Messengers porters and deliverers	5	0	0	5	100
Mining geology & geophysical & related technicians	0	0	0	0	0
Motor vehicle drivers	9	0	0	9	100
Nature conservation and oceanographically related technical	1	0	0	1	100
Other administration & related clerks and organisers	90	0	0	42	46,70
Other administrative policy and related officers	26	0	0	22	84,60
Other information technology personnel	14	0	0	13	92,90
Other occupations	1	0	0	0	0
Printing management and supervisory personnel	5	0	0	5	100
Production advisers : factories	105	0	0	99	94,30
Quantity surveyors & related professional not classified elsewhere	38	0	0	38	100
Regulatory inspectors	0	0	0	0	0
Risk management and security services	16	0	0	15	93,80
Road superintendents	0	0	0	0	0
Road trade workers	0	0	0	0	0

Occupation	Employees as at 1 April 2021	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Road workers	7	0	0	6	85,70
Safety health and quality inspectors	3	0	0	300	100
Secretaries & other keyboard operating clerks	35	0	0	35	100
Security guards	7	0	0	7	100
Security officers	105	0	0	101	96,20
Senior managers	38	0	0	38	100
Trade labourers	31	0	0	2	6,50
Trade quality controllers	1	0	0	1	100
Trade related	2	0	0	2	100
Trade/industry advisers & other related profession	3	0	0	5	166,70
Water plant and related operators	1	0	0	1	100
Total	**2 056**	**2**	**0,10**	**1 802**	**87,60**

Table 4.6.5. Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by salary level	Progressions to another Notch within a Salary Level	Notch progression as a % of Employees by salary bands
Lower skilled (Levels 1-2)	238	0	0	234	98,30
Skilled (Levels 3-5)	493	0	0	461	93,50
Highly skilled production (Levels 6-8)	668	0	0	624	93,40
Highly skilled supervision (Levels 9-12)	345	1	0,30	329	95,40
Senior Management (Levels 13-16)	38	1	2,60	38	100
09 Other, Permanent	156	0	0	0	0
11 Contract (Levels 3-5), Permanent	8	0	0	8	100
12 Contract (Levels 6-8), Permanent	30	0	0	29	96,70
13 Contract (Levels 9-12), Permanent	78	0	0	77	98,70
14 Contract (Levels >= 13), Permanent	2	0	0	2	10
Total	**2 056**	**2**	**0,10**	**1 802**	**87,60**

4.7 Employment Equity

Table 4.7.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	18	2	1	2	18		0	0	41
Professionals, Permanent	170	6	1	8	184	4	2	4	379
Technicians and associate professionals, Permanent	156	2	1	2	261	4	0	4	430
Clerks, Permanent	101	2	0	1	211	3	1	2	321
Service and sales workers, Permanent	72	2	0	1	50	0	0	0	125
Craft and related trades workers, Permanent	341	4	0	4	101	0	0	0	450
Plant and machine operators and assemblers, Permanent	28	1	0	1	2	0	0	0	32
Labourers and related workers	81	0	0	0	130	2	0	0	213
Elementary occupations, Permanent	0	0	0	0	0	0	0	0	0
Total	**967**	**19**	**3**	**19**	**957**	**13**	**3**	**10**	**1 991**
Employees with disabilities	**14**	**1**	**0**	**2**	**9**	**0**	**0**	**0**	**26**

Table 4.7.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management,	1	0	0	0	0	0	0	0	1
Senior Management,	15	2	1	2	19	0	0	0	39
Professionally qualified and experienced specialists and mid-management	167	10	2	8	129	1	2	5	324
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	265	5	0	5	317	7	1	5	605
Semi-skilled and discretionary decision making	262	2	0	3	177	2	0	0	446
Unskilled and defined decision making	105	0	0	0	126	1	0	0	232
Not Available, Permanent	102	0	0	0	126	2	0	0	230
Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Professionally Qualified), Permanent	31	0	0	1	42	0	0	0	74
Contract (Skilled Technical), Permanent	16	0	0	0	14	0	0	0	30
Contract (Semi-Skilled), Permanent	1	0	0	0	7	0	0	0	8
Total	**967**	**19**	**3**	**19**	**957**	**13**	**3**	**10**	**1 991**

Table 4.7.3 – Recruitment for the period 1 April 2021 and 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management	2	0	0	0	0	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2	0	0	0	4	0	0	0	6
Not Available, Permanent	41	0	0	0	51	0	0	0	92
Contract (Professionally qualified), Permanent	21	0	0	1	29	0	0	0	51
11 Contract (Skilled technical), Permanent	14	0	0	0	9	0	0	0	23
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**82**	**0**	**0**	**1**	**99**	**0**	**0**	**0**	**182**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4.7.4 Promotions for the period 1 April 2021 to 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	18	2	1	2	18	0	0	0	41
Professionally qualified and experienced specialists and mid-management	170	6	1	8	184	4	2	4	379
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	156	2	1	2	261	4	0	4	430
Clerks	101	2	0	1	211	3	1	2	321
Service shop and market sales workers	72	2	0	1	50	0	0	0	125
Craft and related trade workers	341	4	0	4	101	0	0	0	450
Plant and machine operators and assemblers	28	1	0	1	2	0	0	0	32
Labourers and related workers	81	0	0	0	130	2	0	0	213
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**967**	**19**	**3**	**19**	**957**	**13**	**3**	**10**	**1 991**
Employees with disabilities	14	1	0	2	9	0	0	0	26

Table 4.7.5 – Terminations for the period 1 April 2021 to 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	4	0	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management, Permanent	14	1	0	2	7	0	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	34	2	0	1	28	0	0	0	65
Semi-skilled and discretionary decision making, Permanent	39	0	0	0	2	0	0	0	41
Unskilled and defined decision making, Permanent	1	0	0	0	2	0	0	0	3
Not Available, Permanent	5	0	0	0	5	0	0	0	10
Contract (Professionally qualified), Permanent	21	0	0	1	33	0	0	0	55
Contract (Skilled technical), Permanent	14	0	0	0	9	0	0	0	23
Employee with disabilities	0	0	0	0	0	0	0	0	0
Total	**132**	**3**	**0**	**4**	**86**	**0**	**0**	**0**	**225**

Table 4.7.6 Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissals	0	0	0	0	0	1	0	0	1
Suspension without pay	2	0	0	0	1	0	0	0	3
Demotion	2	0	0	0	2	0	0	0	4
Final Written Warning	16	0	0	0	13	0	0	0	29
Written Warning	5	3	0	0	10	0	0	0	18
Verbal Warning	0	0	0	0	0	0	0	0	0
Case withdrawn	3	0	0	0	0	0	0	0	3
Discharged Sec. 17(3)(i) (a) of PSA	1	0	0	0	0	0	0	0	1
Resigned while case in process	1	0	0	0	1	0	0	0	2
Not Guilty	0	0	0	0	0	0	0	0	0
Pending cases	9	1	0	0	7	0	0	0	17
Total	**39**	**4**	**0**	**0**	**34**	**1**	**0**	**0**	**78**

Table 4.7.7 – Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	142	7	0	8	152	3	0	0	312
Professionals	43	0	0	2	28	0	0	0	73
Technicians and Associate Professionals	29	0	0	0	19	0	0	0	48
Clerks	123	1	0	0	138	2	0	5	269
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0		0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
Total	**337**	**8**	**0**	**10**	**337**	**5**	**0**	**5**	**702**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

4.8 Signing of Performance Agreements by SMS Members

Table 4.8.1. Signing of Performance Agreements by SMS members as on 31 May 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General /Head of department	1	1	1	100
Salary Level 16	1	1	1	100
Salary Level 15	0	0	0	0
Salary Level 14	7	7	7	100
Salary Level 13	33	33	33	100
Total	**42**	**42**	**42**	**100**

Table 4.8.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022

Reasons
None

Table 4.8.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

Reasons
None

4.9 Performance rewards

Table 4.9.1 Performance Rewards by race, gender, and disability for the period 1 April 2021 to 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average Cost per employee
African, Female	175	948	18,50	1 898,21	10 847
African, Male	121	953	12,70	1 430,01	11 818
Asian, Female	2	3	66,70	74,68	37 340
Asian, Male	0	3	0	0	0
Coloured, Female	4	13	30,80	97,34	24 336
Coloured, Male	5	18	27,80	67,96	13 592
Total Blacks, Female	181	964	18,80	2 070,23	11 438
Total Blacks, Male	126	974	12,90	1 497,97	11 889
White, Female	5	10	50	102,98	20 596
White, Male	3	17	17,60	78	25 999
Employees with a disability	3	26	11,50	27,64	9 212
Total	**318**	**1 991**	**16**	**3 776,81**	**11 877**

Table 4.9.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower skilled (Levels 1-2)	37	232	15,90	114,54	3 096
Skilled (Levels 3-5)	48	446	10,80	382,41	7 967
Highly skilled production (Levels 6-8)	137	605	22,60	1 363,57	9 953
Highly skilled supervision (Levels 9-12)	95	324	29,30	1 873,99	19 726
Other	0	230	0	0	0
Contract (Levels 3-5)	0	8	0	0	0
Contract (Levels 6-8)	0	30	0	0	0
Contract (Levels 9-12)	0	74	0	0	0
Total	**317**	**1 949**	**16,30**	**3 734,52**	**11 781**

Table 4.9.3 Performance Rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	49	254	19,30	755,90	15 427
Agricultural animal oceanography forestry & other science	0	1	0	0	0
Agriculture related	0	2	0	0	0
All artisans in the building metal machinery etc.	16	265	6	133,73	8 358
Appraisers-valuers and related professionals	11	30	36,70	155,95	14 177
Architects town and traffic planners	2	21	9,50	47,41	23 706
Artisan project and related superintendents	0	21	0	0	0
Auxiliary and related workers	0	1	0	0	0
Boiler and related operators	0	0	0	0	0
Building and other property caretakers	0	10	0	0	0
Bus and heavy	1	12	8,30	3,08	3 084

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
vehicle drivers					
Cartographers and surveyors	0	0	0	0	0
Cartographic surveying and related technicians	0	1	0	0	0
Chartered accountants	0	0	0	0	0
Cleaners in offices workshops hospitals etc.	31	150	20,70	84,04	2 711
Client information clerks (switch board reception information clerks)	0	4	0	0	0
Communication and information related	3	15	20	44,03	14 677
Community development workers	0	0	0	0	0
Computer programmers	0	1	0	0	0
Earth moving and related plant operators	0	0	0	0	0
Engineering sciences related	10	87	11,50	179,24	17 924
Engineers and related professionals	3,00	27	11,10	69,13	23 043
Finance and economics related	6	17	35,30	115,53	19 255
Financial and related professionals	22	51	43,10	310,20	14 100
Financial clerks and credit controllers	27	98	27,60	212,12	7 856
Firefighting and related workers	0	3	0	0	0
Forestry labourers	0	0	0	0	0
General legal Administration & related professionals	0	1	0	0	0
Head of Department/chief executive officer	0	1	0	0	0
Health Sciences related	0	1	0	0	0
Housekeepers laundry and related workers	0	2	0	0	0
Human resources & organisation development & related professionals	6	50	12	88,94	14 824
Human resources	8	39	20,50	104,21	13 027

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
clerks					
Human resources related	9	46	19,60	142,67	15 853
Information technology related	1	3	33,30	30,67	30 671
Inspectors of apprentices works and vehicles	11	63	17,50	137,83	12 530
Language practitioners interpreters & other communication	0	0	0	0	0
Legal related	2	3	66,70	43,65	21 825
Library mail and related clerks	2	22	9,10	18,48	9 240
Light vehicle drivers	1	10	10	9,78	9 784
Logistical support personnel	33	118	28	294,17	8 914
Material-recording and transport clerks	0	2	0	0	0
Messengers, porters and deliverers	0	5	0	0	0
Motor vehicle drivers	0	9	0	0	0
Nature conservation and oceanographically related technical	0	1	0	0	0
Other administration & related clerks and organisers	6	123	4,90	40,62	6 769
Other administrative policy and related officers	11	22	50	91,39	8 308
Other information technology personnel	5	13	38,50	81,36	16 271
Other occupations	0	1	0	0	0
Printing management and supervisory personnel	0	5	0	0	0
Production advisers : factories	6	93	6,50	112,12	18 687
Quantity surveyors & relations prof not class elsewhere	6	35	17,10	145,28	24 213
Rank: Unknown	0	0	0	0	0
Regulatory inspectors	0	0	0	0	0
Risk management and security services	4	14	28,60	75,49	18 871
Road superintendents	0	0	0	0	0

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Road trade workers.	0	0	0	0	0
Road workers	2	6	33,30	11,67	5 833
Safety health and quality inspectors	0	3	0	0	0
Secretaries & other keyboard operating clerks	11	33	33,30	118,01	10 729
Security guards	2	7	28,60	10,98	5 491
Security officers	9	99	9,10	57,19	6 354
Senior managers	1	39	2,60	42,29	42 293
Trade/industry advisers & other related profession	0	5	0	0	0
Trade labourers	0	42	0	0	0
Trade quality controllers	1	1	100	9,65	9 646
Trade related	0	2	0	0	0
Water plant and related operators	0	1	0	0	0
Total	318	1 991	16	3 776,81	11 877

Table 3.8.4 Performance related rewards (cash bonus), by salary band, for Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	1	33	3	42,29	42 293	0,10
Band B	0	7	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	2	0	0	0	0
Total	**1**	**42**	**2,40**	**42,29**	**42 293**	**0,10**

4.10 Foreign Workers

Table 4.10.1 Foreign Workers by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	6	100	5	100	- 1	6
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	**6**	**100**	**5**	**100**	**- 1**	**100**

Table 4.10.2. Foreign Workers by major occupation for the period 1 April 2021 and 31 March 2022

Major Occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	0	0	0	0	0	0
Other occupations	0	0	0	0	0	0
Professionals and managers	6	100	5	100	- 1	100
Total	**6**	**100**	**5**	**100**	**- 1**	**100**

4.11 Leave utilisation

Table 4.11.1 Sick leave for the period 1 January 2021 to 31 December 2021

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	757	90,10	98	12,20	8	434
Skilled (Levels 3-5)	1 438	86	191	23,70	8	1 237
Highly skilled production (Levels 6-8)	1 984	85	274	34	7	3 013
Highly skilled supervision (Levels 9-12)	1 125	89,70	153	19	7	3 061
Senior management (Levels 13-16)	61	96,70	9	1,10	7	275
Total	**5 777**	**86,70**	**806**	**100**	**7**	**8 565**

Table 4.11.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2022

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	56	100	4	11,10	14	32
Skilled (Levels 3-5)	387	96,40	7	19,40	55	347
Highly skilled production (Levels 6-8)	268	100	13	36,10	21	408
Highly skilled supervision (Levels 9-12)	281	100	8	22,20	35	793
Top and Senior Management (levels 13-16)	29	100	1	2,80	29	136
Contract (Levels 6-8)	138	100	1	2,80	138	187
Contract (Levels 9-12)	38	100	1	2,80	38	78
Contract Other	4	100	1	2,80	4	2
Total	**1 201**	**98,80**	**36**	**100**	**33**	**1 984**

Table 4.11.3 Annual Leave for the period 1 January 2021 to 31 December 2021

Salary Band	Total Days Taken	Number of Employees who took leave	Average per employee
Lower skilled (Levels 1-2)	5 194	239	22
Skilled (Levels 3-5)	10 804	472	23
Highly skilled production (Levels 6-8)	15 326	658	23
Highly skilled supervision (Levels 9-12)	8 042	338	24
Senior management (Levels 13-16)	894	39	23
Contract (Levels 13-16)	33	1	33
Contract (Levels 3-5)	9	1	9
Contract (Levels 6-8)	520	31	17
Contract (Levels 9-12)	1 264	70	18
Contract Other	1 848	203	9
Total	**43 934**	**2 052**	**21**

Table 4.11.4 Capped Leave for the period 1 January 2021 to 31 December 2021

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0	0	81	81
Skilled (Levels 3-5)	2	1	2	103
Highly skilled production (Levels 6-8)	23	3	8	109
Highly skilled supervision (Levels 9-12)	0	0	0	98
Senior management (Levels 13-16)	0	0	0	0
Contract (Levels 13-16)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0

Table 4.11.5 Leave pay-outs for the period 1 January 2021 to 31 December 2021

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leave pay out for 2019/20 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay outs on termination of service for 2019/20	0	0	0
Current leave pay out on termination of service for 2019/20	0	0	0
Annual – Discounting with resignation (work days)	575	20	28 750
Annual - Discounting: Contract expiry (work days)	46	1	46 000
Annual - Gratuity: Death/Retirement/Medical retirement (work days)	4 548	106	42 906
Capped - Gratuity: Death/Retirement/Medical retirement (work days)	13 626	96	141 938
Total	**18 796**		

4.12 HIV and AIDS & Health promotion programmes

Table 4.12.1 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
Youth; Men and Women	Targeted HIV awareness and testing

Table 4.12.2 – Details of Health Promotion and HIV and 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.	✓		Ms L.F. Matu
2. Does the department have a dedicated Unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		Director: Employee Health & Maintenance
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		• HIV & AIDS and TB Management • Health & Productivity Management • Safety, Health, Environment, Risk & Quality Management • Wellness Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		• Messrs: S. Kufa; L. Coetzer; L. Cweya; Z. Kalako; Q. Mageza; V. Njobe; Z. Satyi; M. Gwavu; T. Mfene. • Mrs.'s N. Matyana; K. Tyali; • Ms.'s: A. Mahamba; N. Tyekela • Health and Safety Representatives and Organised Labour
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		• HIV & AIDS and TB Management Policy; • Health Productivity Management Policy (HPM)
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.	✓		• HIV & AIDS and TB Management Policy; • Health Productivity Management Policy (HPM); • SHERQ Management Policy • Wellness Management Policy
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		• 206 employees participated in HCT (115 Females and 91 Males) Non tested positive. • 174 were screened for TB

Question	Yes	No	Details, if yes
8. Has the department developed measures/indicators to monitor & evaluate the impact of its Health Promotion Programme? If so, list these measures/indicators.	✓		Sick leave analysis

4.13 Labour relations

Table 4.13.1 Collective agreements for the period 1 April 2021 and 31 March 2022

- If there were no agreements, keep the heading and replace the table with the following.

Total number of collective agreements	None

Table 4.13.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	3	5.66
Verbal warning	0	0
Written warning	10	18.87
Final written warning	29	54.72
Suspended without pay	3	5.66
Fine	0	0
Demotion	4	7.55
Dismissal	1	1.88
Case withdrawn	3	5.66
Not guilty	0	0
Total	**53**	**100**

Total number of Disciplinary hearings finalised	**68**

Table 4.13.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
Abuse of sick leave	0	0
Dishonesty	0	0
Late coming	0	0
Assault	0	0
Gross insubordination	3	3.79
Insolence	0	0
Intentional or negligent damage to the employ or client of the employer, co-worker	0	0
Intoxication	0	0
Gross absenteeism	5	6.33
Insubordination	0	0
Abuse of government vehicle	2	2.53
Gross dishonesty	5	6.33
Dereliction of duties	1	1.27
Fraud	1	1.27
Remunerative Work Outside the Public Service (RWOPS)	0	0
Misrepresentation	1	1.26
Negligence	2	2.53
Abuse of State Property	0	0
Bringing the name of the department into disrepute	0	0
Absenteeism	11	13.92
Fight	0	0
Theft	0	0
Failure to adhere to the Code of Conduct	0	0
Defamation of character	0	0
Irregular and wasteful expenditure	48	60.76
Total	**79**	**100**

Table 4.13.4 – Grievances lodged for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of Total
Number of grievances resolved	13	76.47
Number of grievances not resolved	4	23.53
Total number of grievances lodged	**17**	**100**

Table 4.13.5 – Disputes lodged with Councils for the period 1 April 2021 and 31 March 2022

	Number	% of Total
Number of disputes upheld	4	28.57
Number of disputes dismissed	10	71.43
Total number of disputes lodged	**14**	**100**

Table 4.13.6 – Strike actions for the period 1 April 2021 and 31 March 2022

Total number of person working days lost	N/A
Total cost of working days lost (R'000)	N/A
Amount recovered as a result of no work no pay (R'000)	N/A

Table 4.13.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	157
Cost of suspensions (R'000)	**R1 241 110.30**

4.14 Skills development

Table 4.14.1 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational Category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of reporting period			
			Learnership	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	40	0	36	4	40
	Male	27	0	25	2	27
Professionals	Female	28	0	25	3	28
	Male	178	0	172	6	178
Technicians and associate professionals	Female	22	0	18	4	22
	Male	56	0	51	5	56
Clerks and sales workers	Female	420	0	398	22	420
	Male	88	0	77	11	88
Service and sales workers	Female	29	0	29	0	29
	Male	52	0	52	0	52
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	9	0	9	0	9
	Male	30	0	30	0	30
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	548	0	515	33	548
	Male	431	0	407	24	431
Total		**979**	**0**	**922**	**57**	**979**

Table 4.14.2 Training provided for the period 1 April 2021 and 31 March 2022

Occupational Category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	155	0	150	5	155
	Male	157	0	149	8	157
Professionals	Female	28	0	25	3	28
	Male	45	0	38	7	45
Technicians and associate professionals	Female	19	0	18	1	19
	Male	29	0	28	1	29
Clerks	Female	145	0	136	9	145
	Male	124	0	117	7	124
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	347	0	329	18	347
	Male	355	0	332	23	355
Total		**702**	**0**	**661**	**41**	**702**

4.15 Injury on duty

Table 4.15.1 Injury on duty for the period 1 April 2021 and 31 March 2022.

Nature of injury on duty	Number	% of total
Required basic medical attention only	7/1929	0.36%
Temporary Total Disablement	1	0.05%
Permanent Disablement	0	0
Fatal	0	0
Total	8	0.41%

4.16 Utilisation of consultants

Table 4.16.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

Project Title	Total number of consultants that worked on the project	Duration : work days	Contract value in Rand	Total Expenditure 2021/22
			R'000	R'000
Develop and implement an electronic records management system	s	1 095	18 890	1 858
Provision of BBBEE certificate for the department	4	90	72	72
Provision of proof of educational qualifications	n/a	n/a	8	8
Independent psychiatric assessment of employees	n/a	n/a	224	224
Various Consultants (Including Audit Committee)	n/a	n/a	1 026	1 026
Total Programme 1	**4**	**1 185**	**20 220**	**3 188**
Land surveying services for subdivision and consolidation of erven	1	90	300	300
Land surveying services for subdivision and consolidation of erven	1	183	6 469	6 240
Sourcing of comparable sales information for municipal valuation objections	1	30	15	15
Valuation services for the Determination of market related rental	1	60	2 336	109
Land surveying services for subdivision and consolidation of erven	1	60		125
Implementation of Integrated Shared Services Contracts (ISSC) programme (related to energy, water, rates, taxes and waste management) on facilities owned by Eastern Cape provincial Government (ECPG)	n/a	2 555	4 975	6 613
Valuation services for the Determination of market related rental	1	26	134	134
Programme implementation and management office to provide support in the management of provincial infrastructure delivery	51	1095	174 861	54 985
Total Programme 2	**57**	**4 099**	**189 090**	**68 521**
Development, support and maintenance of a Job Portal system	n/a	90	254	254
Total Programme 3	**0**	**90**	**254**	**254**
Grand Total	**61**	**5 374**	**209 564**	**71 963**

Table 4.16.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Develop and implement an electronic records management system	100%	100%	n/a
Provision of BBBEE certificate for the department	100%	100%	4
Provision of proof of educational qualifications	100%	100%	n/a
Independent psychiatric assessment of employees	24.64%	24.64%	n/a
Various Consultants (Including Audit Committee)	100%	100%	
Total Programme 1			**4**
Land surveying services for subdivision and consolidation of erven	100%	100%	1
Land surveying services for subdivision and consolidation of erven	100%	100%	1
Sourcing of comparable sales information for municipal valuation objections	0%	0%	1
Valuation services for the Determination of market related rental	51%	51%	1
Land surveying services for subdivision and consolidation of erven	100%	100%	1
Implementation of Integrated Shared Services Contracts (ISSC) programme (related to energy, water, rates, taxes and waste management) on facilities owned by Eastern Cape Provincial Government (ECPG)	51%	51%	n/a
Valuation services for the Determination of market related rental	51%	51%	1
Programme implementation and management office to provide support in the management of provincial infrastructure delivery	80%	80%	51
Total Programme 2			47
Development, support and maintenance of a Job Portal system	100%	100%	n/a
Total Programme 3			**0**
Grand Total			**51**

Table 4.16.3 – Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
N/A	N/A	N/A	N/A

Table 4.16.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

4.17 Severance Packages

Table 4.17.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022

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

PART E

FINANCIAL INFORMATION

5.1 Report of the auditor-general to the Provincial legislature on vote no. 5: 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 192 to 238, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, the statement of 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 2022, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 9 of 2021 (DoRA).

Basis for 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 auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the departments in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matters

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

Material impairments -accrued departmental revenue

7. Accrued departmental revenue of R184,7 million (2020/21: R182,7 million) is disclosed in note 21 to the financial statements. This amount is impaired by R132,5 million (2020/21: R139,4 million), as disclosed in note 21.2 to the financial statements.

Irregular expenditure

8. Irregular expenditure as disclosed in note 22.1 to the financial statements of R983,5 million (2020/21: R643,1 million) has not been recovered or condoned. Included in this amount is irregular expenditure incurred in the current year of R244,4 million (2020/21: R101,3 million) and irregular expenditure related to the prior year that was identified in the current year of R96,1 million.

Other matter

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

Unaudited supplementary annexures

10. The supplementary information set out on pages 239 to 250 do not form part of the financial statements and is presented as additional information. I have not audited these annexures and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. 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.

Auditor-general's responsibilities for the audit of the financial statements

13. 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.

14. 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

Introduction and scope

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 2 – Public Works Infrastructure	75–87

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 2 –Public Works Infrastructure

Number of facilities provided to Users (fit for purpose)

20. The achievement of 300 for number of facilities provided to users (fit for purpose) was reported against a target of 300 conditional assessments in the annual performance report, however the supporting evidence provided did not agree to the reported achievement and materially differed from the reported achievement.

Number of capital infrastructure projects under construction

21. The achievement of 42 for number of capital infrastructure projects under construction was reported against a target of 49 in the annual performance report, however the supporting evidence provided did not agree to the reported achievement and materially differed from the reported achievement.

22. In addition, the reason provided in the annual performance report (49 Projects were targeted to be under construction, however, by year end 42 projects were still under construction). Furthermore, the department completed 23 projects in the following different areas namely: (maintenance completed, facilities renovated and new facilities completed) for the variance between the planned target of 49 and the reported achievement of 42, did not agree with the supporting evidence provided. Based on the supporting evidence provided, the reason which should be provided in annual reported performance should be that 49 projects were targeted to be under construction, however, by year end 36 projects were still under construction. 13 projects were completed.

Other matter

I draw attention to the matter below.

Achievement of planned targets

23. Refer to the annual performance report on pages 75 to 84 for information on the achievement of planned targets for the year and management's explanations provided for the under and over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 20 to 22 of this report.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

26. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R340,5 million, as disclosed in note 22.1 to the annual financial statements, as required by Section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with the supply chain management regulations.

Procurement and contract management

27. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and Treasury Regulations 8.2.1 and 8.2.2.

Strategic management

28. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by Public Service Regulation 25(1)(e)(i) and (iii).

Other information

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

31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract 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

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

34. The leadership did not effectively implement and monitor the processes in place that are designed to prevent non-compliance with laws and regulations specifically those relating to supply chain management. This is evidenced by the fact that the department continued to incur irregular expenditure during the year under review.

35. The Department developed an audit action plan to address the prior year findings, but this was not fully implemented, which resulted in repeat findings relating to compliance with supply chain management. Furthermore, management did not implement daily and monthly internal controls to ensure that the annual performance report is supported by accurate supporting schedules.

Auditor-General

East London

31 July 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General's responsibility for the audit

1. 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 programme and on the department's compliance with respect to the selected subject matters.

Financial statements

2. 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 by the accounting officer
- conclude on the appropriateness of the accounting officer's 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 of public works and infrastructure 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

3. 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.

4. I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

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

Eastern Cape Department of Public Works and Infrastructure
(Vote number Vote 5) Annual Financial Statements for the year ended 31 March 2022

5.2 Annual Financial Statements for the year ended 31 March 2022

5.2.1 Appropriation Statement

Figures in Rand thousand					2021/2022				2020/2021	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per programme										
Programme										
ADMINISTRATION	1	523 687	-	(3 808)	519 879	519 720	159	99,97 %	489 240	486 602
PUBLIC WORKS INFRASTRUCTURE	2	1 857 212	-	(1 720)	1 855 492	1 855 492	-	100,00 %	1 785 302	1 750 053
EXPANDED PUBLIC WORKS PROGRAMME	3	145 430	-	5 528	150 958	150 958	-	100,00 %	134 050	131 300
Programme subtotal		**2 526 329**		**--**	**2 526 329**	**2 526 170**	**159**	**99,99 %**	**2 408 592**	**2 367 955**
Programme sub total		2 526 329		--	2 526 329	2 526 170	159	99,99 %	2 408 592	2 367 955
Total		**2 526 329**		**--**	**2 526 329**	**2 526 170**	**159**	**99,99 %**	**2 408 592**	**2 367 955**
Reconciliation with statement of financial performance										
Add:										
Actual expenditure						2 526 170				2 367 955
Add:										
Actual amounts per statement of financial performance (total expenditure)						**2 526 170**				**2 367 955**

Eastern Cape Department of Public Works and Infrastructure
(Vote number Vote 5) Annual Financial Statements for the year ended 31 March 2022

Appropriation Statement

Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	738 734	(15 045)	(18 815)	704 874	704 715	159	99,98 %	743 053	742 815
Social contributions	112 871	(2 643)	7 739	117 967	117 967	-	100,00 %	115 341	115 341
	851 605	**(17 688)**	**(11 076)**	**822 841**	**822 682**	**159**	**99,98 %**	**858 394**	**858 156**
Goods and services									
Administrative fees	24	(8)	-	16	16	-	100,00 %	35	35
Advertising	2 635	1 241	-	3 876	3 876	-	100,00 %	3 721	3 721
Minor assets	649	(552)	-	97	97	-	100,00 %	327	327
Audit costs: External	9 801	1 290	-	11 091	11 091	-	100,00 %	9 601	9 601
Bursaries: Employees	1 493	(17)	-	1 476	1 476	-	100,00 %	2 363	2 363
Catering: Departmental activities	1 203	(204)	-	999	999	-	100,00 %	1 424	1 424
Communication	14 241	(2 336)	-	11 905	11 905	-	100,00 %	12 703	12 703
Computer services	36 144	(5 392)	-	30 752	30 752	-	100,00 %	34 855	34 855
Consultants: Business and advisory Services	63 738	8 226	-	71 964	71 964	-	100,00 %	24 928	24 928
Legal services	11 052	381	-	11 433	11 433	-	100,00 %	6 230	6 230
Contractors	493	28	-	521	521	-	100,00 %	319	319
Agency and support / outsourced Services	-	162	-	162	162	-	100,00 %	-	-
Inventory: Clothing material and Supplies	4 887	(1 869)	-	3 018	3 018	-	100,00 %	3 963	1 894
Inventory: Materials and supplies	2 696	(506)	-	2 190	2 190	-	100,00 %	1 423	742
Consumable supplies	1 994	51	-	2 045	2 045	-	100,00 %	3 714	3 714
Consumable: Stationery, printing and office supplies	1 842	71	-	1 913	1 913	-	100,00 %	1 198	1 198
Operating leases	252 271	8 644	738	261 653	261 653	-	100,00 %	239 827	239 827
Property payments	415 987	(2 660)	5 877	419 204	419 204	-	100,00 %	371 862	371 862

Eastern Cape Department of Public Works and Infrastructure
(Vote number Vote 5) Annual Financial Statements for the year ended 31 March 2022

Appropriation Statement

Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Travel and subsistence	18 540	8 932	4 461	31 933	31 933	-	100,00 %	62 354	62 354
Training and development	6 664	1 629	-	8 293	8 293	-	100,00 %	2 301	2 301
Operating payments	1 473	(765)	-	708	708	-	100,00 %	1 188	1 188
Venues and facilities	1 052	(606)	-	446	446	-	100,00 %	495	495
Rental and hiring	1 034	(276)	-	758	758	-	100,00 %	489	489
	849 913	**15 464**	**11 076**	**876 453**	**876 453**	**-**	**100,00 %**	**785 320**	**782 570**
Interest and rent on land									
Interest (Incl. interest on unitary payments (PPP))	-	7	-	7	7	-	100,00 %	225	225
Compensation of employees	851 605	(17 688)	(11 076)	822 841	822 682	159	99,98 %	858 394	858 156
Goods and services	849 913	15 464	11 076	876 453	876 453	-	100,00 %	785 320	782 570
Interest and rent on land	-	7	-	7	7	-	100,00 %	225	225
Total current payments	**1 701 518**	**(2 217)**	**-**	**1 699 301**	**1 699 142**	**159**	**99,99 %**	**1 643 939**	**1 640 951**
Transfers and subsidies									
Provinces and municipalities									
Municipalities									
Municipal bank accounts	604 359	-	(2 500)	601 859	601 859	-	100,00 %	542 824	542 824
Municipalities	604 359	-	(2 500)	601 859	601 859	-	100,00 %	542 824	542 824
Households									
Social benefits	15 703	1 912	2 500	20 115	20 115	-	100,00 %	7 613	7 613
Other transfers to households	8 885	188	-	9 073	9 073	-	100,00 %	6 606	6 606
	24 588	**2 100**	**2 500**	**29 188**	**29 188**	**-**	**100,00 %**	**14 219**	**14 219**
Provinces and municipalities	604 359	-	(2 500)	601 859	601 859	-	100,00 %	542 824	542 824
Households	24 588	2 100	2 500	29 188	29 188	-	100,00 %	14 219	14 219
Total transfers and subsidies	**628 947**	**2 100**	**-**	**631 047**	**631 047**	**-**	**100,00 %**	**557 043**	**557 043**

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Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification (continued)									
Payments for capital assets									
Buildings and other fixed Structures									
Buildings	180 943	(536)	(4 768)	175 639	175 639	-	100,00 %	181 003	152 655
Machinery and equipment									
Transport equipment	8 282	122	3 171	11 575	11 575	-	100,00 %	9 984	9 984
Other machinery and equipment	6 639	531	1 597	8 767	8 767	-	100,00 %	16 623	7 322
	14 921	**653**	**4 768**	**20 342**	**20 342**	**-**	**100,00 %**	**26 607**	**17 306**
Buildings and other fixed structures	180 943	(536)	(4 768)	175 639	175 639	-	100,00 %	181 003	152 655
Machinery and equipment	14 921	653	4 768	20 342	20 342	-	100,00 %	26 607	17 306
Total payments for capital assets	**195 864**	**117**	**-**	**195 981**	**195 981**	**-**	**100,00 %**	**207 610**	**169 961**
Total current payments	1 701 518	(2 217)	-	1 699 301	1 699 142	159	99,99 %	1 643 939	1 640 951
Total transfers and subsidies	628 947	2 100	-	631 047	631 047	-	100,00 %	557 043	557 043
Total payments for capital assets	195 864	117	-	195 981	195 981	-	100,00 %	207 610	169 961
Total	**2 526 329**	**-**	**-**	**2 526 329**	**2 526 170**	**159**	**99,99 %**	**2 408 592**	**2 367 955**

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Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1. ADMINISTRATION									
Sub programme									
OFFICE OF THE MEC	9 539	577	-	10 116	10 116	-	100,00 %	9 821	9 821
MANAGEMENT OF THE DEPARTMENT	19 864	(1 122)	-	18 742	18 742	-	100,00 %	15 953	15 953
CORPORATE SUPPORT	494 284	545	(3 808)	491 021	490 862	159	99,97 %	463 466	460 828
Subtotal	**523 687**	**-**	**(3 808)**	**519 879**	**519 720**	**159**	**99,97 %**	**489 240**	**486 602**
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	327 758	(4 769)	(18 815)	304 174	304 015	159	99,95 %	303 482	303 244
Social contributions	50 715	141	7 739	58 595	58 595	-	100,00 %	54 612	54 612
	378 473	**(4 628)**	**(11 076)**	**362 769**	**362 610**	**159**	**99,96 %**	**358 094**	**357 856**
Goods and services									
Administrative fees	24	(8)	-	16	16	-	100,00 %	35	35
Advertising	2 510	1 222	-	3 732	3 732	-	100,00 %	3 213	3 213
Minor assets	459	(387)	-	72	72	-	100,00 %	258	258
Audit costs: External	9 801	1 290	-	11 091	11 091	-	100,00 %	9 601	9 601
Bursaries: Employees	1 493	(17)	-	1 476	1 476	-	100,00 %	2 363	2 363
Catering: Departmental activities	284	14	-	298	298	-	100,00 %	76	76
Communication	14 241	(2 336)	-	11 905	11 905	-	100,00 %	12 703	12 703
Computer services	36 144	(6 811)	-	29 333	29 333	-	100,00 %	34 855	34 855
Consultants: Business and advisory Services	2 644	5 158	-	7 802	7 802	-	100,00 %	3 083	3 083
Legal services	11 052	381	-	11 433	11 433	-	100,00 %	6 230	6 230
Contractors	493	-	-	493	493	-	100,00 %	23	23
Inventory: Clothing material and Supplies	-	-	-	-	-	-	- %	47	47
Inventory: Materials and supplies	-	2	-	2	2	-	100,00 %	-	-

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Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Consumable supplies	1 215	(188)	-	1 027	1 027	-	100,00 %	1 054	1 054
Consumable: Stationery, printing and office supplies	1 350	329	-	1 679	1 679	-	100,00 %	674	674
Operating leases	10 426	318	-	10 744	10 744	-	100,00 %	12 905	12 905
Property payments	2 918	(328)	-	2 590	2 590	-	100,00 %	2 257	2 257
Travel and subsistence	5 581	4 314	-	9 895	9 895	-	100,00 %	5 902	5 902
Training and development	3 460	222	-	3 682	3 682	-	100,00 %	1 513	1 513
Operating payments	811	(405)	-	406	406	-	100,00 %	545	545
Venues and facilities	765	(408)	-	357	357	-	100,00 %	474	474
Rental and hiring	34	38	-	72	72	-	100,00 %	-	-
	105 705	**2 400**	**-**	**108 105**	**108 105**	**-**	**100,00 %**	**97 811**	**97 811**
Interest and rent on land									
Interest (Incl. interest on unitary payments (PPP))	-	6	-	6	6	-	100,00 %	2	2
Compensation of employees	378 473	(4 628)	(11 076)	362 769	362 610	159	99,96 %	358 094	357 856
Goods and services	105 705	2 400	-	108 105	108 105	-	100,00 %	97 811	97 811
Interest and rent on land	-	6	-	6	6	-	100,00 %	2	2
Total current payments	**484 178**	**(2 222)**	**(11 076)**	**470 880**	**470 721**	**159**	**99,97 %**	**455 907**	**455 669**
Total current payments	484 178	(2 222)	(11 076)	470 880	470 721	159	99,97 %	455 907	455 669
Total transfers and subsidies	24 588	2 100	2 500	29 188	29 188	-	100,00 %	14 109	14 109
Total payments for capital assets	14 921	122	4 768	19 811	19 811	-	100,00 %	19 224	16 824
Total	**523 687**	**-**	**(3 808)**	**519 879**	**519 720**	**159**	**99,97 %**	**489 240**	**486 602**

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Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2. PUBLIC WORKS INFRASTRUCTURE									
Sub programme									
PROGRAM SUPPORT	165 555	(6 985)	-	158 570	158 570	-	100,00 %	121 710	121 710
PLANNING	6 116	(930)	-	5 186	5 186	-	100,00 %	4 122	4 122
CONSTRUCTION	221 994	26 844	1 355	250 193	250 193	-	100,00 %	222 281	193 933
MAINTENANCE	186 122	(11 368)	-	174 754	174 754	-	100,00 %	174 079	174 079
IMMOVABLE ASSET MANAGEMENT	1 042 948	(25 689)	(3 075)	1 014 184	1 014 184	-	100,00 %	991 711	991 711
FACILITY OPERATIONS	234 477	18 128	-	252 605	252 605	-	100,00 %	271 399	4 498
Subtotal	**1 857 212**	**-**	**(1 720)**	**1 855 492**	**1 855 492**	**-**	**100,00 %**	**1 785 302**	**1 750 053**
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	364 020	(7 386)	-	356 634	356 634	-	100,00 %	359 692	359 692
Social contributions	55 763	(4 028)		51 735	51 735	-	100,00 %	52 458	52 458
	419 783	**(11 414)**	**-**	**408 369**	**408 369**	**-**	**100,00 %**	**412 150**	**412 150**
Goods and services									
Advertising	125	19	-	144	144	-	100,00 %	480	480
Minor assets	190	(165)	-	25	25	-	100,00 %	56	56
Catering: Departmental activities	240	(125)	-	115	115	-	100,00 %	1 094	1 094
Computer services	-	1 419	-	1 419	1 419	-	100,00 %	-	-
Consultants: Business and advisory services	60 694	3 214		63 908	63 908		100,00 %	21 173	21 173
Contractors	-	28	-	28	28	-	100,00 %	296	296
Agency and support / outsourcedservices	-	162	-	162	162	-	100 %	-	-
Inventory: Clothing material and supplies	-	12		12	12		100,00 %	-	-
Inventory: Materials and supplies	12	(12)	-	-	-		- %	-	-

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Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Consumable supplies	276	251	-	527	527	-	100,00 %	643	643
Consumable: Stationery, printing and office supplies	118	3	-	121	121	-	100,00 %	142	142
Operating leases	241 845	8 326	738	250 909	250 909	-	100,00 %	226 922	226 922
Property payments	342 880	(2 332)	-	340 548	340 548	-	100,00 %	337 595	337 595
Travel and subsistence	10 073	1 357	1 355	12 785	12 785	-	100,00 %	52 464	52 464
Operating payments	556	(292)	-	264	264		100,00 %	574	574
Venues and facilities	133	(133)	-	-	-		- %	21	21
Rental and hiring	1 000	(314)	-	686	686	-	100,00 %	489	489
	658 142	**11 418**	**2 093**	**671 653**	**671 653**	**-**	**100,00 %**	**641 949**	**641 949**
Interest and rent on land	-	1	-	1	1	-	100,00 %	223	223
Compensation of employees	419 783	(11 414)	-	408 369	408 369	-	100,00 %	412 150	412 150
Goods and services	658 142	11 418	2 093	671 653	671 653	-	100,00 %	641 949	641 949
Interest and rent on land	-	1	-	1	1	-	100,00 %	223	223
Total current payments	**1 077 925**	**5**	**2 093**	**1 080 023**	**1 080 023**	**-**	**100,00 %**	**1 054 322**	**1 054 322**
Transfers and subsidies									
Provinces and municipalities	604 359	-	(2 500)	601 859	601 859	-	100,00 %	542 824	542 824
Households	-	-	-	-	-	-	-- %	110	110
Provinces and municipalities	604 359	-	(2 500)	601 859	601 859	-	100,00 %	542 824	542 824
Households	-	-	-	-	-	-	- %	110	110
Total transfers and subsidies	**604 359**	**-**	**(2 500)**	**601 859**	**601 859**	**-**	**100,00 %**	**542 934**	**542 934**

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Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual Expenditure**
Payments for capital assets									
Buildings and other fixed structures	174 928	(536)	(1 313)	173 079	173 079	-	100,00 %	181 003	152 655
Machinery and equipment	-	531	-	531	531	-	100,00 %	7 043	142
Buildings and other fixed structures	174 928	(536)	(1 313)	173 079	173 079	-	100,00 %	181 003	152 655
Machinery and equipment	-	531	-	531	531	-	100,00 %	7 043	142
Total payments for capital assets	**174 928**	**(5)**	**(1 313)**	**173 610**	**173 610**	-	**100,00 %**	**188 046**	**152 797**
Total current payments	1 077 925	5	2 093	1 080 023	1 080 023	-	100,00 %	1 054 322	1 054 322
Total transfers and subsidies	604 359	-	(2 500)	601 859	601 859	-	100,00 %	542 934	542 934
Total payments for capital assets	174 928	(5)	(1 313)	173 610	173 610	-	100,00 %	188 046	152 797
Total	**1 857 212**	**-**	**(1 720)**	**1 855 492**	**1 855 492**	**-**	**100,00 %**	**1 785 302**	**1 750 053**

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Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3. EXPANDED PUBLIC WORKS PROGRAMME									
Sub programme									
PROGRAM SUPPORT		(345)	-	8 625	8 625	-	100,00 %	9 762	9 762
COMMUNITY DEVELOPMENT	38 656	600	6 231	45 487	45 487	-	100,00 %	38 436	35 686
INNOVATION AND EMPOWERMENT	65 737	(195)	(703)	64 839	64 839	-	100,00 %	53 744	53 744
CO-ORDINATION AND COMPLIANCE MONITORING	32 067	(60)	-	32 007	32 007	-	100,00 %	32 108	32 108
Subtotal	**145 430**	**-**	**5 528**	**150 958**	**150 958**	**-**	**100,00 %**	**134 050**	**131 300**
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	46 956	(2 890)	-	44 066	44 066	-	100,00 %	79 879	79 879
Social contributions	6 393	1 244	-	7 637	7 637	-	100,00 %	8 271	8 271
	53 349	**(1 646)**	**-**	**51 703**	**51 703**	**-**	**100,00 %**	**88 150**	**88 150**
Goods and services									
Advertising-		-	-	-	-	-	- %	28	28
Minor assets	-	-	-	-	-	-	- %	13	13
Catering: Departmental activities	679	(93)	-	586	586		100,00 %	254	254
Consultants: Business and advisory		(146)		254			100,00 %	672	672
services	400		-		254	-			
Inventory: Clothing material and supplies	4 887	(1 881)	-	3 006	3 006	-	100,00 %	3 916	1 847
Inventory: Materials and supplies	2 684	(496)	-	2 188	2 188	-	100,00 %	1 423	742
Consumable supplies	503	(12)	-	491	491	-	100,00 %	2 017	2 017
Consumable: Stationery, printing and office supplies	374	(261)	-	113	113		100,00 %	382	382
Property payments	70 189	-	5 877	76 066	76 066	-	100,00 %	32 010	32 010
Travel and subsistence	2 886	3 261	3 106	9 253	9 253	-	100,00 %	3 988	3 988

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Figures in Rand thousand	2021/2022							2020/2021	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Training and development	3 204	1 407	-	4 611	4 611	-	100,00 %	788	788
Operating payments	106	(68)	-	38	38	-	100,00 %	69	69
Venues and facilities	154	(65)	-	89	89	-	100,00 %	-	-
	86 066	**1 646**	**8 983**	**96 695**	**96 695**	**-**	**100,00 %**	**45 560**	**42 810**
Compensation of employees	53 349	(1 646)	-	51 703	51 703	-	100,00 %	88 150	88 150
Goods and services	86 066	1 646	8 983	96 695	96 695	-	100,00 %	45 560	42 810
Total current payments	**139 415**	**-**	**8 983**	**148 398**	**148 398**	**-**	**100,00 %**	**133 710**	**130 960**
Total current payments	139 415	-	8 983	148 398	148 398	-	100,00 %	133 710	130 960
Total payments for capital assets	6 015	-	(3 455)	2 560	2 560	-	100,00 %	340	340
Total	**145 430**	**-**	**5 528**	**150 958**	**150 958**	**-**	**100,00 %**	**134 050**	**131 300**

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5.2.2 Notes to the Appropriation Statement

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):
Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the annual financial statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):
Detail of these transactions can be viewed in note 1 Annual appropriation to the annual financialstatements.

3. Detail on payments for financial assets
Details of these transactions per programme can be viewed in the note on Payments for financial assetsto the annual financial statements.

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

4.1 Per programme

Figures in Rand thousand	Final Appropriation	Actual Expenditure	Variance
ADMINISTRATION	519 879	519 720	159
PUBLIC WORKS INFRASTRUCTURE	1 855 492	1 855 492	-
EXPANDED PUBLIC WORKS PROGRAMME	150 958	150 958	-

Variance immaterial

4.2 Per economic classification

Figures in Rand thousand	Final Appropriation	Actual Expenditure	Variance
Current payments			
Compensation of employees	822 841	822 682	159
Goods and services	876 453	876 453	-
Interest and rent on land	7	7	-
Transfers and subsidies			
Provinces and municipalities	601 859	601 859	-
Households	29 188	29 188	-
Payments for capital assets			
Buildings and other fixed structures	175 639	175 639	-
Machinery and equipment	20 342	20 342	-

Variance immaterial

4.3 Per conditional grant

Figures in Rand thousand	Final Appropriation	Actual Expenditure
EPWP conditional grant	10 272	10 272

No Variance

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5.2.3 Statement of Financial Performance

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
Revenue			
Annual appropriation	1	2 526 329	2 408 592
Expenditure			
Current expenditure			
Compensation of employees	3	822 682	858 155
Goods and services	4	876 453	782 571
Interest and rent on land	5	7	225
Total current expenditure		**1 699 142**	**1 640 951**
Transfers and subsidies			
Transfers and subsidies	6	631 047	557 043
Expenditure for capital assets			
Tangible assets	7	195 981	169 961
Total expenditure		**2 526 170**	**2 367 955**
Surplus for the year		**159**	**40 637**

Reconciliation of Net Surplus/(Deficit) for the year		
Voted funds		
Annual appropriation	159	40 637
	159	**40 637**

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5.2.4 Statement of Financial Position as at 31 March 2022

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
Assets			
Current Assets			
Cash and cash equivalents	8	7 738	2 071
Receivables	10	21 647	41 953
		29 385	**44 024**
Non-Current Assets			
Receivables	10	140	222
Total Assets		**29 525**	**44 246**
Liabilities			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	11	159	40 637
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	1 012	305
Payables	13	26 814	1 889
		27 985	**42 831**
Total Liabilities		**27 985**	**42 831**
		1 540	**1 415**
Represented by:			
Recoverable revenue		1 540	1 415

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5.2.5 Statement of Changes in Net Assets

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
Recoverable revenue			
Opening balance		1 415	1 355
Transfers:			
Debts recovered (incl in dept receipts)		(1 984)	(203)
Debts raised		2 109	263
Closing balance		**1 540**	**1 415**

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5.2.6 Cash Flow Statement

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
Cash flows from operating activities			
Receipts			
Annual appropriated funds received	1.1	2 526 329	2 408 592
Departmental revenue received	2	14 117	16 322
Interest received	2.2	201	88
		2 540 647	**2 425 002**
Net (increase)/decrease in working capital		45 231	(2 569)
Surrendered to Revenue Fund		(54 706)	(51 930)
Current payments		(1 699 135)	(1 640 726)
Interest paid	5	(7)	(225)
Transfers and subsidies paid		(631 047)	(557 043)
Net cash flow available from operating activities	14	**200 983**	**172 509**
Cash flows from investing activities			
	7		
Payments for capital assets		(195 981)	(169 961)
Proceeds from sale of capital assets	2.3	458	915
(Increase)/decrease in non-current receivables	10	82	64
Net cash flows from investing activities		**(195 441)**	**(168 982)**
Cash flows from financing activities			
Increase/(decrease) in net assets		125	60
Cash and cash equivalents at beginning of period		2 071	(1 516)
Net increase/(decrease) in cash and cash equivalents		5 667	3 587
Cash and cash equivalents at the end of the year	15	**7 738**	**2 071**

5.2.7 Accounting Policies

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

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

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

1. Basis of preparation
The annual financial statements have been prepared in accordance with the Modified Cash Standard.

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

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

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

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

6. Comparative information

6.1 Prior period comparative information
Prior period comparative information has been presented in the current year's annual financial statements. Where necessary figures included in the prior period annual 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 annual 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.

Accounting Policies

7. Revenue

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

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

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

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

7.3 Accrued departmental revenue
Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the annual financial statements when:
- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

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

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.

Accounting Policies

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

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

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

8.4 Leases

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

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

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

The finance lease commitments are recorded in the notes to the annual 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:
8.4.2.1 cost, being the fair value of the asset; or
8.4.2.2 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. 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.

Accounting Policies

10. 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 are derecognised as and when the good/services are received, or the funds are utilised in a future period longer than one month from payment and the amount is material. Prepayments are expensed if the funds re utilised in a future period less that one month from payment.

11. 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.

12. Financial assets

12.1 Financial assets (not covered elsewhere)

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

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

12.2 Impairment of financial assets

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

13. Payables

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

14. Capital assets

14.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the annual financial statements at cost or fair value where the cost cannot be determined reliably. As per Sectorial Guide: Accounting and Reporting for Immovable Assets, the Department has used Municipal Valuation Rolls (including Supplementary Rolls) or Valuation Certificates to determine fair value in order to alleviate fruitless and wasteful expenditure. Further, per Sectorial Guide, where a municipal valuation has not been finalised or not done for specific properties, the affected properties will be reflected at the same value as for exceptional cases (R1000). Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition.

Only assets which the Department has legal title is disclosed. This includes properties registered in the name of the Province; properties confirmed vested in terms of Section 239 or item 28(1) to Schedule 6 of the Constitution; and properties registered in historical names of former Model C Schools. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Accounting Policies

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. On completion of the project the total project cost forms part of the cost of the existing asset or subsequently transferred to the department that is the custodian of the existing asset for recording and is included in the asset register of the department that is accountable for the asset.

Where documentary evidence supporting completed provincial projects for the current financial year is considered to be either incomplete or inaccurate, the project will not be included.

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

The disclosure note to the financial statements represent the consolidated position of the immovable assets under the custodian of Public Works and Infrastructure as per Eastern Cape Land Disposal Act 7 of 2000. Assets related to the Housing Act 107 of 1997 and the Housing Amendment Act 4 of 2001 remain in the custody of the Department of Human Settlements.

14.2 Movable capital assets

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the Office of Accountant General - OAG) may be recorded at R1 if its cost cannot be reliable measured and its fair value had not been determined prior to implementation of the standard.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

14.3 Intangible assets

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

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

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

Accounting Policies

14.4 Project costs: Work-in-progress
Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

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

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

15. Provisions and contingents

15.1 Provisions
Provisions are recorded in the notes to the annual 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.

15.2 Contingent liabilities
Contingent liabilities are recorded in the notes to the annual financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

15.3 Contingent assets
Contingent assets are recorded in the notes to the annual financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

15.4 Capital commitments
Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the annual financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

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

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

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

Accounting Policies

17. Irregular expenditure

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

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

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

18. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

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

19. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the annual financial statements.

20. Principal-Agent arrangements

The department is party to a principal-agent arrangement for South African Post Office (SAPO). In terms of the arrangement the department is the principal and is responsible for facilitation of payment of EPWP beneficiaries. The Department is also party to a principal-agent arrangement for National Department of Education for the ASIDI Schools Projects and the Eastern Cape Department of Education. In terms of these arrangements the department is the agent and is responsible for the addressing the backlog in the eradication of inappropriate school structures and in the provision of basic services to schools that do not have such services.

The other principal-agent arrangement is with the Eastern Cape Department of Health where Eastern Cape Department of Public Works and Infrastructure is responsible for delivering both capital and Maintenance Infrastructure projects. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the annual financial statements where appropriate.

21. 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.

Accounting Policies

22. Related party transactions
Related party transactions are recorded in the notes to the annual financial statements when the transaction is not at arm's length.

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

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

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

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

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

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

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

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

27. Payments for financial assets
Debts written off when identified as irrecoverable. Debts written off are limited to the amount of savings and or underspending of appropriated funds. The write off occurs at year end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements. All other losses are recognised when authorisation has been granted for the recognition thereof.

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5.2.8 Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021

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:

	2021/2022		2020/2021	
Figures in Rand thousand	Final Appropriation	Actual Funds Received	Final Appropriation	Appropriation received
ADMINISTRATION	519 879	519 879	489 240	489 240
PUBLIC WORKS INFRASTRUCTURE	1 855 492	1 855 492	1 779 708	1 779 708
EXPANDED PUBLIC WORKS PROGRAMME	150 958	150 958	139 644	139 644
Total	**2 526 329**	**2 526 329**	**2 408 592**	**2 408 592**

1.2 Conditional grants**

	Note(s)	2021/2022	2020/2021
Total grants received	34	10 272	8 644

** Conditional grants are included in the amounts per the Final Appropriation in Note 1.1

2. Departmental revenue

	Note(s)	2021/2022	2020/2021
Sales of goods and services other than capital assets	2.1	12 897	15 946
Interest, dividends and rent on land	2.2	201	88
Sales of capital assets	2.3	458	915
Transactions in financial assets and liabilities	2.4	1 220	376
Total revenue collected		**14 776**	**17 325**
Less: Own revenue included in appropriation	12	14 776	17 325
Departmental revenue collected		**-**	**-**

2.1 Sales of goods and services other than capital assets

	2021/2022	2020/2021
Sales by market establishment	12 022	14 720
Administrative fees	-	295
Other sales	875	931
Sales of goods and services produced by the department	**12 897**	**15 946**

2.2 Interest, dividends and rent on land

	2021/2022	2020/2021
Interest	201	88

2.3 Sales of capital assets

Tangible assets

	Note(s)	2021/2022	2020/2021
Buildings and other fixed structures	31	458	915

2.4 Transactions in financial assets and liabilities

	2021/2022	2020/2021
Other receipts including recoverable revenue	1 220	376

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Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		556 318	585 050
Performance award		3 777	5 595
Service based		1 108	1 303
Compensative/circumstantial		861	1 236
Other non-pensionable allowances		142 656	149 631
Total		**704 720**	**742 815**
3.2 Social contributions			
Employer contributions			
Pension		73 365	72 335
Medical		43 338	42 029
UIF		7	347
Bargaining council		196	203
Insurance		1 056	426
Total		**117 962**	**115 340**
Total compensation of employees		**822 682**	**858 155**
Average number of employees		2 072	2 042
4. Goods and services			
Administrative fees		16	35
Advertising		3 876	3 721
Minor assets	4.1	97	327
Bursaries (employees)		1 476	2 363
Catering		999	1 424
Communication		11 905	12 703
Computer services	4.2	30 752	34 855
Consultants: Business and advisory services	4.9	71 964	24 928
Agency and support / outsourced services		162	-
Audit cost - external	4.3	11 091	9 601
Inventory	4.4	5 208	2 636
Consumables	4.5	3 958	4 912
Operating leases		261 653	239 828
Property payments	4.6	419 204	371 862
Rental and hiring		757	489
Travel and subsistence	4.7	31 934	62 354
Venues and facilities		446	495
Training and development		8 293	2 301
Other operating expenditure	4.8	708	1 188
Total		**876 453**	**782 571**
4.1 Minor assets			
Tangible assets			
Machinery and equipment		97	327
4.2 Computer services			
SITA computer services		25 515	26 749
External computer service providers		5 237	8 106
Total	4	**30 752**	**34 855**

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Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
4.3 Audit cost - external			
Regularity audits		6 355	6 668
Investigations		4 736	2 933
Total	4	**11 091**	**9 601**
4.4 Inventory			
Clothing material and accessories		3 018	1 894
Materials and supplies		2 190	742
Total	4	**5 208**	**2 636**
4.5 Consumables			
Uniform and clothing		351	1 910
Household supplies		625	1 001
Building material and supplies		-	400
IT consumables		788	160
Other consumables		281	243
Consumable supplies		**2 045**	**3 714**
Stationery, printing and office supplies		1 913	1 198
Total	4	**3 958**	**4 912**
4.6 Property payments			
Municipal services		100 784	80 866
Property management fees		200 800	213 856
Property maintenance and repairs		117 620	77 140
Total		**419 204**	**371 862**
4.7 Travel and subsistence			
Local		31 934	62 354
4.8 Other operating expenditure			
Professional bodies, membership and subscription fees		75	81
Resettlement costs		566	463
Other		67	644
Total	4	**708**	**1 188**

4.9 Remuneration of a commission or committee

Name of Commission / Committee	**No. of members**			
Audit Committee	5		663	-
Risk Committee	1		289	-
Total		4	**952**	**-**

Remuneration of Audit Committee members of R952 thousand is included in the R71,964 million of Consultants: Business and advisory services.

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Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
5. Interest and rent on land			
Interest paid		7	225
6. Transfers and subsidies			
Provinces and municipalities		601 859	542 824
Households	Annexure 1G	29 188	14 219
Total		**631 047**	**557 043**
7. Expenditure for capital assets			
Tangible assets			
Buildings and other fixed structures	31	175 639	152 655
Machinery and equipment	29	20 342	17 306
		195 981	**169 961**

7.1 Analysis of funds utilised to acquire capital assets - 2021/2022

Figures in Rand thousand	Voted funds	Total
Tangible assets		
Buildings and other fixed structures	175 639	175 639
Machinery and equipment	20 342	20 342
	195 981	**195 981**

7.2 Analysis of funds utilised to acquire capital assets - 2020/2021

Figures in Rand thousand	Voted funds	Total
Tangible assets		
Buildings and other fixed structures	152 655	152 655
Machinery and equipment	17 306	17 306
	169 961	**169 961**

7.3 Finance lease expenditure included in expenditure for capital assets

Tangible assets		
Machinery and equipment	13 142	13 019

8. Cash and cash equivalents

Consolidated paymaster general account	7 738	2 071

9. Prepayments and advances

9.1 Advances paid (Not expensed)

Figures in Rand thousand	Note	Balance as at 01 April 2020	Less: Amount expensed in 2021	Balance as at 31 March 2021
Public departments		19 226	(19 226)	-
Total	9	**19 226**	**(19 226)**	**-**

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Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021

10. Receivables

Figures in Rand thousand		2021/2022			2020/2021		
	Note	Current	Non-current	Total	Current	Non-current	Total
Claims recoverable	10.1	15 657	-	15 657	38 460	-	38 460
Recoverable expenditure	10.2	5	-	5	237	-	237
Staff debt	10.3	2 975	140	3 115	2 658	222	2 880
Fruitless and wasteful expenditure	10.5	334	-	334	-	-	-
Other debtors	10.4	2 676	-	2 676	598	-	598
Total		**21 647**	**140**	**21 787**	**41 953**	**222**	**42 175**

10.1 Claims recoverable

National departments		1 306	566
Provincial departments		14 351	37 894
Total	10	**15 657**	**38 460**

10.2 Recoverable expenditure (disallowance accounts)

Salary Recoverable Expenditure	5	237

10.3 Staff debt

Staff debt	3 115	2 880

10.4 Other debtors

Salary control accounts		859	598
Third parties		1 817	-
Total	10	**2 676**	**598**

10.5 Fruitless and wasteful expenditure

Transfers from note 23 Fruitless and wasteful expenditure		334	-
Total	10	**334**	**-**

10.6 Impairment of receivables

Estimate of impairment of receivables	2 757	2 285

11. Voted funds to be surrendered to the Revenue Fund

Opening balance	40 637	33 343
Transferred from statement of financial performance	159	40 637
Paid during the year	(40 637)	(33 343)
Closing balance	**159**	**40 637**

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Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021
12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		305	1 567
Own revenue included in appropriation	2	14 776	17 325
Paid during the year		(14 069)	(18 587)
Closing balance		**1 012**	**305**
13. Payables – current			
Advances received	13.1	26 596	1 645
Clearing accounts	13.2	218	244
Total		**26 814**	**1 889**
13.1 Advances received			
National departments	Annexure 8B	1 403	1 403
Provincial departments	Annexure 8B	25 193	242
Total	13	**26 596**	**1 645**
13.2 Clearing accounts			
Clearing accounts		218	244
14. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		159	40 637
Add back non cash/cash movements not deemed operating activities			
(Increase)/decrease in receivables		20 306	(21 169)
(Increase)/decrease in prepayments and advances		-	19 226
Increase/(decrease) in payables – current		24 925	(626)
Proceeds from sale of capital assets		(458)	(915)
Expenditure on capital assets		195 981	169 961
Surrenders to Revenue Fund		(54 706)	(51 930)
Own revenue included in appropriation		14 776	17 325
Net cash flow generated by operating activities		**200 983**	**172 509**
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated paymaster general account		7 738	2 071

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

Liable to	Nature			
Housing loan guarantees	Employees	Annexure 3A	-	66
Claims against the department		Annexure 3B	274 233	313 371
Other		Annexure 3B	64 411	28 588
Total			**338 644**	**342 025**

Claims against the department:
Represent claims instituted and all claims submitted to Legal Services and State Attorney have been included as contingent liabilities as the outcomes of all the open cases are uncertain. The potential extent and outcome of the liability in respect of these legal claims cannot be determined, and it is subject to litigation. A provisional estimate based on the value of the claims have been included in the above note to the financial statements.

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Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021

Other represents:
Municipalities - Rates and Taxes These are amounts billed by Municipalities against properties that the Department is not certain if they are owned by the Eastern Cape Government. Custody verification is still in progress.

Camping Allowances:
The balance refers to payments due to beneficiaries of ex-employees. The department is in the process of locating them to effect payment.

Pending investigation:
The balance refers to payments made to a service provider that is under investigation.
Increase in Contingent Liabilities is mainly due to municipal rates charged on properties that are owned by the Department but there is uncertainty either on timing and amount; and unconfirmed interdepartmental balances.

16.2 Contingent assets

Nature of contingent asset	2021/2022	2020/2021
Occupation Specific Dispensation (OSD)	34 855	33 242
2nd & 3rd notches	337	337
Total	**35 192**	**33 579**

17. Capital commitments

Buildings and other fixed structures	141 017	72 089
Machinery and equipment	840	2 378
Total	**141 857**	**74 467**

Included in the above are projects that are committed over a 1 year totaling R65 801 000.
Increase is due to new contracts awarded during the year.

18. Accruals and payables not recognized

18.1 Accruals

Figures in Rand thousand		2021/2022	2020/2021
Listed by economic classification	30 Days	Total	Total
Goods and services	72 501	72 501	56 836
Capital assets	6 115	6 115	1 047
Total	**78 616**	**78 616**	**57 883**

Listed by programme level		
Administration	13 248	8 809
Public Works Infrastructure	58 047	45 463
Expanded Public Works Programme	7 321	3 611
Total	**78 616**	**57 883**

18.2 Payables not recognised

Figures in Rand thousand			2021/2022	2020/2021
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	59 053	10 082	69 135	4 822
Capital assets	3 928	-	3 928	729
Total	**62 981**	**10 082**	**73 063**	**5 551**

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021
Listed by programme level			
Administration		26 074	1 753
Public Works Infrastructure		44 743	3 378
Expanded Public Works Programme		2 246	420
Total		**73 063**	**5 551**

19. Employee benefits

Leave entitlement		44 408	54 883
Service bonus		21 284	23 222
Performance awards		-	4 453
Capped leave commitments		37 356	50 258
Other		843	1 062
Total		**103 891**	**133 878**

At this stage the department is not able to reliably measure the long term portion of the long service awards. The value and number of days of negative leave entitlement is R263 000 and 173 days -(2020/21: R176 000 and 101 days). There were no negative capped leave days.

20. Lease commitments

20.1 Operating leases

2021/2022

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	174 836	174 836
Later than 1 year and not later than 5 years	45 604	45 604
Total lease commitments	**220 440**	**220 440**

2020/2021

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	80 499	80 499
Later than 1 year and not later than 5 years	72 736	72 736
Total lease commitments	**153 235**	**153 235**

Operating leases consists of various lease agreements for premises leased for its department's use and by other government institutions. The Department entered into operating lease agreements for rental of buildings for office accommodation and residential purposes to house members of parliament.

The lease commitments are calculated based on a contractual obligation between the department and the lessor. The lease agreements have an annual escalation of between 0% and 8%. The department is required to maintain the buildings to be in the same conditions as at the start of the lease agreements.

The increase is due to some lease agreements whose terms have been extended.

The lease agreements entered into do not allow the department to enter into any sub-leasing agreements.

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

20. Lease commitments (continued)

20.2 Finance leases **

2021/2022

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	13 157	13 157
Later than 1 year and not later than 5 years	13 835	13 835
Total lease commitments	**26 992**	**26 992**

2020/2021

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	11 530	11 530
Later than 1 year and not later than 5 years	9 333	9 333
Total lease commitments	**20 863**	**20 863**

**This note excludes leases relating to public private partnership as they are separately disclosed in Note no 26.

The Department entered into finance lease agreements for rental of photocopiers and white fleet for a period of 36 months and 5 years respectively. The rentals are fixed for the duration of the period and there is no renewal or purchase or escalation clauses. The maintenance of both photocopy machines and white fleet vehicles are done by the lessors.

20.3 Operating lease future revenue

2021/2022

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	1 934	1 934
Later than 1 year and not later than 5 years	2 823	2 823
Total lease commitments	**4 757**	**4 757**

2020/2021

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	2 820	2 820
Later than 1 year and not later than 5 years	2 313	2 313
Total lease commitments	**5 133**	**5 133**

The lease commitments are calculated based on a contractual obligation between the department and the lessee and shows the amount of revenue that is expected to be received. The lease agreements have an annual escalation of between 0% and 10%.

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021
21. Accrued departmental revenue			
Sales of goods and services other than capital assets		171 368	150 776
Other		13 321	31 958
Total		**184 689**	**182 734**

21.1 Analysis of accrued departmental revenue

Opening balance		182 734	166 130
Less: Amounts received		(12 005)	(18 239)
Add: Amounts recognised		13 960	34 843
Total		**184 689**	**182 734**

21.2 Impairment of accrued departmental revenue

Estimate of impairment of accrued departmental revenue		132 549	139 434

Impairment is applied to all debtors' balances that are outstanding for more than 30 days and older .

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

Opening balance		643 095	968 957
Prior period errors	22.3	-	(21 747)
As restated		643 095	947 210
Add: Irregular expenditure - related to prior year	22.2	96 055	-
Add: Irregular expenditure - related to current year	22.2	244 397	101 271
Less: Prior year amounts condoned		-	(405 386)
Closing balance		**983 547**	**643 095**

Analysis of closing balance

Current year		340 452	79 524
Prior year		643 095	563 571
Total		**983 547**	**643 095**

22.2 Details of current and prior year irregular expenditure – added current year (under determination andinvestigation)

Figures in Rand thousand

Incident	**Disciplinary steps taken/ Criminal proceedings**	2021/2022
Goods and services	Under investigation	4 430
Capital expenditure	Under investigation	58 585
Lease agreements	Under investigation	277 437
Total		**340 452**

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

22.3 Prior period error

Figures in Rand thousand	Note	2020/2021
Nature of prior period error		
Relating to 2020/2021 (affecting the opening balance)Goods and services condoned		(21 747)

Prior period error on Irregular expenditure for goods and services refers to awards that were condoned in 2020/21 but were not deducted in the total amount of irregular expenditure.

23. Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	Note(s)	2021/2022	2020/2021
Opening balance		2 502	6 993
Fruitless and wasteful expenditure - relating to current year	23.2	465	408
Less: Amounts transferred to receivables for recovery	10.5	(355)	(21)
Less: Amounts resolved	23.4	(1 630)	(4 878)
Closing balance		**982**	**2 502**

23.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determinationand investigation)

Figures in Rand thousand		2021/2022
Incident	**Disciplinary steps taken/ Criminal proceedings**	
Non attendance	Under investigation	14
Interest	Under investigation	7
Other	Under investigation	444
Total		**465**

23.3 Details of fruitless and wasteful expenditure recoverable

Incident	
Other wasteful expenditure	(355)

23.4 Details of fruitless and wasteful expenditure written off

Figures in Rand thousand	2021/2022
Incident	
Interest paid	(1 144)
Other	(486)
Total	**(1 630)**

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

24. Related party transactions

The Departments below occupy buildings owned or leased by this Department without paying for this service:

- ✓ Eastern Cape Legislature
- ✓ Eastern Cape Department of Economic Development & Environment Affairs;
- ✓ Eastern Cape Department of Education;
- ✓ Eastern Cape Department of Health;
- ✓ Eastern Cape Department of Human Settlements;
- ✓ Eastern Cape Department of Local Government & Traditional Affairs;
- ✓ Eastern Cape Department of Rural Development & Agrarian Reform;
- ✓ Eastern Cape Department of Safety & Liaison;
- ✓ Eastern Cape Department of Social Development;
- ✓ Eastern Cape Department of Sport Recreation Arts & Culture;
- ✓ Eastern Cape Department of Transport;
- ✓ Eastern Cape Office of the Premier; and
- ✓ Eastern Cape Provincial Planning & Treasury.

25. Key management personnel

	No. of Individuals	2021/2022	2020/2021
Political office bearers: Member of Executive Council	1	1 978	1 978
Officials:			
Level 15 to 16	1	2 231	2 129
Level 14 including Regional Directors	18	18 653	17 173
Total		**22 862**	**21 280**

Key management includes acting and appointed Regional Directors at level 13. Number of individuals refers to 2021/22 only.

26. Public Private Partnership

The PPP is currently registered in terms of National Treasury however the PPP was reactivated in August 2015. Transaction advisors have been appointed for the Project Initiation and Management of the Bhisho Precinct Project. Expenditure of R21 459 851.46 for 2020/21 to-date (2020/21: R448 973.00) has been incurred for the transaction advisors. The cumulative expenditure from inception on Bhisho Precinct consultants' fees is R65 737 698.86. There has been no contracting between the Department and the Private Party by 31 March 2022. Expenditure up to date is included in the Work - in-progress.

27. Provisions

	2021/2022	2020/2021
Provisions under investigation	121 869	54 458
Interest accrued but not paid	40 637	43 621
Retentions	33 317	34 619
Telecommunication	2 190	-
Total	**198 013**	**132 698**

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

27. Provisions (continued)

27.1 Reconciliation of movement in provisions – 2021/2022

Figures in Rand thousand	Balances under investigation	Interest accrued but not paid	Retentions	Tele-communication	Total provisions
Opening balance	54 458	43 621	34 619	-	132 698
Increase in provision	67 411	-	-	2 190	69 601
Settlement of provision	-	(2 984)	(1 302)	-	(4 286)
Closing balance	**121 869**	**40 637**	**33 317**	**2 190**	**198 013**

27.2 Reconciliation of movement in provisions – 2020/2021

Figures in Rand thousand	Balances under investigations	Interest accrued but notpaid	Retentions	Total provisions
Opening balance	47 925	38 205	34 112	120 242
Increase in provision	6 533	5 416	507	12 456
Closing balance	**54 458**	**43 621**	**34 619**	**132 698**

Balances under investigation as well as interest accrued at year end are classified as Provisions. These are amounts billed by Municipalities against properties owned by the Department but there is uncertainty either on the timing or amount thereof.

Retentions are amounts that are withheld for work done and not paid until satisfaction of conditions specified in the awarded contracts. Once all conditions specified in the contract have been met and the retention is paid, the Department will record the payment as capital expenditure and add it to the cost of the asset.

Telecommunication relates to expected bill from MTN for mobile services

28. Non-adjusting events after reporting date

There were no events after the reporting date that were identified by management that would affect theoperations of the department or the results of those operations significantly.

29 Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2022

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment				
Transport assets	2 715	765	(959)	2 521
Computer equipment	43 198	8 314	(1 100)	50 412
Furniture and office equipment	24 799	594	(340)	25 053
Other machinery and equipment	13 724	678	(4 952)	9 450
Total movable tangible capital assets	**84 436**	**10 351**	**(7 351)**	**87 436**

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

Movable tangible capital assets under investigation
There are no major assets under investigation.

29.1 Movement for 2020/2021

Movement in movable tangible capital assets per asset register for the year ended 31 March 2021

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment				
Transport assets	3 095	-	(380)	2 715
Computer equipment	44 592	3 746	(5 140)	43 198
Furniture and office equipment	25 653	609	(1 463)	24 799
Other machinery and equipment	14 733	61	(1 070)	13 724
Total movable tangible capital assets	**88 073**	**4 416**	**(8 053)**	**84 436**

29.1.1 Prior period error

Figures in Rand thousand	Note	2020/2021
Nature of prior period error		
Relating to 2020/2021		
Computer equipment additions captured incorrectly.		17

The initial accrual amount was exclusive of VAT.

29.2 Minor assets

Movement in minor assets per the asset register for the year ended as at 31 March 2022

Figures in Rand thousand	Machinery and equipment	Total
Opening balance	24 052	24 052
Additions	169	169
Disposals	(846)	(846)
Total minor assets	**23 375**	**23 375**

Figures in Rand thousand	Machinery and equipment	Total
Number of R1 minor assets	3 140	3 140
Number of minor assets at cost	13 509	13 509
Total number of minor assets	**16 649**	**16 649**

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

29. Movable Tangible Capital Assets (continued)

Minor capital assets under investigation
There are no minor assets under investigation

Movement in minor assets per the asset register for the year ended as at 31 March 2021	Machinery and equipment	Total
Opening balance	26 921	26 921
Additions	111	111
Disposals	(2 980)	(2 980)
Total minor assets	**24 052**	**24 052**

Figures in Rand thousand	Machinery and equipment	Total
Number of R1 minor assets	3 561	3 561
Number of minor assets at cost	14 053	14 053
Total number of minor assets	**17 614**	**17 614**

29.3 Movable assets written off
Movable assets written off for the year ended as at 31 March 2022

Figures in Rand thousand	Machinery and equipment	Total
Assets written off	7 617	7 617

Movable assets written off for the year ended as at 31 March 2021

Figures in Rand thousand	Machinery and equipment	Total
Assets written off	4 278	4 278

30. Intangible Capital Assets

Movement in intangible capital assets per asset register for the year ended 31 March 2022

Figures in Rand thousand	Opening balance	Value adjustments	Closing balance
Software	4 362	-	4 362

30.1 Movement for 31 March 2021
Movement in intangible capital assets per asset register for the year ended 31 March 2021

Figures in Rand thousand	Opening balance	Closing balance
Software	4 362	4 362

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

31. Immovable Tangible Capital Assets

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2022

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
Buildings and other fixed structures				
Dwellings	411 954	32 912	(205)	444 661
Non-residential buildings	7 478 951	537 536	-	8 016 487
Other fixed structures	235 713	15 054	-	250 767
	8 126 618	**585 502**	**(205)**	**8 711 915**
Heritage assets				
Heritage assets	186 771	-	-	186 771
Land and subsoil assets				
Land	257 683	13 921	(2 100)	269 504
Total immovable tangible capital assets	**8 571 072**	**599 423**	**(2 305)**	**9 168 190**

1. There are 770 properties included in the Immovable Asset Register (IAR) which are disclosed at a nominal value of R1000. This is in line with the Valuation Model included as an Annexure in the Immovable Asset guide issued by National Treasury. 135 of these assets are classified as Road Reserves and some have no municipal or market values available and the valuation process is yet to be finalised by the municipality.
2. The department made two acquisitions during 2020/21 financial year, Erf 278 and Erf 279 at a cost of R14 937 976. The registration of these properties only took place 2021/22 financial year and the Immovable Asset Register has been increased accordingly.
3. The department made another acquisition of ERF 3955 during 2020/21 financial year. This property was registered in 2021/22 financial year at a cost of R2 639 749,05 and was updated in the Immovable Asset Register.
4. The Department also acquired prefabricated structures (rotating structures) to the value of R4 968 626. The intention is to move these around in different locations where there is a need. In Chapter 11, Section 5.1.2 of MCS dealing with Capital Assets, provides that temporal rotating structures shall be classified as immovable assets and recorded by the budget holder and not the custodian, DPWI is a custodian and also a budget holder in this case.

Immovable Tangible Capital Assets under investigation
There are no immovable assets under investigation.

31.1 Movement for 2020/2021

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2021

Figures in Rand thousand	Opening balance	Prior period error	Additions	Disposals	Closing balance
Buildings and other fixed structures					
Dwellings	409 848	-	8 038	(5 932)	411 954
Non-residential buildings	7 191 319	(1)	300 245	(12 612)	7 478 951
Other fixed structures	235 712	-	1	-	235 713
	7 836 879	**(1)**	**308 284**	**(18 544)**	**8 126 618**
Heritage assets					
Heritage assets	186 770	-	1	-	186 771
Land and subsoil assets					
Land	255 057	-	2 626	-	257 683
Total immovable tangible capital assets	**8 278 706**	**(1)**	**310 911**	**(18 544)**	**8 571 072**

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

31.1.1 Prior period error

Figures in Rand thousand	Note	2020/2021
Nature of prior period error		
Relating to 2019/2020 (affecting the opening balance)		(1)

During May 2017, the National Department of Public Works & Infrastructure and Eastern Department of Public Works & Infrastructure signed a Section 42 Transfer out in respect of 79 properties which were erroneously confirmed vested to the Province during 1997 and 1998. The Department omitted transfer -out of ERF4697 in Dimbaza from its Asset Register. The Transfer out only relates to the financial element of the Immovable Asset Register.

31.2 Capital work-in-progress

Capital work-in-progress as at 31 March 2022

	Note	Opening balance 01 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
Buildings and other fixed structures		401 683	170 670	(372 691)	199 662

1. Included in R372 691 308,56 is an amount of R12 763 316,56 which relates to expenditure on completed projects linked to properties that have not yet vested with the department, in line with the Guide on Accounting and Reporting for Immovable Assets, this figure has not been capitalized to the Immovable Asset Register. An amount of R359 927 992 for completed projects linked to properties which currently have a legal tittle has been capitalised accordingly.

Payables not recognised relating to Capital WIP	2021/2022	2020/2021
[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]	4 437	-

Capital work-in-progress as at 31 March 2021

Figures in Rand thousand	Note Opening balance 01 April 2020	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2021
Buildings and other fixed Structures	522 819	43 829	120 247	(285 212)	401 683

Included in the R 285 211 605,49 are the following:

1. An amount R14 215 047,69 which relates to current year expenditure on completed project linked to a property that has not yet vested with the department, in line with the Guide on Accounting and Reporting for Immovable Assets, this figure has not been capitalized to the Immovable Asset Register as the property recorded in a separate register and reported on in a narrative format.
2. An amount of R270 996 557,8 which has been capitalised to the Immovable Asset Register as it relates to a project that is linked to properties that have vested with Eastern Cape Department of Public Works and Infrastructure.
   Prior period error refers to the Bisho Precinct project that was incorrectly expensed as goods and services instead of being one of the capital projects that are work-in progress.

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

31. Immovable Tangible Capital Assets (continued)

31.3 Immovable assets (additional information)

a) Unsurveyed land

	Estimated completion date	Annexure 9	Area
Specify	5 years		n/a

b) Properties deemed vested

	Annexure 9	Number	Number
Land Parcels		4 626	5 151
Facilities			
Schools		3 003	2 715
Clinics		277	251
Hospitals		67	67
Office buildings		88	90
Dwellings		303	315
Storage facilities		10	11
Other		878	1 702

c) Facilities on unsurveyed land

	Duration of use	Annexure 9	Number	Number
Schools	Life		757	991
Clinics	Life		158	179
Hospitals	Life		3	3
Office buildings	Life		19	19
Dwellings	Life		8	8
Storage facilities	Life		5	5
Other	Life		75	68

d) Facilities on right to use land

	Duration of use	Annexure 9	Number	Number
Schools	Life		620	605
Clinics	Life		183	169
Hospitals	Life		35	35
Office buildings	Life		51	47
Dwellings	Life		201	200
Storage facilities	Life		8	8
Other	Life		227	186

1. Unsurveyed land Area of unsurveyed land cannot be determined as the land has not been surveyed in order to have an area (extent) calculated. The only known variable is the number of properties to be surveyed. The estimated time of completion of the process of surveying is managed by the Office of the Surveyor General (SG). The Province proactively appointed land surveyors to survey provincial state domestic functions (e.g. schools, colleges, etc.). The approval of the diagrams resides with the SG Office. Due to survey challenges (e.g. old order rights) of underlying land in the former homelands, the survey process in areas of underlying quitrents cannot be implemented.
2. Properties from departments of Education and Health are in the process of being verified and have therefore not been included in the table above.
3. Duration of use is perpetual for all Immovable Assets.
4. Estimated Completion Date: The department commenced with the 5 year survey plan in the 2020/21 Financial Year.

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

32. Principal-agent arrangements

32.1 Department acting as the principal

South African Post Office (SAPO)	934	340

The Department uses SAPO as an implementing agent for the facilitation of the payment of EPWP beneficiaries.

The Department entered into this agreement to ensure that service delivery does take place and to circumvent capacity constraints.

There are no resources under the custodian of the agent in the 2021/22 financial year.

32. Principal-agent arrangements (continued)

32.2 Department acting as the agent

32.2.1 Revenue received for agency activities

National Department of Education	-	6

The Department is acting as an agent for the National Department of Basic Education for the ASIDI Schools Projects and the Eastern Cape Department of Education to address the backlog in the eradication of inappropriate school structures and in the provision of basic services to schools that do not have such services.

The Department is also an agent in an agreement with the Eastern Cape Department of Health where the responsibility is to deliver both Capital and Maintenance Infrastructure projects.

Apart for the expertise provided, the Department has entered into these agreements to ensure that service delivery does take place and to circumvent capacity constraints.

The ultimate beneficiaries of the agreements are the SMME's, consultants and communities. The projects, where possible assist with job creation in the local communities.

32.2.2 Reconciliation of funds and disbursements - 2021/2022

Figures in Rand thousand

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
Eastern Cape Department of Education (IDA)	520 143	(495 193)
Eastern Cape Department of Health (Covid-19 projects)	143 547	(121 393)
Eastern Cape Department of Health (Capital projects)	8 443	(12 180)
Total	**672 133**	**(628 766)**

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Figures in Rand thousand	Note(s)	2021/2022	2020/2021

32.2.2 Reconciliation of funds and disbursements - 2021/2022 (continued)

Reconciliation of funds and disbursements - 2020/2021
Figures in Rand thousand

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
Eastern Cape Department of Education (ASIDI)	-	(457)
Eastern Cape Department of Education (IDA)	152 994	(150 154)
Eastern Cape Department of Health (Covid-19 projects)	413 245	(440 088)
Total	**566 239**	**(590 699)**

The balance of receivables/ payables is disclosed as part of the interdepartmental receivables and payables annexures.

32.2.3 Reconciliation of carrying amount of receivables and payables - 2021/2022

Receivables
Figures in Rand thousand

Name of principal entity	Opening balance 01 April 2021	Less: Write-offs/ settlements/ waivers	Closing balance 31 March 2022
Eastern Cape Department of Health (Covid-19 projects	26 843	(23 497)	3 346
Eastern Cape Department of Health (Capital projects	-	3 737	3 737
Total	**26 843**	**(19 760)**	**7 083**

Payables
Figures in Rand thousand

Name of principal entity	Opening balance 01 April 2021	Expenses incurred on behalf of theprincipal	Closing balance 31 March 2022
National Department of Education	(1 403)	-	(1 403)
Eastern Cape Department of Education	(242)	(24 950)	(25 192)
Total	**(1 645)**	**(24 950)**	**(26 595)**

Figures in Rand thousand	Note(s)	2021/2022	2020/2021

32. Principal-agent arrangements (continued)

Reconciliation of carrying amount of receivables and payables - 2020/2021

Receivables

Figures in Rand thousand Name of principal entity	Opening balance 01 April 2020	Less: Write-offs/ settlements/ waivers	Cash received on behalf of principal	Closing balance 31 March 2021
Eastern Cape Department of Education	2 598	(2 598)	-	-
Eastern Cape Department of Health (Covid-19 projects)	-	440 088	413 245	26 843
Total	**2 598**	**437 490**	**413 245**	**26 843**

Payables

Figures in Rand thousand Name of principal entity	Opening balance 01 April 2020	Expenses incurred on behalf of the principal	Closing balance 31 March 2021
National Department of Education (ASIDI)	(1 867)	464	(1 403)
Eastern Cape Department of Education	-	(242)	(242)
Total	**(1 867)**	**222**	**(1 645)**

33. Prior period errors

33.1 Correction of prior period errors

Figures in Rand thousand	Note	2020/2021 Amount bef Error correction	Prior period error	Restated amount
Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)				
Goods and services	4	783 020	(449)	782 571
Expenditure for Capital Assets	7	169 512	449	169 961
Net effect		**952 532**	**-**	**952 532**

Prior period error on Goods and Services and Expenditure on Capital Assets relates to the Bisho Precinct project that was incorrectly expensed as good and services instead of being one of capital projects that are work-in-progress.

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2021/2022	2020/2021

33.1 Correction of prior period errors (continued)

Figures in Rand thousand	Note	2020/2021 Amount before error correction	Prior period error	Restated amount
Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Movable Assets	30	84 419	17	84 436
Immovable tangible assets(Work-in-progress)	32.2	357 405	44 278	401 683
Immovable tangible assets	32.1	8 571 073	(1)	8 571 072
Net effect		**9 012 897**	**44 294**	**9 057 191**

Movable assets: Computer equipment additions captured incorrectly in 2020/21.

Immovable tangible assets (Work-in-progress): Refers to the Bisho Precinct project that was incorrectly expensed as good and services instead of being one of capital projects that are work-in-progress.

Figures in Rand thousand	Note	2020/2021 Amount before error correction	Prior period error	Restated amount
Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Contingent liabilities	16	343 670	(1 645)	342 025

Inter-governmental advances were erroneously disclosed as inter-governmental payables.

Figures in Rand thousand	Note	Amount before error correction	Prior period error	Restated amount
Other: (e.g. Irregular expenditure, fruitless and wasteful expenditure, etc.)				
Irregular expenditure	23	664 842	(21 747)	643 095

Prior period error on Irregular expenditure refers to lease payments that were under assessment in 2020/21 which have been confirmed as irregular in 2021/22 and goods and services for awards that were condoned in 2020/21 but were not deducted inthe total amount of irregular expenditure.

Notes to the Annual Financial Statements

34. Statement of Conditional Grant received

Figures in Rand thousand	Grant allocation		Spent		2020/2021	
Name of grant	Division of Revenue Act/ Provincial Grants	Total Available	Amount received by department	Amount spent by department	Division of Revenue Act	Amount spent by department
EPWP Incentive Grant	**10 272**	**10 272**	**10 272**	**10 272**	**8 644**	**8 644**

The Department certifies that all transfers in terms of this Act were deposited into the primary bank account of the province.

35. 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.

36. COVID-19 Response Expenditure

	2021/2022	2020/2021
Goods and services	5 441	54 414

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5.2.9 Annexures to the Annual Financial Statements

Annexure 1G

Statement of transfers to Households

Figures in Rand thousand	Transfer Allocation			Expenditure		2020/2021
Households	Adjusted Appropriation Act	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation
Transfers						
Employee leave gratuities	15 703	4 412	20 115	20 115	100 %	7 503
Bursaries (Non Employees)	8 885	188	9 073	9 073	100 %	6 606
Claims against the State	-	-	-	-	- %	110
Subtotal	**24 588**	**4 600**	**29 188**	**29 188**		**14 219**

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Annexure 1K

Statement of actual monthly expenditure per grant

Grant Type Figures in Rand thousand	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021
EPWP Incentive Grant	-	1 190	1 174	1 177	534	1 138	1 178

Annexure 1K

Statement of actual monthly expenditure per grant

Grant Type Figures in Rand thousand	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	TOTAL
EPWP Incentive Grant	1 187	1 161	1 115	413	5	10 272

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Annexure 3A

Statement of financial guarantees issued as at 31 March 2022 - Local

Guarantor institution	Guarantee in respect of	Openingbalance 01 April 2021	Guarantees repayments/ cancelled/ reduced/ released during the year	Closing balance 31 March 2022	Revaluations due to inflationrate movements	Accrued guaranteed interest for year ended 31 March 2022
Figures in Rand thousand						
ABSA	Housing	66	66	-	-	-
Total		**66**	**66**	**-**	**-**	**-**

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Annexure 3B

Statement of contingent liabilities as at 31 March 2022

Nature of liabilities	Opening Balance 01 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Closing Balance 31 March 2022
Figures in Rand thousand				
Claims against the department				
Legal fees	313 371	16 707	(55 845)	274 233
Other				
Camping allowance	489	-	-	489
Transfer to Municipalities: Rates & Taxes services	16 600	37 870	-	54 470
Pending investigations-ASIDI payments	5 281	-	-	5 281
Lease rentals	6 218	-	(2 047)	4 171
Subtotal	**28 588**	**37 870**	**(2 047)**	**64 411**
Total	**341 959**	**54 577**	**(57 892)**	**338 644**

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Annexure 4

Claims recoverable

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
Figures in Rand thousand	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
Department						
National Department of Higher Education	-	-	1 174	24	1 174	24
National Department of Public Works & Infrastructure	-	-	45	-	45	-
Eastern Cape Department of Education	-	-	5 789	2 716	5 789	2 716
National Department of Higher Education	-	-	-	474	-	474
Eastern Cape Department of Health (Covid-19 projects	3 346	-	-	28 221	3 346	28 221
Eastern Cape Department of Health (Capital projects)	3 737	-	-	-	3 737	-
Eastern Cape Department of Health (Other)	-	-	1 354	-	1 354	-
Eastern Cape Department of Transport	-	6 783	10	13	10	6 796
Free State - Department of Public Works	-	-	6	-	6	-
Eastern Cape Legislature	-	-	-	111	-	111
South African Police Services	-	-	68	68	68	68
National Infrastructure Development	-	-	57	-	57	-
National Correctional Services	-	-	20	-	20	-
Subtotal	**7 083**	**6 783**	**8 523**	**31 627**	**15 606**	**38 410**
Other Government Entities						
Eastern Cape Rural Development Agency	51	-	-	51	51	51
Total	**7 134**	**6 783**	**8 523**	**31 678**	**15 657**	**38 461**

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Annexure 6

Inventories

Inventories for the year ended 31 March 2022

Figures in Rand thousand	Materials and Supplies	Total
Opening balance	383	383
Add: Additions/Purchases - Cash	5 208	5 208
(Less): Issues	(5 208)	(5 208)
Closing balance	**383**	**383**

Inventories for the year ended 31 March 2021

Figures in Rand thousand	Materials and Supplies	Total
Opening balance	382	382
Add: Additions/Purchases - Cash	2 637	2 637
(Less): Issues	(2 636)	(2 636)
Closing balance	**383**	**383**

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Annexure 7

Movement in capital work-in-progress

Movement in capital-work-in progress for the year ended 31 March 2022

Figures in Rand thousand	Opening balance	Prior period errors	Current year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
Buildings and other fixed structures					
Non-residential buildings	401 683	-	170 670	(372 691)	199 662

Movement in capital work-in-progress for the year ended 31 March 2021

Figures in Rand thousand	Opening balance	Prior period errors	Current year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
Buildings and other fixed structures					
Non-residential buildings	522 819	43 829	120 247	(285 212)	401 683

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Annexures to the Annual Financial Statements

Annexure 8B

Entity	Unconfirmed balance outstanding		Total	
Figures in Rand thousand	2021/2022	2020/2021	2021/2022	2020/2021
National Department of Education (ASIDI)	1 403	1 403	1 403	1 403
Eastern Cape Department of Education (IDA)	25 193	242	25 193	242
Total	**26 596**	**1 645**	**26 596**	**1 645**
Current	**26 596**	**1 645**	**26 596**	**1 645**

Annexures to the Annual Financial Statements

Annexure 9

Additional information on immovable assets
The immovable assets of the Department and its User Departments are recorded in the provincial immovable asset register and management system – Logica. The immovable assets are classified to distinguish between various levels of registration. Properties registered in the name of the Province; properties confirmed vested in terms of Item 28(1) or Section 239 of the Constitution and former state-aided Model C Schools constitute Legal Title as per National Treasury guidelines and is therefore recorded in the financial statements of the Department.

Excluded from this disclosure are provincial deemed-owned immovable fixed assets that fall outside the definition of Legal Title as per the Sector Guide on Accounting of Immovable Assets. These assets include provincial properties not yet confirmed vested in terms of Item 28(1) to Schedule 6 of the Constitution and registered in the name of the Province of the Eastern Cape. As the GIAMA processes unfold these assets will eventually be "uplifted" into the definition of Legal Title and be included in the audited asset register for financial disclosure purposes.

FIXED ASSET RECORDING TYPE	NUMBER
AUDIT ASSETS (legal title)	5 442
UNAUDITED ASSETS (deemed provincial assets)	6 976
	12 418

The number of immovable assets controlled by the Department of Public Works and Infrastructure in terms of Act 7 of 2000 and subsequently recorded in Logica as unaudited on the 31 March 2022 was **6976** (inclusive of State Domestic Functions on municipal land, national land and land of parastatal institutions).

The surveying of provincial state-domestic functions (SDFs) on unsurveyed communal land in the former Transkei and Ciskei remains a challenge. The department has identified **1 025** SDFs still to besurveyed in order to obtain Legal Title.

A total of **3 441** properties were recorded as unregistered state land (no Title Deed issued) in the assetregister. The recorded figures r exclude township establishment related assets under the custodianship of theDepartment of Human Settlements (e.g. RDP-houses and public open spaces in townships).

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LAND USE FUNCTION / FACILITY	NUMBER OF FIXED ASSETS
Agricultural Land (grazing, cultivation and irrigation fields)	24
Agricultural Research Stations and Experimental Farms	29
Care Centers and Old Age Homes	11
Cemeteries	23
Churches	1
Clinics	618
Colleges	8
Crèches	16
Education related facilities (schools sport grounds, school hostels, etc.)	62
Forestry (incl. plantations)	-
Halls (incl. community halls)	5
Health related facilities (hostels for health staff, mortuaries, etc.)	1
Hospitals	105
Libraries	62
Museums	15
Nature reserves and protected areas (incl. botanical gardens)	139
Office Buildings	158
Parking Facilities	5
Recreation (incl. opera house, caravan park, golf course, swimming pool, public open space and theatre)	24
Road Camps	56
Road Reserves	67
Residential (formal dwellings)	487
Residential (informal settlements) 9	
Residential (traditional rural villages)	16
Retail (formal and informal business premises)	14
Schools (school buildings only)	4 380
Storage Facilities (incl. depots, warehouses, stores, sheds, silos, etc.)	40
Vacant Buildings / Facilities	11
Vacant Land	497
Miscellaneous (land uses not covered above)	93
	6 976

The Department only has one user agreement in the form of a caretaker agreement with National Public Works for **28** houses in King William's Town. No other written agreements are in place with our Department. In the past User Departments obtained reservation certificates or permission to occupy certificates for schools and clinics where such SDFs are located on communal land. These reservation certificates are now being replaced by formal survey diagrams and eventually state titles.

In addition to the above the Department identified **1 325** provincial State Domestic Functions (SDFs) located on other public land, i.e. municipal land. The location of schools and clinics and other SDFs on municipal land is a result of historic transfers due to apartheid town planning (i.e. Proclamation R293/1962 townships) and the legacy of the homeland border industrial towns and labour practices.

These assets on municipal land are managed by non-official agreements of use and will eventually betransferred back to the Province after proper township establishment and/or land administration processes are completed.

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Annexure 11

COVID-19 Response Expenditure Per quarter and in total

Per quarter and in total								
Figures in Rand thousand				2021/2022				
Expenditure per economic classification	April	May	Jun	Subtotal Q1	Jul	Aug	Sep	Subtotal Q2
Goods and services								
Consumable supplies	-	55	-	55	-	-	-	-
Catering	-	-	-	-	-	-	-	-
Property payments	241	26	1	268	39	58	44	141
Travel & subsistence	571	535	887	1 993	1 057	219	45	1 321
	812	**616**	**888**	**2 316**	**1 096**	**277**	**89**	**1 462**

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Annexure 11

COVID-19 Response Expenditure
Perquarter and in total
Per quarter and in total

Figures in Rand thousand	2021/2022								2021/2022	2020/2021
Expenditure per economic classification	Oct	Nov	Dec	Subtotal Q3	Jan	Feb	Mar	Subtotal Q4	Total	Total
Consumable supplies	-	-	49	49	-	-	-	-	104	920
Catering	-	-	-	-	-	-	-	-	-	241
Property payments	-	27	-	27	32	-	-	32	468	6 673
Travel & subsistence	123	975	2	1 100	414	41	-	455	4 869	46 580
	123	**1 002**	**51**	**1 176**	**446**	**41**	**-**	**487**	**5 441**	**54 414**