

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

PROVINCE OF FREE STATE

VOTE NO. 09

ANNUAL REPORT 2022/2023 FINANCIAL YEAR

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PART A

GENERAL INFORMATION

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1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ABBREVIATION	DEFINITION
AGSA	Auditor-General of South Africa
AR	Annual Report
AO	Accounting Officer
AFS	Annual Financial Statements
AOPO	Audit of Predetermined Objectives
APP	Annual Performance Plan
BAS	Basic Accounting System
B-BBEE	Broad Based Black Economic Empowerment
BPCMEP	Batho Pele Change Management Engagement Programme
C-AMP	Custodian Immovable Asset Management Plans
CCTV	Closed-circuit television
CDP	Contractor Development Programme
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CIPC	Companies and Intellectual Property Commission
CLO	Community Liaison Officers
COE	Compensation of Employees
COGTA	Cooperative Governance and Traditional Affairs
COVID-19	Coronavirus disease of 2019
CPI	Consumer Price Index
CUT	Central University of Technology
CWP	Community Work Programme
DCSRT	Department of Community Safety, Roads and Transport
DDG	Deputy Director General
DESTE	Department of Economic, Small Business Development, Tourism and Development Affairs
DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
EPWP	Expanded Public Works Programme
EXCO	Executive Council
4IR	Fourth Industrial Revolution
FOHOD	Forum for Heads of Department
FSPG	Free State Provincial Government
FSTDI	Free State Training Development Institute
FTE	Full Time Equivalents
GDP	Gross Domestic Product
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
HRM	Human Resources Management
IAF	Internal Audit Function
IAR	Immovable Asset Register
ICT	Information and Communication Technology
IDMS	Infrastructure Delivery Management System
IESBA	International Ethics Standards Board for Accountants
IoT	Internet of Things
IPPF	International Professional Practices Framework
ISA	International Standards of Audit
KCM	Key Control Matrix
MCS	Modified Cash Standards
MEC	Member Of Executive Council
MoV	Means of verification
MPSA	Minister for the Public Service and Administration
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCC	Non-Cash Charge
NDP	National Development Plan
NOSA	National Occupational Safety Association
NSG	National School of government
NYS	National Youth Service
OHS	Occupational Health and Safety
OSD	Occupation Specific Dispensation

ABBREVIATION	DEFINITION
PAA	Public Audit Act
PAG	Provincial Accountant General
PMU	Project Management Unit
PMTEC	Provincial Medium-Term Expenditure Committee
POPIA	Protection of Personal Information Act
PPP	Public Private Partnerships
PROPAC	Portfolio Committee on Public Accounts
PSIRA	Private Security Industry Regulatory Authority
PW&I	Public Works and Infrastructure
REMC	Risk and Ethics Management Committee
SAICA	South African Institute of Chartered Accountants
SAMTRAC	Safety Management Training Course
SAPS	South African Police Services
SAQA	South African Qualifications Authority
SDIP	Service Delivery Improvement Plan
SCM	Supply Chain Management
SITA	State Information Technology Agency
SHERQ	Safety, Health, Environment, Risk and Quality
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
TRP	Township Revitalisation Programme
VHCT	Virtual Health Care Team

3. FOREWORD BY THE MEMBER OF EXECUTIVE COUNCIL



Government through initiatives such as Expanded Public Works Programme (EPWP) seeks to provide job security to the less fortunate. In line with the Departmental mandate, we continue to play a role in economic development and job creation in the Free State Province thereby addressing the triple challenges of poverty, unemployment and inequality.

The Department, as part of its mandate is responsible for provincial government infrastructure delivery, provision of office accommodation and co-ordination of the Expanded Public Works Programme (EPWP) in the Free State province.

Policy priorities that guided this Department amongst others include the challenge of young people who deserve better educational and economic opportunities as well as focused efforts to eliminate gender inequality. Integrated themes which includes amongst others promoting gender equality and greater opportunities for young people run throughout the Departmental Annual Performance Plan.

The Department has over the past years successfully achieved its Expanded Public Works Programme (EPWP) targets through implementation of various initiatives which are carefully planned and implemented through normal budgeting processes. The Department is also responsible for providing leadership and coordinating the programme in the Province. For the 2022/2023 financial year, 55 218 work opportunities were created by 32 Public Bodies who are also in control of their respective project/initiative budgets.

In July 2022 the Department hosted an EPWP Provincial Summit where all political heads of institutions as well as executive management were participating. The objective of the summit was to obtain a buy-in from the Public Bodies implementing EPWP within the Province and to raise awareness to Public Bodies about commitment of EPWP Protocol Agreements which seeks to communicate EPWP 5 year targets.

Against the planned target of 2 600 work opportunities, the Department achieved 2 616 work opportunities. The vulnerable groups benefitted as follows; Women 1 570 (60%); Youth 1 016 (39%) and People living with Disability; 45 (2%).

The Department also ensured that the target on training opportunities for National Youth Service Programme of 500 is exceeded by achieving 680 training opportunities. This is to ensure that participants in EPWP are empowered with skills development initiatives to improve their employability beyond EPWP participation.

The Department currently has 4 890 properties recorded in the Immovable Asset Register. During the 2022/2023 financial year three new properties were added to the Immovable Asset Register and six were transferred to the National Department of Public Works and Infrastructure through Section 42 of the PFMA. The current value of the Immovable Asset Register is R12 billion as at the end of 2022/2023 financial year.

The NDP guides government institutions to strengthen youth service programmes and introduce new, community-based programmes to offer young people life-skills training, entrepreneurship training and opportunities to participate in community development programmes as a way of addressing the high unemployment rate by enhancing the skills base of our youth. As a measure of achieving national target during 2022/2023 financial year, the Department achieved representation of People living with Disabilities at all salary levels up to SMS level.

Revenue of R75.307 million was collected against the adjusted budget of R46.936 million which translate to an over collection of 60.45% for the year under review. The over achievement was as a result of the implementation of a vigorous revenue enhancement strategy.

The Department finalised four fully functional and operational inventory stores in the province.

An insufficient maintenance budget makes it difficult for the department to make an impact on infrastructure development and maintenance. Furthermore, project completion is sometimes threatened by community unrests even after the Department had community engagements prior commencement of the projects implementation.

Poorly maintained, un-serviced government buildings are mainly as a result of inadequate funding for maintenance. This is precipitated by the current status where client departments have encroached on the mandate of the Department of Public Works and Infrastructure. The Department continues with condition assessments to determine the state of government buildings in the Province. By law, these condition assessments for all buildings recorded on the Immovable Asset Register, must be done every five years to determine the state of government's property portfolio. From these condition assessments reports, buildings that will yield more benefits for government use will be prioritised for maintenance.

Coupled with the above, Custodian Immovable Asset Management Plan (C-AMP) is compiled, approved and submitted to the Provincial Treasury for budget purposes. Unfortunately, no funding has been received to implement the plan which contributes to the backlog in maintaining government-owned buildings in the Province.

Whilst procurement of an Asset Management system is still pending the Departmental Immovable Asset Register is still captured manually on an Excel Spread Sheet.

The tedious and cumbersome Government process of property disposal has resulted in the Department not reaching its disposal target.

In contributing to the financial viability of suppliers and service providers as well as contributing to the Free State economy, measures are in place to ensure 100% achievement of the 30-day payment principle.

The following identified challenges were recorded on the Departmental Strategic Risk Register:

- Service disconnections due to non-payment of municipal services.
- Deterioration of properties due to lack of day-to-day maintenance.
- Failure to complete projects within agreed time and budget.
- EPWP Project disruptions by disgruntled members of the community
- Poor reporting by public bodies
- Short fall in security projects funding for the uniform and the private security.

One of the challenges that the Department experienced was the slow disposal processes, mainly due to factors influenced by external stakeholders.

The Department is unable to process all outstanding municipal accounts due to the inadequacy of the budget. Though payments are effected, the allocation is not sufficient to pay all municipal accounts and the shortfall has been continuously reported at different fora. However, the Department will continue to request additional budget during the budget adjustment period.

The Department recorded a shortfall for the 2022/2023 financial year of R67.300 million for lease payments, R807.573 million for municipal services as well as R244.045 million for property rates. The shortfall is based on insufficient budget allocation for municipal services and property rates, payables of R1.016 billion and accruals of R21.733 million from the 2021/2022 financial year. Despite these challenges, the Department continues to subscribe to good governance principles.

The strategic focus is on the medium to long term period and will be enhancing revenue by continuing with the disposal of superfluous assets and refurbishing the state-owned facilities to reduce expenses on leases. In addition, electronic security systems will be provided at government strategic points.

With that being said, allow me to extend my sincere appreciation and gratitude to all staff members, and stakeholders for their time, sacrifices, hard work and dedication during these testing times in assisting the Department towards realizing its long - term vision of improving the quality livelihood of all citizens in the Free State Province.



Hon. D.K. Mance
Member of Executive Council (MEC)
Department of Public Works and Infrastructure
Date: 31 July 2023

4. REPORT OF THE ACCOUNTING OFFICER



Section 195 of the Constitution requires a high standard of professional ethics in the Public Sector. It stipulates that Public Administration must be governed by the democratic values, principles and standards for professional ethics enshrined in the Constitution. Ethical conduct and Departmental integrity are key in eradicating fraud and corruption within the Public Service. Bearing the aforementioned in mind coupled with the norms and standards outlined in the PSA, PFMA, King IV report and other accounting standards that promote good corporate governance the Department is compliant. It has demonstrated this by virtue of a fully functional Audit Committee, Risk and Ethics Committee as well as a Combined Assurance Committee.

Overview of the operations of the Department:

During the year under review, the Department filled the critical posts of Deputy Director General: Works, EPWP and Property Management as well as the post of Chief Director: Property Management. The professional portfolio was strengthened with a registered professional in Civil/ Structural Engineering, a registered professional Mechanical Engineer and a Professional Construction Manager. Coupled with the aforementioned Artisans Foreman were appointed in the fields of Welding, Carpentry, Electricity, Plumbing as well as Painting and Decorating. One post of Control Works Inspector and one post of Chief Works Inspector were also filled. These positions have strengthened supervisory capacity within the maintenance portfolio of the department. To strengthen the segregation of duty and to complement good corporate governance, critical posts on supervisory and middle management were filled within finance and the directorate internal audit.

In addition, entry level posts of cleaners were filled to contribute to the health and hygiene of staff and customers within the property portfolio of the Department. Posts are filled within the constraints of the financial challenges related to compensation budget bearing in mind the overall wage bill of the public service.

The Department introduced the water demand management system where check meters were installed and leaks were repaired in Free State Psychiatric Hospital as a pilot site. The programme was rolled out to Botshabelo Hospital; National Hospital; Universitas Hospital; Pelonomi Hospital and Dr JS Moroka Hospital in the 2021/2022 financial year. We are pleased to report that the water savings of over R43.811 million was realized from April 2022 to February 2023.

The Department of Public Works & Infrastructure provides leased office accommodation to all Client Departments in the Free State Province. A total amount of R310.45 million was paid towards lease contracts for office accommodation. 63.8% of the lease portfolio is held by previously disadvantaged entities/individuals.

Successes

The Department achieved a revenue of R75.307 million against the adjusted budget of R46.936 million and that resulted in an overachievement of the revenue target by 60.45%.

The Department had systematically developed professional and technical skills capacity base to the extent that it has culminated placing the Department in a position where it is able to do in-house infrastructure and building designs. In this respect the following in-house designs were successfully done:

- Dinaane Clinic in Thaba-Nchu,
- Gariepdam Clinic,
- Vaalrock Clinic in Brandfort,
- Bophelong Clinic in Kroonstad.

The above-mentioned process has saved the Department an estimated R16 million in professional fees on each project, thus a total of R64 million saving was accordingly realized. These funds that can now be allocated elsewhere to enhance service delivery. Above serves as an attestation that the internal skills development initiatives are bearing and yielding positive fruits.

Security Services successfully procured the uniform for all physical security officials, thus ensuring uniformity and can now be easily and professionally identifiable. We have also ensured that we implement and install a fully functional electronic security (CCTV and access control) in the two main Government Buildings i.e. Fidel Castro and OR Tambo.

Significant events and projects

In our endeavour to achieve green economy targets through the implementation of green building technology, the Department implemented a water saving programme and to date about 3.1 billion litres of water have been saved at 6 hospitals.

Challenges

The Department could not implement the 14 TRPs as planned due to the decision that was taken by the Executive Council to transfer all TRPs to the FS Department Community Safety, Roads and Transport (FS DCSRT), and while in the process of organizing the transfer, a decision was taken to implement these projects at FSDPWI for the 2022/2023 financial year. These projects will be implemented by the FS DCSRT from the 2023/2024 financial year.

The Department is contractually bound to pay escalation in rental contracts and increases on municipal services by municipalities. However, with the high increases in electricity and rental amounts, the Department cannot afford the full basket of services and will therefore not be able to meet its future financial and contracted obligations.

The increase implemented by municipalities on municipal services, especially electricity, is also much higher than the growth of the Department's budget and this had a snowball effect over the last 10 years.

Overview of the financial results of the Department:

Departmental receipts

Departmental receipts	2022/2023			2021/2022		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
– Casino taxes						
– Horse racing taxes						
– Liquor licences						
– Motor vehicle licences						
Sale of goods and services other than capital assets	41 636	38 810	2 826	42 263	38 726	3 537
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	118	154	(36)	38	43	(5)
Sale of capital assets	4 284	35 282	(30 998)	9 695	812	8 883
Financial transactions in assets and liabilities	898	1 061	(163)	120	258	(138)
Total	46 936	75 307	(28 371)	52 116	39 839	12 277

The Department has achieved and surpassed the adjusted revenue target by 60.45%. The total revenue target achieved for the 2022/2023 financial year is R75.307 million. The achievement was due to the payment made towards the land exchange agreement between the Central University of Technology (CUT) and the Free State Provincial Government (FSPG) for the replacement of facilities within the Psychiatric Complex.

The tariffs for revenue received from nominal rentals, parking space allocated and cell towers are reviewed and approved annually by Provincial Treasury.

Free services rendered by the Department:

Free State Department of Agriculture and Rural Development				
Accommodation Currently Occupied by User :State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Fezile Dabi	Heilbron	80 Steyn Street	Office
2	Fezile Dabi	Kroonstad	4 Station Street	Office
3	Fezile Dabi	Kroonstad	End of Brand Street	Offices and Vet Laboratory
4	Mangaung	Glen: Admin Building	Toggekregen Road Glen	Head Office
5	Mangaung	Glen: Boiler Room Building	Toggekregen Road Glen	Head Office
6	Mangaung	Glen: Chemistry Building	Toggekregen Road Glen	Head Office
7	Mangaung	Glen: H-block Building	Toggekregen Road Glen	Head Office
8	Mangaung	Glen: House no 1 (College)	Toggekregen Road Glen	Head Office
9	Mangaung	Glen: House no 2 (Farmer Settlement)	Toggekregen Road Glen	Head Office
10	Mangaung	Glen: House no 4 (Economics)	Toggekregen Road Glen	Head Office
11	Mangaung	Glen: House no 5 (Economics)	Toggekregen Road Glen	Head Office
12	Mangaung	Glen: House no 6 (Economics)	Toggekregen Road Glen	Head Office
13	Mangaung	Glen: ICT Building	Toggekregen Road Glen	Head Office
14	Mangaung	Glen: IPJ Complex	Toggekregen Road Glen	Head Office
15	Mangaung	Glen: Main Building	Toggekregen Road Glen	Head Office
16	Mangaung	Glen: Rural Development Building	Toggekregen Road Glen	Head Office
17	Mangaung	Glen: Stone Building (Engineering)	Toggekregen Road Glen	Head Office
18	Mangaung	Glen: Stone Building (Land Care)	Toggekregen Road Glen	Head Office
19	Mangaung	Glen: Verbeek Building	Toggekregen Road Glen	Head Office
20	Mangaung	Glen; House no 3 (Disaster Management)	Toggekregen Road Glen	Head Office
21	Lejweleputswa	Boshoff	Church Street	Offices
22	Lejweleputswa	Bultfontein	3 Diamant Street	Offices
23	Lejweleputswa	Hoopstad	7 Hoof Street	Offices
24	Lejweleputswa	Odendaalsrus	26 Kalkkuil Avenue & Maree Street	Offices
25	Lejweleputswa	Ventersburg	6 Dalia Street	Offices
26	Lejweleputswa	Welkom	c/o Long Road & Mullen Streets	District Office
27	Lejweleputswa	Brandfort	37 Duke Street	Offices
28	Mangaung	Bloemfontein	36 A Dan Pienaar Drive	Offices and Vet Laboratory
29	Mangaung	Thaba Nchu	40 Van Riebeck Street	Offices
30	Mangaung	Thaba Nchu	23 Nuweleidsig Street	Offices and Veterinary Clinic
31	Mangaung	Bloemfontein	36A Dan Pienaar Drive	Animal Health Building
32	Mangaung	Tweespruit	Old Traffic Department	Offices
33	Thabo Mofutsanyana	Bethlehem	36 Louw Street	Offices
34	Thabo Mofutsanyana	Ficksburg	57 Fontein Street	Offices
35	Thabo Mofutsanyana	Makeneng	Makeneng Village	Offices
36	Thabo Mofutsanyana	Makoane	Makoane Village	Offices
37	Thabo Mofutsanyana	Mangaung	Mangaung Village	Offices
38	Thabo Mofutsanyana	Memel	12 Voortrekker Street	Offices
39	Thabo Mofutsanyana	Monontsha	Monontsha Village	Offices
40	Thabo Mofutsanyana	Thaba Bosiu	Thaba Bosiu Village	Offices
41	Thabo Mofutsanyana	Tseseng	Tseseng Village	Offices
42	Thabo Mofutsanyana	Vrede	54 Botha street	Offices
43	Thabo Mofutsanyana	Clocolan	3de Laan Oos 36	Offices
44	Thabo Mofutsanyana	Kestell	No 27 Botha Street	Offices

Free State Department of Agriculture and Rural Development				
Accommodation Currently Occupied by User :State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
45	Thabo Mofutsanyana	QwaQwa Training Centre	Phuthaditjhaba	Offices
46	Thabo Mofutsanyana	Harrismith	Old Traffic Department, Lindley Street	Offices
47	Mangaung	Dewetsdorp	No 2 Brand Street	Offices
48	Xhariep	Fauresmith	Veld Reserve	Offices
49	Xhariep	Petrusburg	27 President Street	Offices
50	Xhariep	Smithfield	5 Roux Street	Offices
51	Xhariep	Gariepdam	Gariep Dam Fish Hatchery	Offices
52	Xhariep	Gariepdam	35 Tink Tinkie Street	Offices
53	Fezile Dabi	Koppies	40 Fifth Street	Offices
54	Thabo Mofutsanyana	QwaQwa	QwaQwa Regional office, Mampoi Street	Offices

Free State Department of Agriculture and Rural Development				
Accommodation Currently Occupied by User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Thabo Mofutsanyana	Fouriesburg	48 Robertson Street	Offices
2	Fezile Dabi	Parys	71 A loop Street	Offices
3	Thabo Mofutsanyana	Senekal	7 Noorder Street	Offices
4	Lejweleputswa	Theunissen	27 Le Roux Street	Offices
5	Thabo Mofutsanyana	Warden	18 Park Street	Offices
6	Fezile Dabi	Sasolburg	Chris Building 18 NJ V/D Merwe Street	Offices
7	Xhariep	Trompsburg	35 Molen Street 9913	Offices
8	Mangaung	Thaba Nchu	10 Reitz Street (Bokamoso House)	Offices
9	Mangaung	Bloemfontein	Old Sanlam Building 71 Maitland Street	Offices

Free State Department of Cooperative Governance and Traditional Affairs				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	OR Tambo Building c/o Markgraaff & St. Andrews Streets	Cooperative Governance and Traditional Affairs & Human Settlements Offices
2	Mangaung	Bloemfontein	MANCOFS 121 Dr Belcher Street	Provincial Disaster Management Centre
3	Lejweleputswa	Welkom	Kopano Complex, Long Road, Bedelia	Lejweleputswa District Offices
4	Fezile Dabi	Kroonstad	5 Station Street	Fezile Dabi District Offices
5	Thabo Mofutsanyana	QwaQwa	Qwaqwa Regional office, Mampoi Street	Offices

Free State Department of Cooperative Governance and Traditional Affairs				
Accommodation Currently Occupied by User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	LM Building 7 Elizabeth Street	Local Government Branch / COGTA & Districts Offices
2	Mangaung	Bloemfontein	Old Sanlam Building 71 Maitland Street	Free State House of Traditional Leaders & HS Offices

Free State Department of Human Settlements				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	c/o St Andrew & Markgraaf Streets	OR Tambo House
2	Thabo Mofutsanyana	QwaQwa	QwaQwa Regional office, Mampoi Street	Offices
3	Lejweleputswa	Welkom	Tempest Street, Welkom	Kopano Complex

Free State Department of Human Settlements				
Accommodation Currently Occupied by User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Fezile Dabi	Sasolburg	Mora House Erf No. 15 Sasolburg CBD	Fezile Dabi District Offices

Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs				
Accommodation Currently Occupied by User :State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Xhariep	Fauresmith	Kalkfontein	Kalkfontein Nature Reserve
2	Xhariep	Gariepdam	Gariepdam	Gariep Fish Hatchery
3	Xhariep	Gariepdam	Gariepdam	Gariep Nature Reserve
4	Xhariep	Bethulie	Tussen Die Riviere	Tussen Die Riviere Nature Reserve
5	Mangaung	Wepener	Caledon Nature Reserve	Caledon Nature Reserve
6	Lejweleputswa	Hoopstad	Sandveld Nature Reserve	Sandveld Nature Reserve
7	Lejweleputswa	Theunissen	Erfnisdam Nature Reserve	Erfnisdam Nature Reserve
8	Lejweleputswa	Ventersburg	Willem Pretorius Nature Reserve	Willem Pretorius Nature Reserve
9	Fezile Dabi	Koppies	Koppiesdam	Koppiesdam Nature Reserve
10	Thabo Mofutsanyana	Memel	Seekoeivlei	Seekoeivlei Nature Reserve
11	Thabo Mofutsanyana	Harrismith	Sterkfontein	Sterkfontein Nature Reserve
12	Thabo Mofutsanyana	Phuthaditjhaba	Fika Patso	Fika Patso Resort
13	Xhariep	Phillipolis	P.K. Le Roux Dam	P.K. Le Roux Dam Nature Reserve
14	Mangaung	Botshabelo	Rustfontein	Rustfontein Nature Reserve
15	Mangaung	Bloemfontein	Bathurst	Bathurst Nature Reserve
16	Mangaung	Bloemfontein	Mockes Dam	Philip Sanders Resort
17	Mangaung	Bloemfontein	Lessing Avenue, Estoire	Karee Nursery
18	Mangaung	Bloemfontein	Bultfontein Rd	Soetdoring Nature Reserve
19	Mangaung	Thaba Nchu	Groothoek Dam Rd	Maria Moroka Nature Reserve

Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs				
Accommodation Currently Occupied by User :Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	St. Andrew Street	Offices
2	Mangaung	Thaba Nchu	208 Ratlou Complex J.S Moroka Street	Offices
3	Fezile Dabi	Parys	Schulbach Street	Offices

Free State Department of Education				
Accommodation Currently Occupied by User :State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	Fidel Castro Building, Elizabeth Street	Offices (Head Office)
2	Mangaung	Bloemfontein	DF Malherbe Road	Offices (Head Office)
3	Fezile Dabi	Sasolburg	Sasolburg	Offices (District)
4	Fezile Dabi	Sasolburg	Sasolburg	Offices (District)
5	Thabo Mofutsanyana	Phuthaditjhaba	Phuthaditjhaba	Offices (District)
6	Thabo Mofutsanyana	Phuthaditjhaba	Phuthaditjhaba	Offices (District)
7	Thabo Mofutsanyana	Bethlehem	Bethlehem	Public Works Regional Offices (District)
8	Mangaung	Bloemfontein	Old Eureka Hostel Lombard Street	New printing and packaging facility
9	Thabo Mofutsanyana	Ladybrand	Ladybrand	Satellite
10	Mangaung	Bloemfontein	Aliwal Street, Bloemfontein	Child Guidance
11	Fezile Dabi	Kroonstad	Senekal Street, Kroonstad	Child Guidance
12	Fezile Dabi	Sasolburg	Totius Street, Sasolburg	Child Guidance
13	Thabo Mofutsanyana	Bethlehem	High Street	Child Guidance
14	Lejweleputswa	Welkom	Heidelaan, Welkom	Child Guidance
15	Thabo Mofutsanyana	Phuthaditjhaba	Phuthaditjhaba	Educational Resource Center
16	Fezile Dabi	Kroonstad	Kroonstad	Educational Resource Center
17	Mangaung	Thaba Nchu	Thaba Nchu	Educational Resource Center

Free State Department of Education				
Accommodation Currently Occupied by User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	c/o Markgraaf and St Andrew Street (Thuto House)	Offices
2	Mangaung	Bloemfontein	62 Maitland Street, Central Business Area, Bloemfontein(Syfrets Building)	Offices
3	Mangaung	Bloemfontein	65 Maitland Street, Bloemfontein(Saambou Building)	Offices
4	Mangaung	Bloemfontein	Fort Drury 110 Selbourne Avenue, Bloemfontein	Offices
5	Thabo Mofutsanyana	Reitz	Pres.C.R.Swart Street, Reitz	Offices
6	Mangaung	Thaba Nchu	FDC Building, Seloshesha	Offices

Free State Department of Education				
Accommodation Currently Occupied by User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
7	Lejweleputswa	Welkom	Absa Building c/o Reinet and Tulbagh Street, Welkom	Offices
8	Lejweleputswa	Welkom	Woolworths Building Mooi Street, Welkom	Offices
9	Mangaung	Bloemfontein	Sinodale Building 157 St Andrew Street, Bloemfontein	Offices
10	Mangaung	Bloemfontein	N8 Gateway office Park	Offices

Free State Department of Health				
Accommodation Currently Occupied by User :State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	Kolbe Street, Willows	Office component of training facility
2	Mangaung	Bloemfontein	7th Roth Avenue, Willows	Hospital
3	Mangaung	Thaba Nchu	J.S. Moroka Hospital	District Hospital, Offices
4	Mangaung	Thaba Nchu	No 2 Station Road	Office building
5	Fezile Dabi	Kroonstad	Hospital Road	Old Hospital converted to: Offices, Accommodation, Vehicle Workshop, Parking GG vehicles, EMS station
6	Lejweleputswa	Welkom	Kopano Grounds, Long road	Office Building
7	Thabo Mofutsanyana	Bethlehem	No 2 Station Road	Office Complex
8	Thabo Mofutsanyana	Phuthaditjhaba	Mampoi Street	Office Complex
9	Mangaung	Bloemfontein	Rhodes Ave, Oranjesig	District offices, Free State Psychiatric complex
10	Xhariep	Koffiefontein	100 Jacobsdal Road	Offices
11	Xhariep	Springfontein	Site 480	Offices
12	Xhariep	Trompsburg	Access road from N1	Office building
13	Xhariep	Zastron	1 Reichenberg Street	District Hospital, Offices

Free State Department of Health				
Accommodation Currently Occupied By User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Thabo Mofutsanyana	Bethlehem	Nic Alberts Building	Office
2	Fezile Dabi	Sasolburg	UBS ABSA Building	Office
3	Xhariep	Springfontein	Site 480	Office
4	Thabo Mofutsanyana	Senekal	Noorder Street Senekal	Office
5	Mangaung	Bloemfontein	Hanger street, Bophelo House	Office

Free State Department of Community Safety, Roads And Transport				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Thabo Mofutsanyana	Bethlehem	Kestel Road	Civil T/Mofutsanyana
2	Thabo Mofutsanyana	Bethlehem	Kestel Road	Civil Beth Dihlabeng
3	Thabo Mofutsanyana	Bethlehem	Kestel Road	Revenue T/Mofutsanyana
4	Thabo Mofutsanyana	Kestell	Kestel Road	Traffic T/Mofutsanyana
5	Thabo Mofutsanyana	Ficksburg	Van Jaarsveld	Testing Station
6	Thabo Mofutsanyana	Harrismith	Lindley Street	Office
7	Thabo Mofutsanyana	QwaQwa	Industrial area	QwaQwa M/Phofung

Free State Department of Community Safety, Roads And Transport				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
8	Thabo Mofutsanyana	QwaQwa	Industrial area	Testing Station
9	Thabo Mofutsanyana	QwaQwa	Industrial area	T/Mofutsanyana Warehouse
10	Xhariep	Bethulie	Industrial area	Xhariep District Centre Revenue
11	Mangaung	Bloemfontein	26 Hartley Street	Roads Infrastructure
12	Mangaung	Bloemfontein	28 Hartley Street	Roads Infrastructure
13	Mangaung	Bloemfontein	5 Hartley Street	Xhariep/Motheo Warehouse
14	Lejweleputswa	Boshoff	Fontein Street	Roads Office
15	Lejweleputswa	Boshoff	5 Fontein Street	Registration Administration office
16	Lejweleputswa	Bothaville	Greyling Street	Roads Office
17	Lejweleputswa	Bothaville	Skoupad	Registration Administration office
18	Lejweleputswa	Bothaville	Road exiting Bothaville	Weighbridge
19	Lejweleputswa	Brandfort	1 Wes Street	Registration Administration office
20	Mangaung	Botshabelo	Industrial Area	Motheo District Centre (DC) Revenue
21	Lejweleputswa	Bultfontein	Industrial Area	Roads Camp
22	Lejweleputswa	Bultfontein	Joubert Street	Registration office
23	Thabo Mofutsanyana	Clocolan	Maluti Street	Traffic Office
24	Lejweleputswa	Dealesville	Market Street	Registration Administration office
25	Mangaung	Dewetsdorp	Stasieweg	Roads Infrastructure
26	Mangaung	Dewetsdorp	Station Street	Motheo DC Revenue
27	Xhariep	Edenburg	Reitz Steyn Street	Xhariep DC Revenue
28	Fezile Dabi	Edenville	R/A Police Station Grounds	Registration and Traffic Offices
29	Thabo Mofutsanyana	Excelsior	Fourie Street	Motheo DC Revenue
30	Xhariep	Fauriesmith	1 Piet Retief Street	Roads Infrastructure
31	Xhariep	Fauriesmith	60 Voortrekker Street	Xhariep DC Revenue
32	Fezile Dabi	Frankfort	22 Viljoenstreet	Road Office
33	Fezile Dabi	Frankfort	22 Viljoenstreet	Registration and Traffic Offices
34	Fezile Dabi	Heilbron	80 Steilstreet	Road Office
35	Fezile Dabi	Heilbron	80 Steyn Street	Registration and Traffic Offices
36	Lejweleputswa	Hennenman	Voortrekker Street	Welkom Roads Camp
37	Lejweleputswa	Hennenman	12 Hertzog Street	Registration office
38	Lejweleputswa	Hertzogville	Industrial Area	Roads Camp
39	Lejweleputswa	Hertzogville	514 van Niekerk Street	Registration Administration office
40	Lejweleputswa	Hoopstad	Prins George Street, Hoopstad	Roads Office
41	Lejweleputswa	Hoopstad	Kruger Ave	Registration Administration office
42	Xhariep	Jacobsdal	Hoop Street	Xhariep DC Revenue
43	Xhariep	Koffiefontein	1 Edward Ave	Xhariep DC Revenue
44	Fezile Dabi	Koppies	R/A c/o 1st and Station Street	Registration and Traffic Offices
45	Fezile Dabi	Kroonstad	10th Avenue Industria	Regional Roads Office
46	Fezile Dabi	Kroonstad	10 Avenue Industria	Roads Office
47	Fezile Dabi	Kroonstad	10th Avenue Industria	Area Offices
48	Fezile Dabi	Kroonstad	10th Avenue Industria	Training Centre
49	Fezile Dabi	Kroonstad	10th Avenue Industria	S.P.I Offices
50	Fezile Dabi	Kroonstad	10th Avenue Industrial	Warehouse
51	Fezile Dabi	Kroonstad	10 Orpen Street	Registration and Traffic Offices
52	Fezile Dabi	Kroonstad	Next to Ultra City on N1	Weighbridge
53	Thabo Mofutsanyana	Ladybrand	Voortrekker Street	Roads Infrastructure
54	Thabo Mofutsanyana	Ladybrand	Voortrekker Avenue	Motheo DC Revenue
55	Mangaung	Bloemfontein	301 Church Street	Registration and Traffic Offices

Free State Department of Community Safety, Roads And Transport				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
56	Lejweleputswa	Odendaalsrus	Elizabeth Street	Registration office
57	Fezile Dabi	Parys	R/A King Street	Registration and Traffic Offices
58	Xhariep	Petrusburg	1 Barnard Street	Roads Infrastructure
59	Xhariep	Petrusburg	Allen Street	Xhariep DC Revenue
60	Xhariep	Phillippolis	Colesberg Road	Xhariep DC Revenue
61	Xhariep	Reddersburg	Brand Street	Xhariep DC Revenue
62	Xhariep	Rouxville	33 Louw Street	Roads Infrastructure
63	Xhariep	Rouxville	Roux Street	Xhariep DC Revenue
64	Fezile Dabi	Sasolburg	c/o Klasie Havinga and Zevenfontein Street	Registration and Traffic Offices
65	Fezile Dabi	Sasolburg	1st Floor Pres Building Fichardt Street	DLTC Offices
66	Mangaung	Thaba Nchu (Selosesha)	3079 Tshabang Street	Roads Office
67	Thabo Mofutsanyana	Senekal	Nywerheid lane Street	Civil Senekal Setsoto
68	Xhariep	Smithfield	Oettle Street	Xhariep DC Revenue
69	Xhariep	Springfontein	C/O Settlers and Piet Retief	Xhariep DC Revenue
70	Fezile Dabi	Steynsrus	1 King Edward Street	Registration and Traffic Offices
71	Mangaung	Thaba Nchu	Station Street	Motheo DC Revenue
72	Lejweleputswa	Theunissen	Woltemade Street	Registration office
73	Xhariep	Trompsburg	14 Jan Street	Roads Infrastructure
74	Xhariep	Trompsburg	Jan Street	Xhariep DC Revenue
75	Lejweleputswa	Ventersburg	Jannie Fourie Street	Registration office
76	Fezile Dabi	Viljoenskroon	R/A 3 Viel Street South	Registration and Traffic Offices
77	Thabo Mofutsanyana	Villiers	R/A de Beer Street	Registration and Traffic Offices
78	Lejweleputswa	Virginia	57 Highlands Street	Registration office
79	Thabo Mofutsanyana	Vrede	16 Brand Street	Testing Station
80	Fezile Dabi	Vredefort	R/A Water Street	Registration and Traffic Offices
81	Lejweleputswa	Welkom	Heeren Street	Registration Offices
82	Lejweleputswa	Welkom	Heeren Street	Traffic Office
83	Mangaung	Wepener	Bergend Street	Motheo DC Revenue
84	Lejweleputswa	Wesselsbron	Second Ave	Registration Administration office
85	Lejweleputswa	Winburg	Old Ventersburg road	Area and Regional Office
86	Lejweleputswa	Winburg	Old Ventersburg road	Roads Office
87	Lejweleputswa	Winburg	1 Leech Street	Registration Administration office
88	Lejweleputswa	Winburg	Old Ventersburg road	Warehouse
89	Xhariep	Zastron	Magaleen Bridge Street	Xhariep DC Revenue

Free State Department of Community Safety, Roads and Transport				
Accommodation Currently Occupied By User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	Perm Building, 45 Maitland Street	Offices
2	Mangaung	Bloemfontein	Anchor Building/ Metropolitan Building c/o Nelson Mandela & East Burger Street	Anchor Building
3	Fezile Dabi	Sasolburg	Fichardt Building, Berjan Building, Fichardt Street	Sasolburg
4	Fezile Dabi	Parys	48 Loop Street	Offices
5	Fezile Dabi	Parys	52 Loop Street	Offices

Free State Department of Public Works and Infrastructure				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	OR Tambo House, c/o St Andrew & Markgraaf Streets	Offices
2	Mangaung	Bloemfontein	Fidel Castro building, Elizabeth Street	Offices
3	Mangaung	Bloemfontein	18 Hartley Street, Hamilton	Offices
4	Fezile Dabi	Kroonstad	Works offices, 63 Orange Street, Kroonstad	Offices
5	Fezile Dabi	Kroonstad	Works offices, 22 Botha Street, Kroonstad	Offices
6	Lejweleputswa	Welkom	Kopano Hospital, Works Offices Tempest Street, Welkom	Offices
7	Xhariep	Trompsburg	15 Dawid Street, Trompsburg	Security Offices
8	Thabo Mofutsanyana	QwaQwa	Qwaqwa Regional office, Mampoi Street	Offices
9	Thabo Mofutsanyana	Bethlehem	Bethlehem Regional Offices 4 Johan Blignaut Street	Offices
10	Mangaung	Thaba Nchu	Thaba Nchu Offices Seloshesha Unit 1	Offices
11	Xhariep	Kroonstaad	Voortrekker Hospital	Security Offices

Free State Department of Public Works and Infrastructure				
Accommodation Currently Occupied By User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	SALGA Building, C/O Maitland and East Burger Street	Offices
2	Mangaung	Bloemfontein	Lemo Mall 239 Belcher Road, Bloemside	Offices

Free State Department of Social Development				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Fezile Dabi	Frankfort	4741 Seabata Section, Namahadi Township	Sub Offices
2	Fezile Dabi	Kroonstad	20 Cross Street	District Offices
3	Fezile Dabi	Kroonstad	Station Road	37 Parkings
4	Lejweleputswa	Boshoff	13 Wessels Street	Sub Offices
5	Mangaung	Thaba Nchu	830 Poloko Street	Community Centre
6	Mangaung	Bloemfontein	31 Dr. Belcher Street	District Offices
7	Thabo Mofutsanyana	Bethlehem	Johan Blignaut Drive	Sub Offices
8	Thabo Mofutsanyana	Bethlehem	Kestell Road	Sub Offices
9	Thabo Mofutsanyana	QwaQwa	Makoane Youth Centre	Youth Centre
10	Thabo Mofutsanyana	Vrede	Phumelela Municipality	Offices / Containers
11	Thabo Mofutsanyana	Senekal	c/o Boerbok & Kichner Street	Sub Offices

Free State Department of Social Development				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
12	Xhariep	Jagersfontein	2nd Avenue Charlesville	Sub Offices
13	Xhariep	Koffiefontein	De Beers Mine 01 Du Preez Avenue	Block B and Block F District Offices
14	Xhariep	Koffiefontein	House No. 44 Gordon Street	Sub Offices
15	Xhariep	Smithfield	50 Voortrekker Street	Sub Offices
16	Mangaung	Thaba Nchu	4701 Poloko Street	Old Age Home
17	Mangaung	Botshabelo	432 Block A- Botshabelo	Old Age Home
18	Thabo Mofutsanyana	QwaQwa	6065 Phatsoane Street	Old Age Home
19	Mangaung	Bloemfontein	Old Railway Hostel	Children's Home
20	Thabo Mofutsanyana	QwaQwa	1809 Mokgethi Street	Children's Home
21	Fezile Dabi	Tweeling	2nd Street	Children's Home
22	Fezile Dabi	Kroonstad	Plot 39 Smaldeel Road	Secure Care Centre
23	Mangaung	Bloemfontein	28 Drente Road Erichpark	Secure Care Centre
24	Thabo Mofutsanyana	QwaQwa	Mampoi Street- Phuthaditjhaba	New Secure Care Centre
25	Mangaung	Bloemfontein	28 Drente Road Erichpark	Child Justice Centre
26	Thabo Mofutsanyana	QwaQwa	Mampoi Road	Child Justice Centre
27	Mangaung	Bloemfontein	03 Roth Street, Willows	Victim Empowerment Centre
28	Thabo Mofutsanyana	QwaQwa	Elizabeth Ross Hospital	Tshepong 2 Victim Empowerment Centre
29	Mangaung	Bloemfontein	18 Hartley Road Hamilton	Offices

Free State Department of Social Development				
Accommodation Currently Occupied By User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Lejweleputswa	Welkom	Highpar Building	Office
2	Mangaung	Botshabelo	FDC Building, Blue Industrial Street	Office
3	Mangaung	Bloemfontein	Elizabeth Street, Civilia Building	Office
4	Thabo Mofutsanyana	Ficksburg	3 Fontein Street	Office
5	Thabo Mofutsanyana	Phuthaditjhaba	Setseng building - c/o Setai St & Motloutj Street	Office
6	Xhariep	Bethulie	36 Voortrekker Street	Office
7	Mangaung	Bloemfontein	Standard Bank House West Burger Street	Office
8	Mangaung	Bloemfontein	Standard Bank Heritage West Burger Street	Office
9	Mangaung	Thaba Nchu	Ratlou Complex, J.S Moroka	Office
10	Fezile Dabi	Sasolburg	Social Dev offices, Riemland Street	Office
11	Fezile Dabi	Parys	C/O Dwaars and Luyt Streets	Office
12	Mangaung	Bloemfontein	Sentraal, Andries Pretorius Street	Offices

Free State Department of Sport, Arts, Culture and Recreation				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	116A Church Street	Museum / Offices – Military
2	Mangaung	Bloemfontein	Pres. Brand Street	Museum / Offices – Presidency
3	Xhariep	Bethulie	1 Voortrekker Street Bethulie	Museum / Offices
4	Lejweleputswa	Boshoff	2 Voortrekker Street Boshoff	Museum / Offices - C. Van Niekerk
5	Fezile Dabi	Heilbron	72 Long Market Street Heilbron	Museum / Offices – Riemland
6	Xhariep	Phillipolis	Voortrekker Street	Museum / Offices – Trans Xhariep
7	Xhariep	Smithfield	Douglas Street, Smithfield	Museum / Offices – Caledon River
8	Lejweleputswa	Winburg	Voortrekker Monument	Museum / Offices – Pioneer
9	Mangaung	Glen	Glen College	Museum / Offices – Glen
10	Mangaung	Bloemfontein	Pres. Brand Street	Museum / Offices
11	Lejweleputswa	Welkom	8366 Constantia	Offices
12	Fezile Dabi	Sasolburg	6095 Chris Hani	Offices
13	Mangaung	Bloemfontein	First Avenue	Offices
14	Mangaung	Thaba Nchu	103-104 Market Square	Offices
15	Thabo Mofutsanyane	QwaQwa	QwaQwa	Museum / Offices
16	Mangaung	Bloemfontein	37 Elizabeth Street	Records Center / Repository
17	Mangaung	Bloemfontein	29 Badenhorst Street, Universitas	Repository
18	Lejweleputswa	Allanridge	c/o Caledon & Lauchan Streets	Library
19	Lejweleputswa	Allanridge	Stand 30 Nyakallong	Library
20	Thabo Mofutsanyana	Arlington	813 Arlington	Library
21	Mangaung	Bloemfontein	Boerneef Street, Langenhovenpark	Library
22	Thabo Mofutsanyana	Bethlehem	Pres Boshoff Street	Library
23	Thabo Mofutsanyana	Bethlehem	c/o President Boshoff & Cambridge Streets	Library
24	Xhariep	Bethulie	Joubert Street	Library
25	Xhariep	Bethulie	Jim Fouche Street, Lephoi	Library
26	Mangaung	Bloemfontein	36 Zastron Street	Office & Storage
27	Mangaung	Bloemfontein	145 Benade Avenue, Fichardtpark	Library
28	Mangaung	Bloemfontein	18921 Moshoeshoe Road, MANGAUNG	Library
29	Mangaung	Bloemfontein	Preller Plein	Vacant Site (library not yet built)
30	Lejweleputswa	Boshoff	c/o Sen van Niekerk & Voortrekker Street	Library
31	Lejweleputswa	Bothaville	20 Preller Street	Library
32	Mangaung	Botshabelo	151 BA Hospital Road	Library
33	Mangaung	Botshabelo	Site 2158, Block E	Library
34	Lejweleputswa	Brandfort	Mothupi Street, Majwemaseu	Library
35	Lejweleputswa	Brandfort	78 Voortrekker Street	Library
36	Lejweleputswa	Bultfontein	c/o Market & Bosman Street	Library
37	Lejweleputswa	Bultfontein	Basia Street, Phahameng	Library
38	Thabo Mofutsanyana	Clocolan	Andries Pretorius Street	Library
39	Thabo Mofutsanyana	Clocolan	Hlohlolwane	Library
40	Lejweleputswa	Dealesville	Potlaki St, Tshwaranang	Library
41	Fezile Dabi	Deneysville	Refengkgotso	Library

Free State Department of Sport, Arts, Culture and Recreation

Accommodation Currently Occupied by User: State Owned

No.	District / Metropolitan	Town	Street Address	Asset Type
42	Fezile Dabi	Deneysville	c/o Island & Main Street	Library
43	Mangaung	Dewetsdorp	Brand Street	Library
44	Mangaung	Dewetsdorp	Morojaneng Street	Library
45	Xhariep	Edenburg	16 Church Street	Library
46	Fezile Dabi	Edenville	Ngwathe Township	Library
47	Thabo Mofutsanyana	Excelsior	39 Kommissie Street	Library
48	Thabo Mofutsanyana	Excelsior	Mponeng Street, Mahlaswetsa	Library
49	Xhariep	Fauresmith	7 East Burger Street	Library
50	Thabo Mofutsanyana	Ficksburg	c/o Troon & Voortrekker Street	Library
51	Thabo Mofutsanyana	Ficksburg	1191 Zone 2, Meqheleng	Library
52	Thabo Mofutsanyana	Fouriesburg	Stand 46, Mashaeng	Library
53	Fezile Dabi	Frankfort	c/o Brand & Nieuw Street	Library
54	Fezile Dabi	Frankfort	1212 Namahadi St, Namahadi	Library
55	Xhariep	Gariep	11 Patrys Street	Library
56	Xhariep	Gariep	17 Hydropark	Library
57	Thabo Mofutsanyana	Harrismith	62 Warden Street	Library
58	Thabo Mofutsanyana	Harrismith	2227 Ntshingila Drive, Intabazwe	Library
59	Fezile Dabi	Heilbron	c/o Pierce & Voortrekker	Library
60	Fezile Dabi	Heilbron	Konape St, Phiritona	Library
61	Lejweleputswa	Hennenman	c/o Kerk & Isabella Street	Library
62	Lejweleputswa	Hennenman	1123 Molefi Street, Phomolong	Library
63	Lejweleputswa	Hertzogville	Pretorius Street	Library
64	Thabo Mofutsanyana	Hobhouse	Site 524 Dipalaneng	Library
65	Lejweleputswa	Hoopstad	Buiten Street	Library
66	Lejweleputswa	Hoopstad	540 M M Masiu St, Tikwana	Library
67	Xhariep	Jacobsdal	Ratanang	Library
68	Xhariep	Jagersfontein	c/o Kerr & Central street	Library
69	Xhariep	Jagersfontein	Seekoei Street, Itumeleng	Library
70	Thabo Mofutsanyana	Kestell	Blignaut Street	Library
71	Xhariep	Koffiefontein	29 Groot Trek Street	Library
72	Xhariep	Koffiefontein	Boitumelong Street, Dithlake	Library
73	Fezile Dabi	Koppies	Dirkie Uys Street	Library
74	Fezile Dabi	Koppies	1284 New Location, Kwakwatsi	Library
75	Fezile Dabi	Kroonstad	c/o Steyn and Hill Street	Library
76	Fezile Dabi	Kroonstad	Hennie Ludick Street, Maokeng	Library
77	Fezile Dabi	Kroonstad	c/o Koekoe & Louw Streets, Maokeng	Library
78	Thabo Mofutsanyana	Ladybrand	c/o Joubert & Voortrekker Street	Library
79	Thabo Mofutsanyana	Ladybrand	Mattele Drive, Manyatseng	Library
80	Thabo Mofutsanyana	Lindley	16 A Kerk Street	Library
81	Thabo Mofutsanyana	Lindley	914 Sisula Park, Ntha	Library
82	Xhariep	Luckhoff	Site 121, Relebohile	Library
83	Thabo Mofutsanyana	Mamafubedu	Potgieter Street, Mamafubedu	Library
84	Thabo Mofutsanyana	Marquard	President Swart Plein/ Unie St	Library

Free State Department of Sport, Arts, Culture and Recreation				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
85	Thabo Mofutsanyana	Marquard	846 Moemaneng	Library
86	Thabo Mofutsanyana	Memel	Site 461/1	Library
87	Lejweleputswa	Odendaalsrus	c/o Kerk & Steyn Street	Library
88	Lejweleputswa	Odendaalsrus	Pompey Street Kutlwanong	Library
89	Fezile Dabi	Oranjeville	Site 1113, Oranjeville Ext 1	Library
90	Fezile Dabi	Parys	c/o Philip & Schilbach Street	Library
91	Fezile Dabi	Parys	13 Alan Street	Library
92	Fezile Dabi	Parys	c/o 3rd Avenue & 5th Street, Schonkenville	Library
93	Thabo Mofutsanyana	Paul Roux	Site 416, Fateng Tse Ntsho	Library
94	Xhariep	Petrusburg	29 Oos Street	Library
95	Xhariep	Petrusburg	Site 1756, Bolakanang	Library
96	Xhariep	Philippolis	Voortrekker Street	Library
97	Thabo Mofutsanyana	Phuthaditjhaba	Mampoi Street (next to Community Hall)	Library
98	Xhariep	Reddersburg	27 Andries Pretorius Street	Library
99	Thabo Mofutsanyana	Reitz	Sarel Cilliers Street	Library
100	Thabo Mofutsanyana	Reitz	449 Shop St, Petsana	Library
101	Xhariep	Rouxville	c/o Piet Retief & Roux Street	Library
102	Xhariep	Rouxville	Posholi Street, Roleleathunya	Library
103	Fezile Dabi	Sasolburg	John Vorster Avenue	Library
104	Mangaung	Selosesha	96 Station Street	Library
105	Thabo Mofutsanyana	Senekal	Van Riebeck Street	Library
106	Thabo Mofutsanyana	Senekal	John Stone Street, Matwabeng	Library
107	Xhariep	Smithfield	c/o Genl. Hertzog & Brand Street	Library
108	Xhariep	Smithfield	118 Burcher Street	Library
109	Mangaung	Soutpan	Ikgomotseng Street	Library
110	Xhariep	Springfontein	24 Christian Strauss Street	Library
111	Fezile Dabi	Steynsrus	Matlwangtlwang Street	Library
112	Lejweleputswa	Theunissen	c/o Pienaar & Kerk Street	Library
113	Lejweleputswa	Theunissen	Joel Park, Masilo	Library
114	Xhariep	Trompsburg	c/o 78 Voortrekker & David Street	Library
115	Thabo Mofutsanyana	Tsiamé	Tsiamé	Library
116	Fezile Dabi	Tweeling	5 Tenth Street	Library
117	Thabo Mofutsanyana	Tweespruit	5 Peper Street	Library
118	Lejweleputswa	Ventersburg	c/o Voortekker & Vanandel Street	Library
119	Lejweleputswa	Ventersburg	Extension Voortekker Street, Mmamahabane	Library
120	Lejweleputswa	Verkeerdevelei	Site 23, Tshepong	Library
121	Fezile Dabi	Viljoenskroon	c/o Engelbrecht and Mahen Street	Library
122	Fezile Dabi	Viljoenskroon	Rammolotsi	Library
123	Fezile Dabi	Villiers	23A Main Street (Hoof Street	Library
124	Fezile Dabi	Villiers	Mofokeng St, Qalabotjha	Library
125	Lejweleputswa	Virginia	Virginia Gardens	Library
126	Lejweleputswa	Virginia	Meloding Street, Meloding	Library
127	Thabo Mofutsanyana	Vrede	47 Kuhn Street	Library
128	Thabo Mofutsanyana	Vrede	1463 Kalifman Street, Thembalihle	Library

Free State Department of Sport, Arts, Culture and Recreation				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
129	Fezile Dabi	Vredefort	c/o Slabbert and Meerholz Street	Library
130	Thabo Mofutsanyana	Warden	8 Agste Street	Library
131	Thabo Mofutsanyana	Warden	Main Street, Ezenzeleni	Library
132	Lejweleputswa	Welkom	5 Tulbach Street	Library
133	Lejweleputswa	Welkom	15589c/o Mike Chaotsane & Buick Tshabalala Street, Motse-Thabong	Offices & stores
134	Lejweleputswa	Welkom	Kopano Complex, Long Street, Welkom	Library
135	Mangaung	Wepener	De Wet Street	Library
136	Mangaung	Wepener	Minnaar Street	Library
137	Lejweleputswa	Wesselsbron	Erwee Street	Library
138	Lejweleputswa	Wesselsbron	2353 Motloanya Street, Monyakeng	Library
139	Xhariep	Jacobsdal	Jacobsdal	Library
140	Xhariep	Luckhoff	Luckhoff	Library
141	Xhariep	Garietdam	Gariet	Library
142	Xhariep	Hydropark	Hydropark	Library
143	Fezile Dabi	Sasolburg	10 Corner Klasie Havenga & Meads Street	House
144	Fezile Dabi	Frankfort	1213 Municipal Offices, Namahadi	Library
145	Lejweleputswa	Welkom	64 Bok Street Golden Heights	Library
146	Xhariep	Trompsburg	55 Voortrekker Street	Library
147	Thabo Mofutsanyana	Bethlehem	10 Kerk Street	Library
148	Mangaung	Bloemfontein	4 President Brand Street, Orangesig, Bfn	Museum/ Offices
149	Fezile Dabi	Sasolburg	c/o President Steyn/William Stow Sasolburg 1947	Library
150	Thabo Mofutsanyana	QwaQwa	Portion 123 of Farm 1926 Charles Mopeli Stadium Moto Street 9868 Charles Mopeli Stadium	Library
151	Lejweleputswa	Welkom	21263 Nkoane Road, Kopanong Indoor Sport Centre, Thabong, Welkom	Sports Centre

Free State Department of Sports, Arts, Culture and Recreation				
Accommodation Currently Occupied By User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	Business Partners building, c/o Henry & Hill Street Bloemfontein	Offices
2	Mangaung	Bloemfontein	Zana Building C/O Henry and Hill Street	Offices
3	Fezile Dabi	Kroonstad	Fairweather Building, Brand Street, Kroonstad	Offices

Free State Department of Premier				
Accommodation Currently Occupied by User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	c/o St Andrew & Markgraaf Street	Offices ground floor to 9th Floor
2	Mangaung	Thaba Nchu	Old Training Teaching College	Main building, ground floor
3	Xhariep	Zastron	Multipurpose Centre	Main building, ground floor
4	Xhariep	Trompsburg	Booyesen Street	Main building, ground floor
5	Thabo Mofutsanyana	QwaQwa – Tseki (Phuthaditjhaba)	Mampoi Street	Main building, ground floor
6	Thabo Mofutsanyana	QwaQwa – Namahadi	Charles Mopedi Stadium Street	Main building, ground floor
7	Lejweleputswa	Hertzogville	Municipal Building	Main building, ground floor
8	Lejweleputswa	Winburg	Municipal Building	Main building, ground floor
9	Lejweleputswa	Welkom	Long Road	Kopano Hospital 5th floor
10	Fezile Dabi	Sasolburg	Old FNB Building	Old FNB Building

Free State Department of Premier				
Accommodation Currently Occupied By User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	Brahman Building , 124 Nelson Mandela Drive	Offices
2	Lejweleputswa	Welkom	Boitumelo Junction	Multipurpose Centre

Free State Provincial Treasury				
Accommodation Currently Occupied By User: State Owned				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	Fidel Castro Building (Floors 4 to 14 and 20), Elizabeth Street, Bloemfontein	Offices

Free State Provincial Treasury				
Accommodation Currently Occupied By User: Leased				
No.	District / Metropolitan	Town	Street Address	Asset Type
1	Mangaung	Bloemfontein	Tsebo Building, Fichard and Nelson Mandela Street	Offices

Under collection of revenue

Not applicable

Over collection of revenue

Through the finalisation of the land exchange agreement between the Central University of Technology (CUT) and the Free State Provincial Government (FSPG) for the replacement of facilities within the Psychiatric Complex the Department was able to collect R34.952 million and as a result achieved 60.45% above its revenue budget.

Programme Expenditure

Programme Name	2022/2023			2021/2022		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	142 285	141 348	937	140 806	136 823	3 983
Public Works Infrastructure	1 799 858	1 797 073	2 785	1 624 802	1 617 294	7 508
Expanded Public Works Programme	110 311	88 479	21 832	98 535	91 860	6 675
TOTAL	2 052 454	2 026 900	25 554	1 864 143	1 845 977	18 166

Virements / roll overs

The Department did request for roll-over funds of R8.302 million which was received during the Adjustment Budget. Total virements from Programme 1 (R10.038 million) and Programme 3 (R4.543 million) to Programme 2 (R14.581 million) were approved during the financial year. These virements served to address budget shortfalls experienced regarding municipal accounts and claims against the Department due to Court judgements.

Reasons for unauthorised, fruitless and wasteful expenditure

No unauthorised expenditure was incurred during 2022/2023 financial year. The fruitless and wasteful expenditure amounting to R11.393 million has been recorded and will be investigated.

The strategic focus over the short to medium term period

The Department will focus on the implementation of the measures to enhance revenue and to renegotiate lease rates that are above market value.

Public Private Partnerships

The Department did not enter into any Public Private Partnerships in 2022/2023.

Discontinued key activities / activities to be discontinued

The EPWP Chief Directorate implemented Township Revitalisation Programme for the last time in the financial year. The mandate has been transferred to the DCSRT. A total average of fourteen towns were targeted for upgrading of low volume roads to paving. The Provincial EXCO resolved to move this function from the Department due to the nature of the mandate being more appropriate to DCSRT.

The effect of this decisions for 2023 was that it delayed the roll-out of the implementation as approval to continue with the implementation was granted by EXCO in October 2022. It led to delayed completion as procurement only commenced in the third quarter. Roll-over funds were requested for completion of the 2022 TRP's in the 2023 financial year. Budget appropriated to the Department will be reduced by R47.914 million.

New or proposed key activities

New activities that the Department embarked on was to systematically develop professional and technical skills capacity base in order to do in-house infrastructure and building designs. This initiative saved the Department in professional fees a total of R64 million. These funds that can now be allocated elsewhere to enhance service delivery.

Supply Chain Management (SCM)

Unsolicited bid proposals

There were no unsolicited bid proposals for the 2022/2023 financial year.

SCM processes and systems in place to prevent irregular expenditure

SCM processes and systems are in place to prevent irregular expenditure as indicated below:

- Implement proper controls for the review and monitoring of compliance with the applicable laws and regulation with regard to supply chain management.
- Make use of the tender/quotation compliance checklist during the evaluation and/or adjudication to ensure that all documents are in place.
- Before approving expenditure or incurring a commitment to spend, the delegated or authorised official must ensure compliance with any limitations or conditions attached to the delegation or authorisation.
- Make use of the SCM Checklist.
- Implementation of Cost Containment measures.
- In-service-training of Chief-Users and Cost Centre Managers.

Challenges experienced in SCM and how they were resolved

The delayed submission of invoices from end users/SCM officials posed challenges for payments within 30 days. Departmental ICT is in the process of developing the electronic invoice tracking system and SCM has submitted inputs to ICT for the final product.

Gifts and Donations received in kind from non-related parties

The Department did not receive any gifts or donations during 2022/2023 financial year.

Exemptions and deviations received from the National Treasury

The Department did not receive any exemptions or deviations from National Treasury relating to the 2022/2023 financial year.

Events after the reporting date

The Department is not aware of any adjustment events after the reporting date for the 2022/2023 financial year.

I want to express my deepest appreciation to our Executive Authority, our leading oversight structures and institutions for the guidance and support provided to the Department during 2022/2023 to ensure implementation and achievement of the Departmental mandate. Special appreciation to the entire personnel of the Department for their commitment and dedication towards ensuring that we meet our planned objectives with limited resources.

I hereby present this 2022/2023 Annual Report as a true, complete and accurate version of Departmental planned operations.



Mr. M.E. Mohlahlo
Accounting Officer
Department of Public Works and Infrastructure
Date: 31 July 2023

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

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2023.

Yours faithfully



Accounting Officer
Mr. M.E. Mohlahlo
Date: 31 July 2023

6. STRATEGIC OVERVIEW

6.1 Vision

A prosperous Free State through facilitation of sustainable built infrastructure.

6.2 Mission

Coordination, provision, promotion of built infrastructure and sound management of assets

6.3 Values

Listed below is the citizen oriented approach that will guide the conduct of the institution in carrying out its mission of delivering government services in line with the Batho Pele principles.

Core Values	Description
Commitment	Deliver quality services within available resources.
People-Centred	Putting "People First" will be our priority aimed at improving service delivery to citizens.
Teamwork	We will collaborate as a team and together assist with the realisation of government priorities.
Responsiveness	All tasks will be attended to timeously and diligently.
Fairness	The Department will implement its strategy as planned and serve the citizens without bias and prejudice.
Transparency	We will provide the citizens with reliable information about decisions and performance of the department.
Ethical Conduct	The Department will be honest in implementing its priorities and act in accordance with the constitutional directives.
Accountability	There will be consequences on failing to meet required outcomes.
Innovation	The Department will respond to technological and other developments in its internal and external environment.

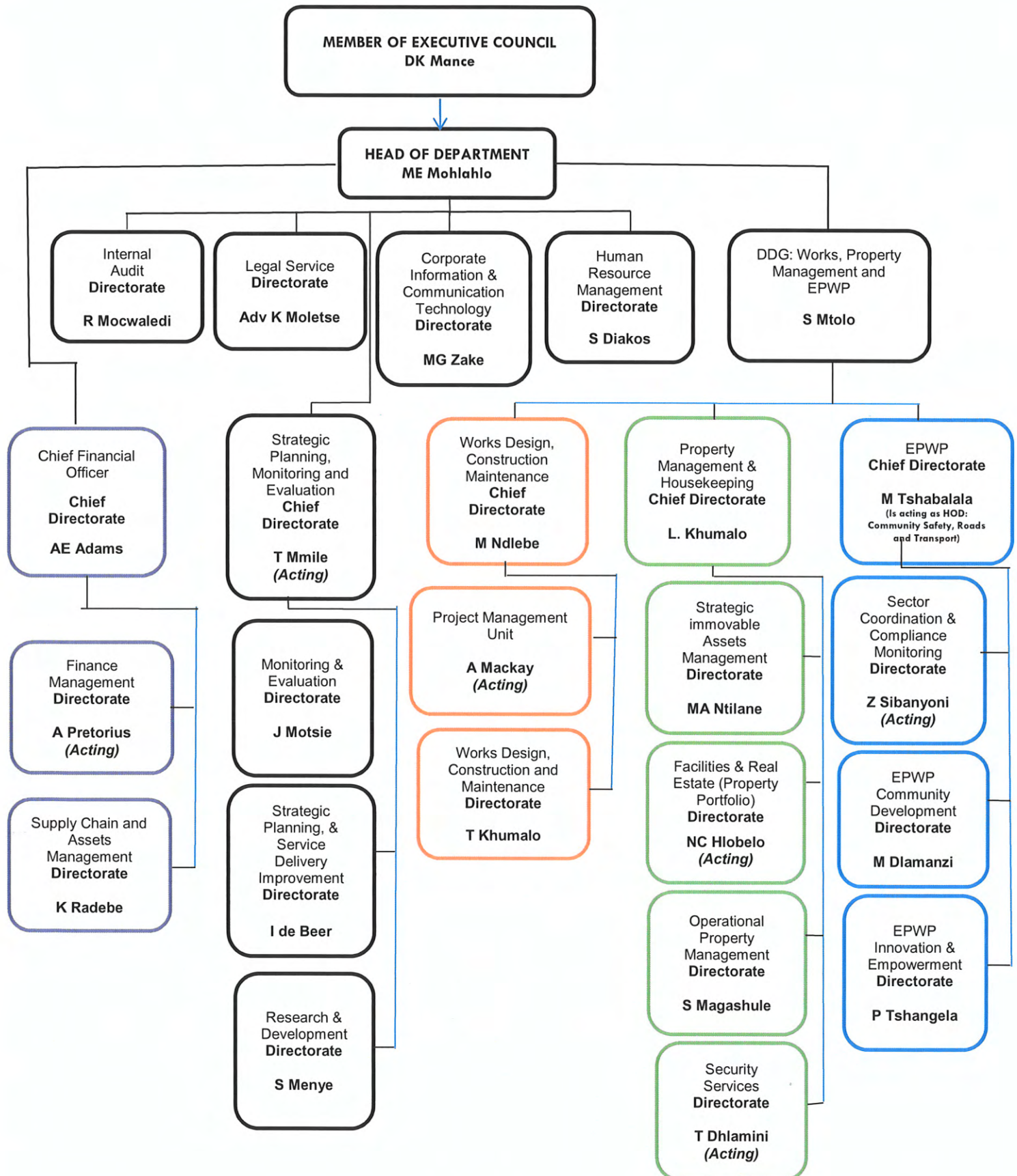
7. LEGISLATIVE AND OTHER MANDATES

The following legislation and directives are key to the functioning of the Department:

- The Constitution of the Republic of South Africa, 108 of 1996 section 217
- The Preferential Procurement Regulations, 2022 published in Government Gazette number 47452 dated 4 November 2022
- Preferential Procurement Policy Framework Act (PPPFA), 5 of 2000
- Broad- Based Black Economic Empowerment Act, 53 of 2003
- Construction Industry Development Board Act (CIDB Act), 38 of 2000 and its associated Regulations
- Promotion of Access to Information Act (PAIA) 2 of 2002
- Prevention and Combating Criminal Activities Act 12 of 2004
- State Information Technology Agency (SITA) Act, 88 of 1998 as amended by the SITA Amendment Act 38 of 2002
- National Treasury Instruction Notes
- National Treasury SCM Practice Notes
- National Treasury SCM Circulars
- Provincial Treasury Instruction Notes
- Provincial Treasury Circulars
- Implementation of Communication Policy-approved by Cabinet 2018; Government Communicator's Handbook; Departmental Social Media Guidelines (2021/22-2025/26); Departmental Communication Policy; Departmental Communication Strategy
- Corporate Governance of ICT Policy Framework - DPSA

- Free State Land Administration Act, 1998 (Act No. 1 of 1998)
- The Expropriation Act, 1975 (Act No. 68 of 1975)
- Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007).
- Occupational Health and Safety, 1993 (Act No. 85 of 1983)
- Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended and the related Treasury Regulations, 2005 Gazette No. 27388
- Division of Revenue Act, 2016 (Act No. 3 of 2016)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Skills Development Act, 2003 (Act No. 31 of 2003)
- Construction Industry Development Board (CIDB) Act, 2000 (Act No. 38 of 2000)
- Compensation for Occupational Injuries and Disease Act, 1993 (Act No. 130 of 1993)
- Broad Based Black Economic Empowerment Act 2003, (Act No. 53 of 2003)
- Policy document on the Statutory Regulation of the Built Environment Professionals, 1999
- White Paper: Public Works towards the 21st Century, 1997
- Green building policy – DPW, 2016
- Infrastructure Delivery Management System
- Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000)
- Infrastructure Development Act, 2014 (Act No 23 of 2014)
- State Land Disposal Act, 1961 (Act No. 48 of 1961)
- Municipal Property Rates Act, 2004 (Act No 6 of 2004)
- Property Valuers Profession Act, 2000 (Act No 47 of 2000)
- Protection of Information Act, 1982 (Act No. 84 of 1982)
- Private Security Industry Regulations Act, 2001 (Act No. 56 of 2001)
- Control of Access to Public Premises and Vehicles Act, 1985 (Act No. 53 1985)
- The Criminal Procedure Act, 1977 (Act No 51 of 1977)
- Municipal Finance Management Act, 2003 (Act No 56 of 2003)
- EPWP Incentive Grant Manual Version 3, April 2011
- Ministerial Determination 4: Expanded Public Works Programme, No. 35310 Gazetted 4 May 2012
- Code of Good Practice for employment and conditions of work for Expanded Public Works Programme, No. 34032, Gazetted 18 February 2011
- Contractor Development Policy, 2007
- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Public Service Act, 1994 (as amended) and the Public Service Regulations, 2016
- Control of Access to Public Premises and Vehicles Act, 1985 (Act No. 19 of 2007)
- Local Government Municipal Structures Act, 1998 (Act No. 177 of 1998)
- Local Government Demarcation Act, 1998 (Act No. 27 of 1998)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administration of Justice Act, 2000 (Act No. 3 of 2000)
- Protection of Personal Information Act, 2013 (Act No. 4 of 2013)

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC

PART B

PERFORMANCE INFORMATION

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1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) will perform certain audit procedures on the performance of information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives will be included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 138 of the Report of the Auditor General published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The following identified challenges are linked to the Departmental Strategic Risk Register:

At the end of the financial year, the following strategic risks were rated at an unacceptable level:

- Service disconnections due to non-payment of municipal services.
- Deterioration of properties due to lack of day-to-day maintenance.
- Failure to complete projects within agreed time and budget.
- EPWP Project disruptions by disgruntled members of the community.
- Poor reporting by public bodies.
- Short fall in security projects funding for the uniform and the private security.
- Irregular expenditure transactions.
- Payments of expired leases leading to irregular expenditure.
- Litigation against the Department.
- Breach of security.

The Department is unable to process all outstanding municipal accounts due to the inadequacy of the budget. Though payments are effected, the allocation is not sufficient to pay all municipal accounts and the shortfall has been continuously reported at different *fora*. However, the Department will continue to request additional budget during the budget adjustment period.

The Department projected a shortfall for the 2022/2023 financial year of R67.300 million for lease payments, R807.573 million for municipal services as well as R244.045 million for property rates. The shortfall is based on insufficient budget allocation for municipal services and property rates, payables of R1.016 billion and accruals of R21.733 million from the 2021/2022 financial year.

The revised inflation projections Consumer Price Index (CPI) as set out in the 2023 MTEF Guidelines are as follows:

- 2023/2024 – 5.1%
- 2024/2025 – 4.6%
- 2025/2026 – 4.6%

CPIX projections for the 2023 MTEF period used for price increases of general goods and services at 5.1% and the allocation for municipal services (R172.345 million), property leases (R324.922 million) and property rates (R480.600 million) are not in line with actual increase which is higher than inflation. Tariff increases are higher than the growth of the departmental budget. The implementation of peak, off-peak and standard tariffs as well as winter tariffs also contribute to the shortages.

The Department is contractually bound to pay escalation in rental contracts and increases on municipal services by municipalities. However, with the high increases in electricity and rental amounts, the Department cannot afford the full basket of services and will therefore not be able to meet its future financial and contracted obligations.

The increase implemented by municipalities on municipal services, especially electricity, is also much higher than the growth of the Department's budget and this had a snowball effect over the last 10 years. The Department projects a shortfall for 2023/2024 of R1.382 billion on municipal services and R258.715 million for property rates based on the devolved list and physical verification of properties. The general escalation of property services, water and electricity tariff is estimated at 15 percent.

Over the past three years the Department experienced tariff increases much higher than the growth of the departmental budget. The following were recorded:

Services	Budget for services	Tariff increase	Variance
Electricity	137 560 000,00	18%	-57%
Water	18 504 000,00	6%	-79%
Sewerage:	6 573 000,00	6%	-90%
Refuse Removal	1 707 000,00	6%	-90%

Significant increases by Eskom over the past seven years:

- 2017 8.2%
- 2018 6.0%
- 2019 15.63%
- 2020 8.76%
- 2021 14.73%
- 2022 9.3%
- 2023 18.65%

It is therefore not possible to fund all departmental priorities within the current budget allocation.

Non-payment of services will affect the following:

- Service delivery by Client Departments, critical to this is possible loss of life due to electricity cuts at the schools, clinics, libraries etc.
- Service delivery to communities by local councils. This could also lead to community unrests due to their dissatisfactions, and
- Financial viability of local councils.

The Accounting Officer reports and communicates measures on monthly shortfalls with regards to payment of municipal services to Provincial Treasury to avoid overspending. E.g. the budget blocking functionality on BAS to avoid the authorisation of payments with no or insufficient budget allocation.

The annual reduction in the allocation of funds for maintenance of properties affects the rate at which the Department can deal with the backlog of maintenance. This results in buildings deteriorating to a point where it will not be of any value to maintain them further if they are not attended to immediately by Client Department.

A short fall in the funding of security related projects for the uniform and the Private Security, hampers service delivery if not addressed. The following are the backlogs relating to shortfall of funds within Facility Operations:

- Maintenance of Electronic Security Systems for Free State House and MEC Residences for twelve months.
- Intercom system for Fidel Castro Building & OR Tambo House.
- Purchasing of additional base radios and portable radios.

TRP contractors were only appointed in January and February 2023. An Executive decision was taken to transfer all TRPs to the FS Department of Community Safety, Roads and Transport (FS DCSRT), and while in process, another decision was taken to continue with implementation at FSDPWI for the 2022/2023 FY. Moving forward FS DCSRT will be implementing these TRPs.

The disposal target of 50 could not be achieved due to slow external processes and further halting of disposal process by EXCO. Only one property during the year under review was disposed.

Section 195 of the Constitution requires a high standard of professional ethics in the Public Sector. Ethical conduct and Departmental integrity are key in eradicating fraud and corruption within the Public Service.

In contributing to ethical conduct as one of its core values, the Department facilitated 100% targeted financial disclosures for designated groups as prescribed by DPSA, in accordance with the Public Service Regulations, 2016 and the relevant MPSA Directive.

The Department, at the request of DPSA, presented the Departmental approach for benchmarking purposes at the National Ethics Forum on the 79 lifestyle reviews that was conducted.

For the 2022/2023 financial year, 194 more officials completed the compulsory Ethics course as directed by the NSG. Altogether 79% of our staff complement have been exposed and received certificates to this course.

Following a skills audit in the SCM environment, the Department invested R1 million for skills training with an emphasis on the elimination of fruitless, wasteful and irregular expenditure, contract management and detection and combatting of bid rigging to name a few.

In order to enhance service delivery, gaps are identified and user satisfactions surveys are conducted to assess satisfaction levels from service users, external as well as internal. The following were done in the year under review namely,

- Analysing the effectiveness of the Free State Public Works & Infrastructure security services in government occupied buildings.
- Assessing the level of satisfaction on the provision of parking spaces in Government occupied buildings.

In responding to the financial standard as set by National Treasury, 99% of valid invoices were paid in the prescribed 30-day period.

The Strategic Risk Register Profile as at 31 March 2023 is depicted in the graph below:



The Department had systematically developed professional and technical skills capacity base to the extent that it has culminated placing the Department in a position where it is able to do in-house infrastructure and building designs. In this respect the following in-house designs were successfully done:

- Dinaane Clinic in Thaba-Nchu,
- Gariepdam Clinic,
- Vaalrock Clinic in Brandfort,
- Bophelong Clinic in Kroonstad.

The above-mentioned process has saved the Department an estimated R16 million in professional fees on each project, thus a total of R64 million saving was accordingly realized. These funds that can now be allocated elsewhere to enhance service delivery. Above statement serves as an attestation that the internal skills development initiatives are bearing and yielding positive fruits.

The Department has successfully completed twelve infrastructure projects as at 31 March 2023. In responding to green building initiatives, three buildings were retrofitted with energy saving lights.

Striving to serve the Batho Pele principle of Value for money", the Department, through the shared water savings initiative at 6 hospitals, recorded a saving of 3.1 billion litres of water since the inception of this concept in March 2019.

The shared water savings as at end January 2023 were as follows:

Financial Year	Total Saving	50% Saving
2019/2020	8 841 428,60	4 420 714,30
2020/2021	14 703 475,15	7 351 737,58
2021/2022	32 971 240,74	16 485 620,37
2022/2023	39 269 622,22	19 634 811,11
	95 785 766,72	47 892 883,36

Condition assessments are performed to inform maintenance requirements and costs and also to inform priority maintenance areas. For the year under review, twelve more, against the 10 planned condition assessments were completed due to the Department of Education's special request to conduct condition assessments on structures with serious structural defects in terms of health and safety. Transformation at the end of the financial year stands at 63.8%.

Revenue of R75.307 million was collected against the planned target of R57.936 million.

The Department allocated 440 parking spaces during 2022 as per request from clients. Furthermore, the cleaning and gardening services are provided to 60 identified buildings and 22 buildings are guarded by Departmental physical security where the Department is accommodated and at multi-tenanted buildings.

OHS compliance is central to a healthy workforce. In attempting to alleviate contravention notices served to the Department by the Department of Labour, the Department trained 149 officials on firefighting, scaffolding erection. A professional mechanical engineer with experience in matters relating to fire was also appointed.

2.2 Service Delivery Improvement Plan

As per DPISA guidance and circulars, the Department submitted the 2023/2024 – 2024/2025 two-year draft Service Delivery Improvement Plan in December 2022 and is awaiting assessment result in order to finalise the plan.

The 2022/2023 Service Charter is displayed at all entrances in Mangaung where Public Works and Infrastructure offices are accommodated.

2.3 Organisational environment

The Department filled two critical senior management positions, namely, Deputy Director General: Public Works Infrastructure and EPWP and the Chief Director: Property Management during the 2022/23 financial year.

During the 2022/2023 financial year the Chief Director: EPWP was appointed to act as Head: Community Safety, Roads and Transport whilst the Director Finance has been performing the functions of Provincial Accountant General (PAG) at Treasury during the aforesaid period. The functions of both posts, namely Chief Director EPWP and Director Finance are performed by suitably qualified internal staff members on an acting basis. The Director Supply Chain Management is on precautionary suspension and as a result his functions are performed by a suitably qualified Deputy Director in an acting capacity.

During the 2023/2024 financial year critical posts across the spectrum and bearing in mind the limitations of the compensation budget will be filled.

2.4 Key policy developments and legislative changes

- Public Service Regulations 2016 came into effect on 1 August 2016 as an amendment to the Public Service Regulations of 2001.
- Amendment to the Labour Relations Act (LRA) of 1995 Section 198 (B) Regulation of non-standard employment and EPWP (Reduced cases of entitlement to permanent employment).
- Preferential Procurement Regulations 2017 issued in terms of the Preferential Procurement Policy Framework Act (PPPFA), 2000.
- National State of Disaster COVID-19 in terms of section 27(2) of the Disaster Management Act, 2002.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Productive Assets:

The Department has a total number of fifty-eight (58) lease contracts for office accommodation, thirty-seven (37) of these leases are entered into with Historically Disadvantaged Individuals. This represents 63.8% of the transformation target.

Property Rates and Municipal Services expenditure for the 2022/2023 financial year is at 100%. The Municipal Services budget was adjusted with R294.612 million as at the end of the financial year.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Purpose

Programme 1 aims to provide the Department with administrative, strategic management, financial and corporate support service in order to ensure that the Department delivers on its mandate in an integrated, efficient, effective and sustainable manner.

Programme 1 consists of the following:

- Office of the MEC
- Management of Department:
 - Sub-sub-programme Internal Audit.
 - Sub-sub-programme Enterprise Risk Management.
 - Sub-sub-programme Internal Control
 - Sub-sub-programme Corporate Support
- Corporate Support Sub Programme:
 - Sub-sub-programme Corporate Services
 - Sub-sub-programme Research, Monitoring and Evaluation
 - Sub-sub-programme Finance.
 - Sub-sub-programme Information Communication Technology.

4.1.1. Corporate Support Sub-Programme

Purpose

Corporate Support Sub-Programme is responsible for managing personnel, procurement, administration and related support services namely, financial management, information communication technology and legal services.

Corporate Services Sub sub-programme

Purpose

The Sub sub-programme is responsible for managing the human resources strategies and policies and the career development strategies to improve Departmental efficiency.

Research, Monitoring and Evaluation Sub sub-programme

Purpose

The Sub sub-programme is responsible for facilitating the development of the Departmental strategic plan, service delivery improvement initiatives, performance monitoring and reporting as well as evaluating Departmental performance in relation to achievements of predetermined strategic objectives.

Finance Sub sub-programme

Purpose

Responsible for strategically managing finance related matters with regard to development of efficient and effective procurement, financial management systems including budgetary controls.

Information Communication Technology Sub sub-programme

Purpose

Render effective, efficient and professional Information and Communication Technology (ICT) services to the department with excellent people, processes and technology to optimise service delivery by the Department of Public Works and Infrastructure.

Institutional outcomes that each programme contributes

Budget Programmes	Outputs	Intended outcomes	Impact	Woman	Youth	Disability
Programme 1: Administration	Constitutional Compliance	Quality Services to Clients	A fully functional and supported building infrastructure through empowerment and improved service delivery for sustainable livelihoods.	50%	30%	2%
	Skills development					
	PFMA compliance					
	Quality services	Dignified User Experience				

Corporate Support Sub-programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviation
Dignified User Experience	Quality Services	User satisfaction survey conducted to assess quality of Services provided (secondary users).	New	1	2	2	0%	None
	Quality services	Designated employee compliance with financial disclosure.	100% (Group 1 & 2)	100% per group	100% per group	100% per group	0%	None
Quality Services to Clients		Number of posts filled. – 50% Women – 30% Youth – 2% Disability	220	113	50	50	0%	None
	Skills development	Number of training interventions according to the Workplace Skills Plan.	26	27	25	40	60%	None as most of these trainings are online courses introduced by the National School of Government and done by Departmental employees on voluntary basis and without financial implications.
	PFMA compliance	Percentage of valid invoices paid within 30 days.	99.98%	99%	100%	99%	-1%	Five invoices were paid outside the 30-days period due to late submission.
	Quality services	Number of buildings installed with Wi-Fi	1 (MS Teams)	1 (Video conferencing for one strategic boardroom)	1	1	1	0%

Strategy to overcome areas of under performance

Implementation of the Electronic Invoice Tracking System is in progress for completion in 2023/2024 financial year

Sub-programme expenditure

Sub- Programme	2022/2023			2021/2022		
	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
Corporate Support	117 896	117 218	678	118 716	114 892	3 824
Total	117 896	117 218	678	118 716	114 892	3 824

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

The information in the Annual Report is aligned with that in APP.

4.2 Programme 2: Public Works Infrastructure

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.

Programme 2 consists of the following Sub-programmes:

- Design Sub Programme
- Construction Sub Programme
- Maintenance Sub Programme
- Planning Sub Programme
- Immovable Asset Management Sub Programme
- Facility Operations Sub Programme:
 - Operational Property and Housekeeping Sub sub-programme
 - Security Services Sub sub-programme

4.2.1 Design Sub Programme

Purpose

The Sub-Programme is responsible for the design of new and upgrading of building infrastructure by focusing on project inception, concept design, design development and project documentation.

4.2.2 Construction Sub-Programme

Purpose

The Sub-Programme is responsible for new construction, upgrading and refurbishment of infrastructure by focusing on construction period, contract administration and projects close out and debriefing.

4.2.3 Maintenance Sub-Programme

Purpose

The Sub-Programme's responsibilities include the following four maintenance activities:

- Routine maintenance.
- Scheduled maintenance.
- Condition assessment of all buildings.
- *Alterations.

****Alterations refer to changes that are required for reasons other than 'maintaining the asset, e.g. changes to interior walls***

NOTE:

As the implementing agent of government infrastructure in the Province, budgets of all client Departments are shown at the relevant Departmental votes and projects are therefore not included in this document. At the time of printing, no approved project lists from clients for implementation were received.

Institutional outcomes contributions

Budget Programmes	Outputs	Intended outcomes	Impact	Woman	Youth	Disability
Programme 2: Public Works Infrastructure	Infrastructure projects delivered	Sustainable Infrastructure Investment	A fully functional and supported building infrastructure through empowerment and improved service delivery for sustainable livelihoods.	60%	55%	2%
	Eco-friendly buildings					
	Expansion of building life cycle					

Construction Sub-programme							
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023
Sustainable Infrastructure Investment	Sustainable Infrastructure Delivered	Number of new (Educational, Health *General) construction projects completed.	New	New	3	0	-100%
- Katlego Mpuemelelo Secondary School in Sasolburg could not be completed on time due to community unrest, current progress on-site is 85%. - DR Sello Primary School: contractor's payment certificate could not be processed due to insufficient information submitted by the contractor. - Leboneng Special School Hostel in Welkom was not completed on time due to extension of scope of work, current progress on-site is 94%.							

Strategy to overcome areas of under performance

- Introduction of social facilitation before the projects are implemented to avoid community unrest.
- To encourage the Project Team to submit the document (extension of time claim / variation orders etc.) on time to the Department for approval.
- Fast track information to contractors to enable completion of projects within reasonable time

Maintenance Sub-programme							
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023
Sustainable Infrastructure Investment	Sustainable Infrastructure Delivered	Number of facilities refurbished/renovate.	17	13	5	0	-100%
The following projects are regarded as capital in nature and therefore are reported under the indicator "Number of facilities upgraded": 1. Odendaalsrus – Major renovations of Agriculture Building 2. Kroonstad - KGI Building 3. Fidel Castro Plant Room 9th Floor 4. Welkom: Kopano Building REH – Agriculture Offices 5. Welkom: Kopano Sports Arts and Culture Building REH 6. Kroonstad: KGI Building Renovations – Phase 2							

Maintenance Sub-programme		Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviation
Outcome	Output							
Sustainable Infrastructure Investment	Sustainable Infrastructure Delivered	Number of renewable energy projects completed.	New	New	2	1	-50%	The underperformance is due to change of scope. The project had to be re-advertised.
Strategy to overcome areas of under performance								
Number of facilities refurbished/renovate: -								
The projects will be classified and reported accordingly.								
Number of renewable energy projects completed: -								
The planned renewable energy projects will be executed during the implementation of the project planned as per the infrastructure maintenance plan during 2023/2024 financial year.								

Design, Construction and Maintenance Sub-programme							
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023
Output Indicators							
Sustainable Infrastructure Investment	Sustainable Infrastructure Delivered	Number of buildings retrofitted with energy saving lights.	New	New	3	3	0%
		Number of facilities upgraded.	New	New	7	12	71%
	Infrastructure projects delivered	Number of infrastructure designs ready for tender.	6	4	2	2	0%
	Expansion of building life cycle	Number of TRPs completed.	3	10	14	2	-86%
		Number of buildings where the shared water savings programme is implemented.	6	6	5	7	40%
		Number of planned maintenance projects awarded.	12	5	12	1	-92%
		Reasons for deviation The over achievement is as a result of the reclassification of projects from the facilities refurbished/renovated to the facilities upgraded. None TRP contractors were only appointed in January and February 2023. An Executive decision was taken to transfer all TRPs to the Free State Department Community Safety, Roads and Transport (FS DCSRT), and while in the process of organizing the transfer, a decision was taken to implement them at FSDPW for the 2022/2023 financial year as of the 2023/2024 financial year, FS DCSRT will be implementing the TRPs. The service provider increased the number of buildings after evaluation process to determine where the programme can be implemented, hence overachievement on the annual target. One maintenance project has been awarded. Other projects are capital in nature and not maintenance.					

Strategy to overcome areas of under performance

Number of TRPs completed:

All contractors appointed in this round of TRPs has been urged to fast track their projects and try to avoid roll overs into the new financial year. All outstanding TRPs were deferred and will be completed in the second quarter of the 2023/2024 FY.

Number of planned maintenance projects awarded:

The Department will fast track the procurement process for outstanding projects

Sub-programme expenditure

Sub- Programme	2022/2023		(Over)/Under Expenditure R'000	2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
Design	21 917	21 886	31	20 074	20 065	9
Total	21 917	21 886	31	20 074	20 065	9

Sub- Programme	2022/2023		(Over)/Under Expenditure R'000	2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
Construction	67 117	65 312	1 805	39 445	35 847	3 598
Total	67 117	65 312	1 805	39 445	35 847	3 598

Sub- Programme	2022/2023		(Over)/Under Expenditure R'000	2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
Maintenance	116 906	116 165	741	127 251	124 564	2 687
Total	116 906	116 165	741	127 251	124 564	2 687

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

The information in the Annual Report is aligned with that in APP.

4.2.4 Planning, Immovable Asset Management and Facility Operations

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.

Programme 2 consists of:

- Sub Programme Planning.
- Sub Programme Immovable Asset Management.
- Sub Programme Facility Operations:
 - Sub sub-programme Operational Property and Housekeeping.
 - Sub sub-programme Security Services.

4.2.5 Planning Sub-Programme

Purpose

The Sub-Programme is responsible for managing the demand for infrastructure by developing; monitoring, and enforcing built sector Infrastructure Plans, Infrastructure Implementation Plans, facilitating User Asset Management Plans and developing the Custodian Asset Management Plan in line with property management norms and standards.

4.2.6 Immovable Asset Management Sub Programme

Purpose

To manage the property portfolio of the province; to establish and manage the provincial strategic and infrastructure plan; to provide accommodation for all provincial departments and other institutions; to acquire and dispose of immovable assets in terms of the plan and in terms of the Free State Land Administration Act (No 1 of 1998) which entails:

- Acquiring and disposal of properties.
- Manage leasing in of properties.
- Managing leasing out of government properties.
- Revenue generation and collection.
- Management of the immovable asset register.
- Monitor the utilisation of provincial government facilities.
- Management of utilities.

4.2.7 Facility Operations Sub Programme

Purpose

The Sub-Programme is responsible to manage the operations of buildings including facilities management, cleaning, greening, beautification, interior decoration, designs and day-to-day preventative maintenance of electronic, electrical and mechanical equipment. It refers to all services related to managing a building.

**Note that the actual implementation cost of the projects will be captured under the appropriate sub-sub programmes, including Security Services.*

4.2.7.1 Operational Property & Housekeeping Sub sub-programme

Purpose

The Sub sub-programme is responsible to manage operations of buildings including facilities management, cleaning, gardening/greening, beautification and interior decoration.

4.2.7.2 Security Services Sub sub-programme

Purpose

The Sub sub-programme provides a safe and secure environment at government buildings occupied by more than one department.

Institutional outcomes contributions

Budget Programmes	Outputs	Intended outcomes	Impact	Woman	Youth	Disability
Programme 2: Public Works Infrastructure	Safe government buildings	Productive Assets	A fully functional and supported building infrastructure through empowerment and improved service delivery for sustainable livelihoods.	50%	50%	2%
	Reliable Immovable Asset Register					

Planning Sub-programme		Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviation
Output Indicators									
Productive Assets	Reliable	Immovable Asset Register	Number of facilities provided.	New	6	5	5	0%	None
	Inspections conducted for optimal utilisation		Number of utilisation inspections conducted (concluded) for office accommodation.	New	9	8	8	0%	None
	Disposed properties		Number of properties disposed off.	0	0	50	1	-98%	The halting of the Commercial sites through disposals by EXCO.

Strategy to overcome areas of under performance

Number of properties disposed off:
Awaiting an indication from EXCO to proceed with the disposal process.

Immovable Asset Management Sub-programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviation
Output Indicators								
Productive Assets	Reliable Immovable Asset Register	Number of properties recorded on the Immovable Asset Register.	4 877	4 894	4 893	4 890	-0.1%	The opening balance in 2022/2023 financial year was 4 893 and the Deeds Dump in May 2022 reflected 4 894. 3 (three) properties were acquired and 7 (seven) were transferred to the National Government.
		Number of condition assessments conducted on state-owned buildings.	29	20	10	22	120%	Overachievement results from the Department of Education's special request to conduct condition assessments on buildings with serious structural defects in terms of health and safety.
	Number of properties acquired.	0	1	2	3	50%	Farm and 4 th Raadsaal were acquired. HS bought a land through Housing Development Agency and that forms part of township establishment process, PWI recorded the property in the IAR as custodian.	

Strategy to overcome areas of under performance

Number of properties recorded on the Immovable Asset Register:

The figure on the register depends on the assets acquired, transferred and / or disposed of.

Facility Operations Sub-programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviation
Output Indicators								
Productive Assets	Reliable Immovable Asset Register	Amount of revenue collected.	R45.387m	R53.389m	R57.936m	R75.307m	30%	The Department over achieved on revenue collected for the year due to Central University of Technology (CUT) land exchange agreement which gave rise to the collection of revenue in Q4.
		Number of properties receiving facility management services (Housekeeping, cleaning-gardening services)	40	60	60	60	0%	None
	Safe government buildings	Number of properties installed with electronic security system at entrances.	0	2	2	3	50%	The FS House project came as a result of the security threat that was identified and had to be attended to as a matter of urgency. This project was considered as an ad hoc.
		Number of properties guarded with physical security	54	22	22	25	13%	Security service was rendered to abandoned sites left by other departments and being exposed to vandalism.

Sub-programme expenditure

Sub- Programme	2022/2023		(Over)/Under Expenditure R'000	2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
Planning	46 875	46 857	18	7 687	7 676	11
Total	46 875	46 857	18	7 687	7 676	11

Sub- Programme	2022/2023		(Over)/Under Expenditure R'000	2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
Immovable Asset Management	1 327 537	1 327 415	122	1 227 145	1 226 391	754
Total	1 327 537	1 327 415	122	1 227 145	1 226 391	754

Sub- Programme	2022/2023		(Over)/Under Expenditure R'000	2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
Facility Operations	213 996	213 959	37	198 482	198 076	406
Total	213 996	213 959	37	198 482	198 076	406

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

The information in the Annual Report is aligned with that in APP.

4.3 Programme 3: Expanded Public Works Programme

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 co-ordination of the Expanded Public Works Programme

The Programme consists of the following Sub-Programmes:

- Community Development Sub Programme.
- Innovation and Empowerment Sub Programme.
- Coordination and Compliance Monitoring Sub Programme.

The Objective of EPWP Phase IV covering 2019/2020 – 2023/2024 is: “To provide work opportunities and income support to poor and unemployed people through the delivery of public and community assets and services, thereby contributing to development”.

4.3.1 Community Development Sub-Programme

Purpose

This programme aims to provide income support to poor people and communities through participatory public employment approaches by creating assets and services that can have transformative impact on socio economic development. The Sub-programme is also responsible for the development and empowerment of impoverished communities. Promote and create decent work opportunities through the provision of accredited training and implementation of community development initiatives.

4.3.2 Innovation and Empowerment Sub programme

Purpose

Create an enabling environment for emerging enterprises and address skills shortage in the construction industry through development of emerging contractors and youth by ensuring that EPWP responds to government's priorities of creating decent jobs, enterprise development and increase artisan base. The sub-programme is responsible to oversee contractor empowerment, training and development including learnerships, and providing SMME support and development.

4.3.3 Coordination and Compliance Monitoring Sub-Programme

Purpose

This sub-programme is responsible for coordination, monitoring EPWP implementation and the management of Incentive Grant Expenditure to all public bodies implementing EPWP in the province.

NB. This Sub-Programme is entrusted with the provincial management and coordination of all stakeholders towards the successful implementation of the EPWP targets within the Province in relation to the creation of work opportunities. The projects/initiatives and budgets are controlled by the public bodies (provincial departments and municipalities).

Institutional outcomes that each programme contributes

Budget Programmes	Outputs	Intended outcomes	Impact	Woman	Youth	Disability
Programme 3: Expanded Public Works Programme	Development initiatives for the unemployed.	Optimised job opportunities	A fully functional and supported building infrastructure through empowerment and improved service delivery for sustainable livelihoods.	60%	55%	2%
	Empowerment of impoverished communities.					
	Skilled youth					
	Co-ordinate expenditure on the Expanded Public Works Programme					

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements								
Community Development Sub-programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement for 2022/2023	Reasons for deviation
Output Indicators								
Optimised job opportunities.	Development initiatives for the unemployed.	Number of work opportunities created by the Provincial Department of Public Works and Infrastructure.	1 893	2 197	2 600	2 616	1%	The overachievement is due to 16 additional participants resulting from the 14 disabled participants that were recruited to improve on the 2% target. The other two were replacement of participants under Mangaung CWP project for drop outs before the end of the project.
	Empowerment of impoverished communities.	Number of beneficiary empowerment interventions.	3	2	2	2	0%	None
	Participation of Public bodies in EPWP.	Number of public bodies reporting on EPWP targets within the Province.	32	31	31	32	3%	Mafoke Local Municipality managed to report on EPWPRS even though they wasn't any grant allocation for them but one on one meeting were conducted to support them to report using their equitable share..

Sub-programme expenditure

Sub- Programme	2022/2023		(Over)/Under Expenditure R'000	2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
Community Development	82 534	60 757	21 777	72 818	66 194	6 624
Total	82 534	60 757	21 777	72 818	66 194	6 624

Sub- Programme	2022/2023		(Over)/Under Expenditure R'000	2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
Innovation and Empowerment	8 988	8 986	2	8 399	8 379	20
Total	8 988	8 986	2	8 399	8 379	20

Sub- Programme	2022/2023		(Over)/Under Expenditure R'000	2021/2022		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
Coordination and Compliance Monitoring	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

The information in the Annual Report is aligned with that in APP.

5. TRANSFER PAYMENTS

5.1. Transfer payments to municipalities

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
MAN Mangaung (Metro)	Property Rates Payments	217 243 000,00		
FS161 Letsemeng	Property Rates Payments	2 549 583,96		
FS162 Kopanong	Property Rates Payments	7 437 713,73		
FS163 Mohokare	Property Rates Payments	440 583,48		
FS181 Masilonyana	Property Rates Payments	7 865 007,27		
FS182 Tokologo	Property Rates Payments	413 535,57		
FS183 Tswelopele	Property Rates Payments	3 050 594,31		
FS184 Matjhabeng	Property Rates Payments	133 540 402,68		
FS185 Nala	Property Rates Payments	5 212 913,52		
FS191 Setsoto	Property Rates Payments	13 614 631,83		
FS192 Dihlabeng	Property Rates Payments	11 282 313,84		
FS193 Nketoana	Property Rates Payments	1 063 125,24		
FS194 Maluti-A-Phofung	Property Rates Payments	33 468 615,34		
FS195 Phumelela	Property Rates Payments	2 378 500,98		
FS196 Mantsopa	Property Rates Payments	3 603 136,92		
FS201 Moqhaka	Property Rates Payments	15 336 445,47		
FS203 Ngwathe	Property Rates Payments	7 377 420,00		
FS204 Metsimaholo	Property Rates Payments	12 115 131,15		
FS205 Mafube	Property Rates Payments	2 594 353,44		
Total		480 587 008,73		

6 CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

The table below detail/s the conditional grants and earmarked funds paid by the Department.

Earmarked Funds Paid:

Property Rates and Taxes Allocation

Department/ Municipality to whom the grant has been transferred	Public Works and Infrastructure.
Purpose of the grant	For the payments of municipal property rates and taxes on all provincially owned properties (registered, unregistered or incorrectly registered).
Expected outputs of the grant	Payment on receipt of valid property rates and taxes invoices from municipalities.
Actual outputs achieved	Payments of rates and taxes made within 30 days upon receipt of the invoice from municipalities.
Amount per amended DORA	R480.600 million.
Amount transferred (R'000)	R480.600 million.
Reasons if amount as per DORA not transferred	The entire DORA allocation was received.
Amount spent by the department/ municipality (R'000)	R480.587 million.
Reasons for the funds unspent by the entity	Total budget was spent.
Monitoring mechanism by the transferring department	Payment of property rates to be captured on BAS and reconciled to Rates and Taxes register.

6.2 Conditional grants and earmarked funds received

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2022 to 31 March 2023

EPWP Integrated Grant to Provinces

Department who transferred the grant	Public Works and Infrastructure.
Purpose of the grant	Utilisation of Infrastructure and cleaning and greening projects in line with EPWP principles.
Expected outputs of the grant	The grant will be utilized for infrastructure and cleaning and greening projects in line with EPWP principles and to create more work opportunities based on the full-time equivalent jobs.
Actual outputs achieved	Creation of decent jobs and increase in the GDP of respective towns.
Amount per amended DORA	R6.183 million.
Amount received (R'000)	R6.183 million.
Reasons if amount as per DORA not received	The entire DORA allocation was received.
Amount spent by the department/ municipality (R'000)	R6.150 million.
Reasons for the funds unspent by the entity	Total budget was spent
Reasons for deviations on performance	Decentralisation of Community Liaison Officers to the districts for scrutiny. Submission of monthly conditional grant expenditure report to Provincial Treasury with explanatory information.
Monitoring mechanism by the receiving department	Public Works and Infrastructure.

Infrastructure Enhancement Allocation

Department who transferred the grant	Public Works and Infrastructure.
Purpose of the grant	Assist in acceleration of construction, maintenance, and rehabilitation of new and existing infrastructure. Enhance capacity to deliver on infrastructure exclusively for provincial related projects.
Expected outputs of the grant	Number of buildings and facilities constructed and maintained.
Actual outputs achieved	Number of buildings and facilities constructed and maintained.
Amount per amended DORA	R88.709 million.
Amount received (R'000)	R88.709 million.
Reasons if amount as per DORA not received	The entire DORA allocation was received.
Amount spent by the department/ municipality (R'000)	R67.193 million.
Reasons for the funds unspent by the entity	Procurement of the Service Providers for Township Revitalization Projects was delayed due to possible transfer of the function to the Department of Community Safety and Roads Department. The matter was only resolved during the AEPRE process.
Reasons for deviations on performance	
Monitoring mechanism by the receiving department	

7 DONOR FUNDS

7.1. Donor Funds Received

The Department did not receive any donor funding during 2022/2023 financial year.

8 CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

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

Provincial Department	Completed Project Name
Public Works and Infrastructure = 4	Koppies TRP
	Zastron TRP
	Bloemfontein: OR Tambo 8 th Floor: Repair Building – Phase 2
	Bloemfontein: Fidel Castro – Modernization of five lifts

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

Provincial Department	Project Name	Expected Completion Date
Public Works and Infrastructure = 22	Botshabelo TRP	13 March 2023
	Brandfort TRP	19 June 2023
	Bultfontein TRP	10 June 2023
	Ficksburg TRP	21 July 2023
	Frankfort TRP	19 June 2023
	Koppies TRP	10 June 2023
	Memel TRP	11 June 2023
	Oppermansgronde TRP	12 June 2023
	Petrus Steyn TRP	24 July 2023
	Philippolis TRP	24 July 2023
	Tweeling TRP	24 July 2023
	Villiers TRP	11 June 2023
	Vrede TRP	11 June 2023
	Zastron TRP	24 July 2023
	Bloemfontein: Tshireletsong Children's Home Phase 2	30 June 2023
	Bloemfontein: Thusanong	02 August 2023
	Bloemfontein: Free State House – Part 1: Wall fence, Paving and Swimming Pool repairs	31 March 2023
	Bloemfontein: OR Tambo 3rdFloor Board room	31 March 2023
	Bloemfontein: House at 2 Zeus street	15 April 2023
	Bloemfontein: OR Tambo 8 th Floor: Upgrading of Kitchen Bar – Phase 3	09 March 2023
	Bloemfontein: MPL Houses – Three Houses installation of kitchen Build in cupboards. Namely: House no 1, 8 and 9	27 May 2023
	Bloemfontein: Free State House – Part2: Repair and Renovations: Repairs and kitchen	13 July 2023

Provincial Department	Project Name	Expected Completion Date
Education = 14	Parys: Father Balink New Primary School	03 April 2024
	Trompsburg: Trompsburg Special School: Hostel	08 August 2024
	Trompsburg: Trompsburg Special School	22 June 2025
	Thaba Nchu: Boitumelong Special School: Hostel	13 March 2024
	Harrismith: Morena Tsohisi Primary School	17 September 2023
	Gariepdam: Orajekrag School Hostel	02 October 2024
	Thaba Nchu: Boitumelong Special School: Hostel	13 March 2024
	Viljoenskroon: Dr Sello Primary School	16 November 2022 Adjudicating EOT 6
	Bothaville: Tshehetso Primary School	23 December 2023
	Sasolburg: Katlego Mpumelelo Secondary School	31 July 2023
	Fouriesburg Breda Farm School: Hostel	29 September 2023
	Welkom: Leboneng Special School: Hostel	09 May 2022 EOT 6 approval pending
	Bethlehem Vogelfontein Primary School	At Specification Committee
	Bloemfontein Old Eureka Hostel: upgrade and Renovations	To be revised upon new appointment
	Bloemfontein: Matla Phase 2: Admin building, Media Centre, School hall, Book and Garden Store, Activity Centre.	Taken back by DoE to implement
Health = 2	Welkom Riebeckstad (Thandanani) New Clinic	31 July 2023
	Welkom Rheederpark New Clinic	06 July 2023
Sport, Arts, Culture and Recreation = 2	Phuthaditjhaba: Charles Mopeli Stadium Phase 1 Construction of Paving & Parking	07 June 2022
	Wepener: Qibing New Library	Still to be advertised

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)

None

Plans to close down or down-grade any current facilities.

No plan to close down or down grade any buildings during the 2022/2023 financial year.

Progress made on the maintenance of infrastructure.

- Scheduled maintenance work is currently carried out on the departmental buildings, this schedule is guided by a programme that covers all equipment. Different equipment is maintained at different times, according to the Manufacturer's specifications.
- The department currently budgets for scheduled maintenance on mechanical and electrical equipment, like lifts, standby generators, air-conditioning units, fire extinguishers and fire sprinklers.

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

The upgrading of the lifts and servicing of the fire equipment will impact the current expenditure

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

The Department had three assets added to the Immovable Asset Register (IAR) and six assets were transferred to the National Department of Public Works and Infrastructure

Opening balance (01 April 2022)	Closing balance (31 March 2023)	Movement
4 893	4 890	3 additions and 6 properties transferred to National Government.

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

The Department does quarterly reconciliations to ensure that the register is updated. Furthermore, the Deeds Dump received from National Government is used to ensure that all properties registered in the name of the Free State Provincial Government are recorded in the Immovable Asset Register.

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

Condition of Facility	Number of Facilities	Percentage
BAD Condition	73	4.68
FAIR Condition	1 331	85.44
GOOD Condition	154	9.88
Total	1 558	100%

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

- Welkom: Kopano Sports Arts and Culture Building Rehabilitation
- Odendaalsrus: Agriculture Offices
- Kroonstad: KGI Building Renovations – Phase I and Phase II.

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 not, and what measures were taken to keep on track.

- For the financial year 2022/2023 budget allocation was at R113 148 000.00 which was not enough to cover all planned projects for the financial year, however the maintenance backlog that the department is currently facing keeps on increasing.
- A plan to increase budgets and grants for maintenance have been discussed to mitigate the challenges that the Department is facing, a comprehensive plan including condition assessment on government buildings to increase revenue collection has also been discussed and will be implemented in the 2023/2024 financial year

Capital investment, maintenance and asset management plan

Infrastructure Projects	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	Under Expenditure	Final Appropriation	Actual Expenditure	Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	139 854	117 214	22 640	93 987	81 416	12 571
- Upgrades and additions	91 710	69 610	22 100	58 308	50 309	7 999
- Rehabilitation, renovations and refurbishments	36 636	36 565	71	21 793	19 707	2 086
- Maintenance and repairs	11 508	11 039	469	13 886	11 400	1 964
Infrastructure transfer	-	-	-	-	-	-
- Current	-	-	-	-	-	-
- Capital	-	-	-	-	-	-
Total	139 854	117 214	22 640	93 987	81 416	12 571

PART C

GOVERNANCE

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1. INTRODUCTION

The Public Finance Management Act, Section 38(1)(a)(i) requires the Accounting Officer to establish and maintain the systems of risk management and internal control which are aligned to the principles of good corporate governance. In compliance with this prescription, the Department has adopted an enterprise-wide risk management (ERM) strategy which ensures that every key risk in each Programme of the Department is included in the strategic risk register of the department and that all risk management efforts are focused on supporting the achievement of the Department's objectives.

2. RISK MANAGEMENT

The Accounting Officer (AO) for the Department of Public Works & Infrastructure takes responsibility for implementing enterprise risk management in accordance with the National Treasury Public Sector Risk Management Framework and the Directorate Enterprise Risk Management in the Office of the HOD provides a centralised strategic support service to the Department.

The Department has a risk management structure in place to support the implementation and maintenance of an effective and efficient risk management function. The Risk Management Policy and Strategy were reviewed and approved to guide the implementation of an effective risk management.

The risk assessment process (strategic and operational) was completed in line with the Risk Management Strategy with the purpose of reviewing the strategic and operational risks as well as to identify new and emerging risks.

The Risk & Ethics Management Committee is in place and is chaired by an independent chairperson appointed on a three-year term. The Committee provided oversight during the year by reviewing the effectiveness of the departmental risk management systems, practices and procedures and made recommendations for improvement in various areas of unacceptable residual ratings.

The Shared Audit Committee meets quarterly and risk management is a standing agenda item. The Committee advises the Department on risk management and independently monitors the effectiveness of the systems of risk management.

The Risk and Ethics Management Committee continues to foster a culture that emphasises and demonstrates the benefits of a risk-based ethical approach to internal control and management of the Department. There is moderate improvement in the management of risks that culminated in improvement on departmental performance. There is ongoing assessment and improvement of the risk management process to ensure that the correct root causes, impact and action plans are identified and measures are put in place to mitigate unacceptable residual risk.

3. FRAUD AND CORRUPTION

Fraud and corruption represent a significant potential risk to the Department and can negatively impact on both service delivery efficiency and the Department's reputation. The Department is committed to zero-tolerance with regard to corrupt or fraudulent activities, whether internal or external.

The following policies were reviewed and approved during the period under review:

- Anti- Fraud and Corruption Prevention Policy.
- Anti- Fraud and Corruption Prevention Plan.
- Whistle Blowing Policy.
- Ethics & Integrity Management Policy.

The Department completed the fraud risk assessment and prepared a Fraud Risk Register as part of the Anti-Corruption and Fraud Prevention Plan.

Reporting procedures and resolution of reported incidents – Employees

Various channels for reporting allegations of fraud and corruption are described in detail in the Departmental Whistle-blowing Policy:

- It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager and/or the Director: Internal Audit.
- All managers are responsible for the prevention, detection, and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Director: Internal Audit. The Director: Internal Audit will initiate an investigation into the matter, in consultation with Senior Management.
- Should employees wish to report allegations of fraud and corruption anonymously, they can utilize the National Anti-Fraud and Corruption Hotline.
- The Department encourages members of the public or providers of goods and/or services who suspect fraud and corruption to contact the Director: Internal Audit or any other member of management.

Reporting procedures and resolution of reported Incidents - Public or Service Providers

- The Department encourages members of the public or providers of goods and/or services who suspect fraud and corruption to contact the Director: Internal Audit or any other member of management.
- Should the member of public wish to report allegations of fraud and corruption anonymously, they can contact National Anti-Fraud and Corruption Hotline on 0800 701 701 or departmental website at www.publicworks.fs.gov.za.

Action taken for any fraud and corruption

Any fraud and corruption committed by an employee or any other person is pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

- In case of employees, taking disciplinary action within a reasonable period of time after the incident;
- Instituting civil action to recover losses;
- Initiating criminal prosecution by reporting the matter to the South African Police Services (SAPS) or any other relevant law enforcement agency.

4. MINIMISING CONFLICT OF INTEREST

All members of the Senior Management Service (SMS) disclose their financial interest in terms of the Public Service Regulations of 2016. This disclosure is forwarded to the Public Service Commission by 31 May. All Senior Managers disclosed as required for the year under review. In addition, the Department conducts an annual Companies and Intellectual Property Commission (CIPC) search for all levels to establish if any conflict of interests exists. Furthermore, as part of pre-employment screening a CIPC search is also conducted for the reasons mentioned above.

The Public Service Regulations, 2016 which came into effect on 1 August 2016 also provides that the Minister for the Public Service and Administration (MPSA) may identify other salary levels that should disclose their financial interest. The Minister determined that employees on Deputy Director level and staff employed in the professions (OSD) on these levels and all appointees within Supply Chain Management and Finance also form part of the designated groups and should also disclose. The MPSA furthermore issued a directive dated 18 June 2021 that inter alia requires that all staff members appointed at salary level 9 and 10 / or equivalent also disclose their financial interests. The members of the Senior Management Service are required to disclose on an annual basis whilst the other categories of designated employees every second year.

The Financial Disclosure Framework is a key tool to identify possible forms of conflict of interests and especially against growing public expectation for strengthening the integrity of Government officials and to prevent corruption in Government institutions. During the year under review 100% compliance in terms of disclosure was achieved for those categories required.

Since 1 April 2021 conducting life style audits in the public service has become compulsory for all national departments, provincial departments and government components. Regulation 22 of the Public Service Regulations, 2016 provides guidance to heads of department to analyse ethics and corruption risks as part of the department's system of risk management. Life style audits are considered a risk management tool to prevent and detect fraud and corruption in the public service.

The basis of the life style review is the information disclosed by means of the financial disclosure system. The Department has complied with the life style audit imperatives introduced into the Public Service by the Department of Public Service and Administration. Seventy-nine (79) life style reviews were concluded in the previous financial year with no red flags identified.

By adopting life style audits, greater transparency is obtained in the Public Service. This is a powerful deterrent against unethical and criminal behaviour, as it reminds Public Service employees that their behaviour is subject to scrutiny, as the Constitution of the Republic of South

Africa, Act 108 of 1996, Section 195 requires that a “high standard of professional ethics must be promoted and maintained.” Life style reports were forwarded the DPSA as prescribed. Such report was acknowledged by the DPSA on 31 January 2023.

Where irregular expenditure and unwanted expenditure are concerned, the Department has established a committee to investigate, recommend and recover funds that were spent and value was not derived. The Department is also cooperating with the Law Enforcement agencies where cases of fraud and corruption are being investigated.

Prior to any Bid Committee, members disclose interest and where appropriate recuse themselves from adjudication. A similar approach is followed at the Audit Committee, Risk and Ethics Management meetings which are chaired by external stakeholders.

5. CODE OF CONDUCT

Public Service employees are required in terms of section 195 of the Constitution of the Republic of South Africa, 1996 to exercise the highest ethical standards and adhere to the Code of Conduct as they are entrusted with the duty and responsibility of serving a broader society.

Employees are reminded regularly of the contents of the code of conduct, and are expected to abide by the contents thereof. Furthermore, the Department follows a proactive approach to entrench ethical conduct and thereby contributes to minimizing fraud, corruption and non-compliance. Key areas that have been implemented are:

- Directive by MPSA on the remunerative work outside the employee's employment in the relevant Department as contemplated in Section 30 of the Public Service Act, 1994 dated 1 November 2016.
- Directive by MPSA on Conducting Business with an Organ of State dated 27 January 2017.
- Determination on other categories of designated employees to disclose their financial interests and Directive on the form, date and financial interests to be disclosed issued by the Minister for Public Service and Administration dated 16 March 2017 and 18 June 2021 (replaced 2017 directive). All three directives applied for the 2022/2023 financial year.

A quarterly report on ethics management is discussed and adopted in the designated Risk and Ethics Management Committee as well as Audit Committee. The code of conduct and ethics management form part of the departmental interventions.

The Code of Conduct sets the norms and standards for Public Servants in respect of professional ethics enshrined in the Constitution. Ethical Conduct and organisational integrity are key to eradicating fraud and corruption in the Public Service.

The Department will support the new fraud and corruption task team announced by the Honourable Premier on 28 February 2023. The Department has ensured that **100%** of its staff from salary level 7 and above have been trained on the building blocks of integrity, compliance and ethics in an anti-corruption context through a compulsory ethics course.

The Department during 2021/2022 has implemented an Ethics management programme that will equip its employees with the necessary knowledge and understanding to make ethical decisions. **Hundred and sixteen (116)** unskilled workforce were also taken through the face to face ethics training during the 2022/2023 financial year there by supplementing the **two hundred and fifty (250)** non office bound staff members that underwent face to face ethics training during 2021/2022. In excess of 79% of our employees have been exposed and received certificates for compulsory ethics in the public service. Further staff will undergo this intervention during 2023/2024 financial year.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Any employer of choice is measured against the success of the employee health and wellness programme. Departmentally this programme which relies on close co-operation with line management seeks to achieve a healthy and productive workforce. Occupational Health and Safety (OHS) is central to a healthy workforce, clients / customers and service providers. The Department has an OHS committee that deals with matters which are related to Health and Safety of the employees. The committee meets on a quarterly basis and implement OHS. Meetings are being chaired by a representative appointed in terms of Section 16 of the Occupational Health and Safety Act. As custodian of infrastructure said employee is also responsible to chair the inter-departmental OHS committee.

The Department ensured compliance in this respect. The departmental compliance elements was strengthened with a policy on the management of Asbestos. As the custodian of the immovable assets in the province and having assumed the responsibility to provide office accommodation to all provincial departments, the department has a responsibility to ensure that buildings occupied by departments comply with Occupational Health and Safety standards.

Occupational Health and Safety is central to a healthy workforce, clients, customers and service providers. During the past 12 months the Department trained **one hundred and forty-nine (149)** staff members on Occupational Health and Safety related training. Detail is as follows:

• OHS Representative	: 21
• First Aid	: 10
• Fire-fighting	: 35
• Working at Heights	: 19
• Ladder Inspectors	: 26
• Scaffold Inspector / Erector	: 38
TOTAL	: 149

The department supplemented its professional capacity and appointed a professional mechanical engineer who has experience in matters relating to fire. This will assist in the maintenance of fire-fighting equipment.

All contractors appointed must submit a health and safety plan which is monitored by technical staff of the Department. The above interventions contribute to a safe and healthy working environment.

7. PORTFOLIO COMMITTEE

The table below depicts the dates of the meetings held with the Portfolio Committee on Public Works, Infrastructure, Roads, Transport and Human Settlements:

No	Subject on the Programme of the Portfolio Committee Meeting	Date of the meeting
1.	Consideration of Q4 Non-Financial Report for 2021/2022 Financial Year	12 May 2022
2.	Consideration of 2022/2023 Annual Performance Plan on Non-Financial Matters	31 May 2022
3.	Consideration of Q1 Non-Financial report for 2022/2023 Financial Year	01 September 2022
4.	Consideration of Q2 Non-Financial report for 2022/2023 Financial Year	02 December 2022
5.	Consideration of 2021/2022 Annual Report	
6.	Consideration of Q3 Non-Financial report for 2022/ 2023 Financial Year	28 March 2023

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

All matters raised by the Portfolio Committee were responded to in writing.

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
(2018/19), 1(a)	The Portfolio Committee was concerned about the lack of completion of the construction of the bulk infrastructure portion of the purchase agreement.	Indicate the time frames specified for the completion of the bulk infrastructure portion of the purchase agreement;	To date the implementation of the Bulk Infrastructure has not started due to the Zoning that is not yet approved by the Municipality. Department is going to request a meeting with the Services Provider, Municipality and all relevant stakeholders to drag the process and emphasize the urgency of the matter.	Yes
(b)		Indicate how the bulk infrastructure progress will be monitored and accounted for between the department, the metro municipality and the entity.	Sub-clauses 2.1 and 2.2 of the Deed of Sale indicate that R28 million must be paid as cash and R20 million as installation of bulk infrastructure. The Department received a letter from the buyer indication that the have submitted an implementation plan for the installation of bulk infrastructure which will start on 1 April 2021 and they requested to pay the R20 million for bulk infrastructure with a bank guarantee but the Department rejected their request due to the procurement process that was followed. The Department initiated and facilitated a meeting between Sedtrade Consortium and Mangaung Metro Municipality to discuss all pertinent issues regarding installation of bulk infrastructure and it was resolved that Sedtrade Consortium and Mangaung Metro Municipality must work together to speed up the process. The Department will write to Sedtrade Consortium to get progress.	No
Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
2	Audit Action Plan	The department must ensure that all non-compliance findings that were repeated or reached need to be included in their action plan, but must be monitored and adhered to on a continuous basis throughout each financial year.	The Department has developed a remedial audit action plan to address all the findings raised during the audit by the AGSA. The remedial audit action plan is monitored on a monthly basis. The Action plan will be presented to the Department's Shared Audit Committee meetings, the Quarterly Performance Review meetings and the Departmental Executive Management meetings; which are chaired by the Accounting Officer. The Action Plan is also required to be submitted to the Provincial Treasury on a monthly basis with the Key Control Matrix documents.	Yes
Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
3	Internal Audit and Audit Committee	More oversight by senior management, internal audit and audit committee is needed to support the Accounting Officer in achieving an improvement in outcomes.	Internal Audit unit audits high risk areas within the Department in line with the risk register and provides recommendations for improved actions. Audit Committee meets at least 4 times a year to provide oversight on matters relating to the Department. Internal Audit commits to attending the Chief/Directorate meetings of other programmes, to evaluate and assist with the oversight of operations and to ensure the achievement of objectives. The Chief/Directorate meetings must be held regularly (at least monthly) where the programme operations are monitored and discussed, and operational effectiveness is evaluated. Internal Audit to provide an independent evaluation and recommend effective action plans and internal controls in addressing deficiencies.	Yes

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
4(a)	Leasing of Government Properties and Monitoring	Extension on rental/lease contracts in respect to private properties leased for government purposes must adhere to SCM regulations, with the necessary consideration and approvals required.	All procurement processes for leases or extensions follow all SCM regulations.	Yes
(b)		Infrastructure projects should be properly managed and contractors closely supervised in order to monitor the progress and quality of the projects.	The SOP was developed and submitted to the Provincial Treasury.	Yes
(c)		The department must enter into payment agreements with municipalities and continue with negotiations with Treasury and other oversight bodies in regard of the budget constraints	The Shortfall was presented to the following forums: • Provincial Treasury • National Treasury • Provincial Head of Departments Forum (FoHOD) • Provincial EXCO Property Rates to the amount of R480.587 million and Municipal Services to the amount of R488.139 million were paid till end March 2023. Signing of Agreements (Payment Plans) Municipalities raised the following requirement for signing payment plans: • Department needs to commit to pay all current accounts in time • Confirmed outstanding balances to be paid within a set time line The allocated budget for municipal services will cover ±4 months of the current accounts. Therefore municipalities have a concern to enter into payments plans that cannot be adhere to.	No
Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
5	Lack of supporting documents	Performance information is reviewed to ensure that there is adequate supporting documentation for all reported achievements to confirm the reliability of the performance information	Identified discrepancies were addressed with relevant Programme Managers. The assessment of progress performance information against the supporting documents is conducted to ensure accuracy, reliability and validity of reported outputs. Follow-ups are also conducted for the submission of relevant and outstanding POEs for the reported outputs.	Yes
Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
6(a)	The Portfolio Committee was concerned that the department did not implement sufficient monitoring controls to ensure that projects are properly managed and contractors closely supervised in order to monitor the progress and quality of the projects	Implement additional monitoring controls to ensure that projects are properly managed and contractors are closely supervised in order to monitor the progress and quality of the project/s.	The SOP was developed and submitted to the Provincial Treasury.	Yes
(b)		Enter into Service Level Agreement (SLA) with all departments where they are requested to assist with project management to ensure clear responsibilities of each department.	IPIP's were signed by both client and DPWI.	Yes

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
(c)	The Portfolio Committee was concerned that the department did not implement sufficient monitoring controls to ensure that projects are properly managed and contractors closely supervised in order to monitor the progress and quality of the projects	Provide status reports on all incomplete infrastructure projects and ensure they assist all line departments to ensure infrastructure units are functional and capacitated.	Monthly Reports are prepared.	yes
(d)		Address the capacity at the department to deal with infrastructure projects as implementing agent of other departments.	Appointment of Chief Project Manager was done on the 1st of April 2021.	No
(e)		That all rented and new buildings comply with health and safety regulations	Since the start of the financial year the Department has conducted an inspection on 17 leased properties and one (1) state owned property, the findings identified from the Occupational Health and Safety inspections have been communicated to the landlords to be addressed.	Yes
(f)		End-users must submit invoices to SCM on time to allow SCM officials to process and pay all invoices within 30 days.	With the exception of payments to Municipalities, the Department aims and strives to continuously pay suppliers within 30 days. For the 2022/23 financial year, only twelve (5) invoices to the value of R246 433 were not paid within 30 days.	No

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

• MATTERS ON THE AUDIT REPORT

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
Non-compliance with TR 8.2.3 (Payments not made within 30 days) (COA 14) & (ISS 14) (Payments made more than 30 days after the receipt date of the invoices/billings/ statements)	2021/2022	The Shortfall was presented to the following forums: • Provincial Treasury • National Treasury • Provincial Head of Departments Forum (FoHOD) • Provincial EXCO Property Rates to the amount of R480.587 million and Municipal Services to the amount of R488.139 million were paid till end March 2023.
Transfers and Subsidies_ Non Compliance with TR 8.2.3 Payment not made within 30 days (COA 36) (ISS.34) (Payments made more than 30 days after the receipt date of the invoices/billings/ statements)		
(ADJUST) AOPO - Programme 2: Maintenance projects awarded may be overstated (COA 65) (ISS.64)	2021/2022	The Department on the 7th of March 2023 submitted a letter to request the re-tabling of the APP to the Legislature, and awaiting a response thereon.
(ADJUST) AoPO - Programme 2: Maintenance projects completed may be overstated (COA 78) (ISS.75)		

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
(ADJUST) Immovable Assets: Classification issue (Tshireletsong Home) (COA 86)(M) (ISS.86) (The project was incorrectly classified as complete and ready for use under note 29.2 of the Annual Financial Statements.)	2021/2022	Physical verifications were performed on all capital projects were practical and final completion certificates received.
Prepayment of management fees (COA 29) (The amounts paid over to the service provider included a management fee, even though at the time of the payment the service provider had not yet rendered the services which entitled them to be paid the management fee (i.e. distributing the stipends to the EPWP participants)	2021/2022	The Unit has a newly appointed service provider which commenced with the payroll service in February 2022. The payment process has been restructured in a way that Management Fees and Stipend Payments are now separate invoices. The service Provider receives stipend payments after EPWP participants have concluded working for the month supported by attendance registers and payment registers. The Management fees are only processed after reconciliations of stipends have been done and confirmations of payments to all EPWP participants is agreed. Monthly payroll meetings are conducted to discuss processed payment and agree on the reconciliations
Prepayment of management fees (COA 41) (The amounts paid over to the service provider included a management fee, even though at the time of the payment the service provider had not yet rendered the services which entitled them to be paid the management fee (i.e. distributing the stipends to the EPWP participants).		
Consequence Management: 2020/21 Irregular expenditure not investigated (COA 64) (ISS.74) (The department did not conduct any investigations in the current year relating to the irregular expenditure that was identified in the prior year).	2021/2022	The Accounting Officer of the Department has appointed an Unwanted Expenditure Committee to attend to the processes of detecting, condoning and recovering irregular expenditure as well as fruitless and wasteful expenditure that the Department has incurred. The Committee has appointed the Departmental Risk Management Unit to conduct investigations on the Fruitless and Wasteful expenditure cases, and Internal Control is currently conducting investigations on some of the cases under the irregular expenditure, once the investigations are concluded. A draft report on 3 cases investigated by Internal Control has been presented to the committee, once information for clarity requested from SCM has been provided, the report will be concluded. Also, as at 13/02/2023, investigations on 42 cases of Irregular Expenditure (3 quotations) have been concluded, and have been referred to Labour Relations in order to institute disciplinary processes (where applicable) in accordance with the relevant prescripts.

• MATTERS ON THE MANAGEMENT REPORT

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
Internal Audit -External QC review (I/C) (COA.4) (ISS.4)	2021/2022	The Internal Audit embarked on a self-assessment in terms of the requirements of the Quality Assessment Tool piloted by National Treasury. Currently there was a request for quotations sent to Supply Chain Management for the appointment of an external service provider to provide the validation. The initial RFQ received only 2 responses from the market. The RFQ has been re-advertised and we are awaiting the outcome of the current round of advert following which we will proceed with the appointment.
Lease commitments - Operating Revenue: Differences identified on amounts disclosed (COA 63) (ISS.62)	2021/2022	1) The list of 115 debtors lease commitments has been interrogated and the leases that will need to be reinstated have all been identified. 2) The lease register was rectified to reflect the instances where the Department has intention to request approval to sign new contracts.
Lease commitments: Completeness of lease commitments disclosed could not be confirmed (COA 50) (ISS.44)	2021/2022	The lease register was reviewed for accuracy, the differences were investigated. The contracts have been added, calculations have been corrected and adjustments made in the AFS.
Movable assets - Existence of assets could not be verified (COA 83) (ISS.79)	2021/2022	2 106 assets were under investigation and of the 2 106, 493 have been scanned and verified. The investigation on the remaining losses is ongoing.
Goods and Services: Operating Leases - Accuracy (COA 15) (PARTIALLY RESOLVED) (ISS.15)	2021/2022	The current internal controls are implemented to ensure that payments are made to correct suppliers.
(ADJUST) Accruals and payables not recognised - Completeness issue (COA 76) (ISS.70)	2021/2022	The Tracking register was developed. Verified payment batches are captured on the tracking register. The accruals & payables register should reconcile back to the outstanding balances on the tracking register to ensure completeness.
Deviations (COA 58) (ISS.60)	2021/2022	1. No contracts have been extended through deviation after the original contract expired. 2. SBD 4 forms have been completed by the service providers for all approved deviations for this year.
Accrued departmental revenue - Long outstanding debt (COA 90) (ISS.89)	2021/2022	The document will be drafted when the debtors have been identified and classified The process of classifying the debtors is currently underway.
SCMQ 124 – Non-compliance to TR 16A6.3(e) and par. 3.3. of Practice Note 5 of 2009/10 (COA 42) (ISS.45)	2021/2022	All the ICT related request to advertise (RFQ's) are scrutinised by the SCM Compliance unit before the Deputy Director Demand and acquisition authorise the RFQ to be advertised.

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
SCM: Deviation not approved, award below R500 000	2021/2022	All the deviations for the current financial year have been reported and recorded accordingly in the deviations register. The deviations are recorded as per the approval of the Accounting Officer or Provincial Treasury. The deviation register is reviewed and signed off by SCM Director.
Accrued departmental revenue - presentation/disclosure and classification (COA 88) (ISS.78)	2021/2022	The credit amounts on disposal properties are currently investigated and reconciliations will be done. Once finalised the journals will be passed to correct the amounts.
ISA: Lack of a documented and approved Backup policy/procedure document. (ISS.93)	2021/2022	The procurement process for a synchronised solution has been started with SITA where they will act as the department's agent for the tender process. SITA has allocated an incident number indicating that the tender is in process at procurement. The tender was not advertised due to the freeze period. An evaluation committee form was requested by SITA and the department sent it back populated. SITA is yet to update the department on the progress of the tender. SITA has started with the Bid Specification process. The Disaster Recovery policy has been submitted for approval.
ISA: Inadequate implementation of security management controls (ISS.98)	2021/2022	While waiting for the finalisation of the Synchronised Security Solution, the anti virus extension for a period of 12 months has been approved. Deviation submission has been approved by HOD and currently waiting for a purchase order. The Security policies have been reviewed and sent for HOD approval. The ESET antivirus has been renewed and currently being implemented. The antivirus has been installed.
Irregular expenditure Prior year issue - (SCM: Emergency Deviation Not approved) (COA 52)(M)(A) (ISS.49)	2021/2022	All deviations are approved by the Accounting Officer and are reported to the Provincial Treasury after approval.
Capital Commitments- Accuracy Issues (COA 72) (ISS.56)	2021/2022	All payment batches for capital projects are scanned after disbursement runs and filed on the server for record-keeping. General journals were passed for capital projects to align and correct expenditure. A reconciliation between the Commitments Register, Payment certificate/invoice and detailed report is performed to ensure correctness and validity after month-end closure.
Transfers and Subsidies: (IC) Payment not made in accordance with BAS/FIN Delegation (COA 47)(M)(A) (ISS.35)	2021/2022	Payment batches authorized by the Snr Admin officer was countersigned by the Deputy Director: Utilities. As from July 2022 the Deputy Director: Utilities was granted BAS authorization.

10. INTERNAL CONTROL UNIT

The purpose of Internal Control Unit is to provide reasonable assurance regarding, the achievement of the Departments objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations

The unit carries out the following functions:

- To establish and nurture financial management policies and procedures;
- Ensure that all delegations exist and are updated annually and also ensure that they are approved by the Head of Department;
- Check payments for completeness and accuracy before final authorization on the system;
- Consolidate monthly and quarterly KCM (Key Control Matrix) reports and ensure that all supporting documents are available and filed accordingly;
- Consolidate all input on action plan and audit findings;
- Ensure that all inputs on PROPAC Resolutions are captured timely;
- To implement the administrative controls to ensure that policies and objectives are implemented in an efficient and effective manner, and to perform spot checks on subsistence and travelling payments;
- Review of samples of financial transactions processed for accuracy and completeness, and the accurate interpretation of policy directives;
- Oversee the effectiveness and use of movable assets and resources allocated.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Free State Department of Public Works and Infrastructure is committed to maintaining the highest standards of governance which is fundamental to the management of public finances and resources. The Department currently has good governance structures in place to provide oversight on the effective, efficient and economical utilization of state resources.

Internal Audit is responsible for assisting the Department to accomplish its objectives by applying a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

In the period under review, the Internal Audit unit of the Free State Department of Public Works and Infrastructure continued to fulfil its mandate to provide an independent, objective assurance and consulting activity that is designed to add value and improve the department's operations; in line with the PFMA, Treasury Regulations and the King Report on Corporate Governance requirements.

The function is a fully in-house function and operates in accordance with an approved Internal Audit Charter, and the International Professional Practices Framework (IPPF) of 2017, reporting operationally to the Head of Department, and functionally to the Audit Committee.

The Audit Committee plays an important role in ensuring that an entity functions according to good governance, accounting and audit standards. It also monitors the adoption of appropriate risk management arrangements.

Internal Audit had and completed 19 planned audit projects for the 2022/2023 financial year. Types of engagements included in the planned projects:

- Risk based engagements;
- Management requests;
- Consulting services; and
- Direct assistance to the Auditor General

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

Name	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr. G Higgins (Interim Chairperson)	B. Com B. Compt - Chartered Accountant (CA)	External	N/A	22 October 2021	Active member	6 out of 6
Ms. K.F. Mphirime-Finger	B. Com B. Com (Hons) - M.Com	External	N/A	22 October 2021	Active member	6 out of 6
Ms. D. Semppe	B. Com B. Compt - M.Com	External	N/A	22 October 2021	Active member	6 out of 6
Adv. Z.W Ngququ	B Proc	External	N/A	22 October 2021	Active member	5 out of 6

The Audit Committee continues to operate within its approved charter, which is reviewed annually to ensure relevance. In discharging its functions and delivering on its mandate, the Committee ensures to comply to Section 38(1)(a) of the PFMA and paragraph 3.1 of the Treasury Regulations, through the combined support of all the assurance providers.

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

THE AUDIT COMMITTEE RESPONSIBILITY

The Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

MEMBERSHIP AND ATTENDANCE

The Committee is comprised of four (4) independent non-executive members listed hereunder. During the financial year, the Committee met six (6) times, meeting attendance is reflected below.

The Table below provides an analysis of the Committee membership and meeting attendance related to the 2022/2023 financial year:

Audit Committee Membership and Attendance: 2022/2023

Name	26 May 2022	09 June 2022	26 July 2022	08 September 2022	21 November 2022	21 February 2023
Mr. G Higgins (Interim Chairperson)	✓ □	✓ □	✓ □	✓ □	✓ □	✓ □
Ms. K Mphirime-Finger	✓ □	✓ □	✓ □	✓ □	✓ □	✓ □
Ms. Dibuseng Semppe	✓ □	✓ □	✓ □	✓ □	✓ □	✓ □
Adv. W Ngququ	✗ □	✓ □	✓ □	✓ □	✓ □	✓ □

Legend: -

✓ : Member attended the Audit Committee meeting.

✗ : Member did not attend the Audit Committee meeting- apology noted

THE EFFECTIVENESS OF INTERNAL CONTROL

The Committee has reviewed the reports of management, Internal Auditors, Provincial Treasury, the audit report on the Annual Financial Statements and Management report of the Auditor-General of South Africa (AGSA). Based on the assurance provided by management, internal auditors and the AGSA, no material breakdown was reported in the system of internal control.

In our review of the Internal Audit reports, certain weaknesses relating to consistency in implementing and monitoring internal controls in the departmental operating activities were identified, and these were brought to attention of management.

Although some measures have been put in place to ensure that the internal control environment is stabilized, the ongoing efforts to enhance internal control measures are commendable.

THE EFFECTIVENESS OF INTERNAL AUDIT

The Department has established an internal audit unit which is an independent function from management, as required in terms of section 38(1)(a)(ii) of the PFMA. During the year, the internal audit unit operated in terms of the approved Internal Audit charter, developed a risk based internal audit annual plan, and reported quarterly to the Committee against the plan.

Internal Audit has reviewed the system of internal controls, performance information and risk management during the period under review. The Internal Audit Activity (IAA) operated effectively and addressed some of the pertinent risk areas in its audits.

The Committee is satisfied that the internal auditors are independent and objective, and accordingly conclude that the internal audit unit is effective.

COMBINED ASSURANCE

The Department has developed a Combined Assurance Framework. This framework aims at helping the Department's management to understand the levels of assurance and where they would need to improve or manage the key risks.

The objectives of implementing this Combined Assurance Model are to:

- Identify and specify the role players and sources of assurance over the Department's risks;
- Provide executive management, the Accounting Officer, Risk Management, the Audit Committee with a framework of the various assurance providers;
- Link Risk Management activities with assurance activities to assist the Accounting Officer and oversight bodies to review the effectiveness of the risk management system;
- Provide a basis for identifying any areas of potential assurance gaps; and
- Consolidate the risk and assurance profile.

The Departmental Combined Assurance Forum plays a significant role in providing management oversight on the implementation of the framework.

The Committee is satisfied that the implementation of combined assurance is functional and effective. The committee is comfortable with the self-assessment

EVALUATION OF THE FINANCE FUNCTION

The Audit Committee notes the vacancy rate within the financial management and there is a need to address this vacancy rate to enable this section to enhance its performance. On the whole, the Audit Committee is satisfied with the department's finance function during the year under review.

PERFORMANCE MANAGEMENT

Part of the responsibilities of the Audit Committee includes the review of performance management. The Audit Committee has in terms of the performance of the department performed the following functions:

- Review and comment on compliance with statutory requirements and performance management best practices and standards;
- Review and comment on the alignment of the annual performance plan, budget, strategic plan, corporate plan and performance agreements;
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the department;
- Review of reported noncompliance with legislation;
- Review of compliance with in year reporting requirements;
- Review of the quarterly performance reports submitted by the internal audit function;
- Review and comment on the department's performance management system and making recommendations for its improvement.

The Audit Committee is satisfied that the performance report has been prepared in terms of the PFMA, the Treasury Regulations and any other related regulatory requirements for reporting performance.

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Audit Committee has reviewed the annual financial statements, which focused on the following:

- Significant financial reporting judgements and estimates contained in the annual financial statements;
- Clarity and completeness of disclosures and whether disclosures made have been set properly in context;
- Quality and acceptability of, and any changes in, accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Significant adjustments and/or unadjusted differences resulting from the audit;
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Asset valuations;
- Calculation and levels of general and specific provisions; and
- The basis for the going concern assumption, including any financial sustainability risks and issues.

The Audit Committee is comfortable that the annual financial statements have been prepared in terms of MCS and the PFMA.

AUDITOR-GENERAL'S REPORT

The Audit Committee concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. The Committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The Audit Committee confirms that it has provided adequate oversight throughout the audit process.

The Audit Committee further concurs with the audit opinion issued by AGSA on Annual Financial Statements of the Free State Department of Public Works and Infrastructure and congratulates the department on the achievement of the unqualified audit opinion on the AFS but would like to see improvements to achieve the clean administration especially in the area of compliance with laws and regulations, not only those that the AGSA has raised but also other critical operational laws applicable to the Department.

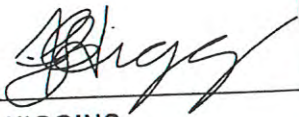
The Audit Committee notes the going concern emphasis of matter paragraph of the AGSA, which requires attention from the Provincial Legislature and other stakeholders to address the shortfall in funding to amongst others settle municipal debt.

The Audit Committee has met with the external auditors to ensure that there are no unresolved issues, and acknowledges the diligence and cooperation of the external audit team.

CONCLUSION

The Committee is confident that through the guidance it provides, and the cooperation by management, internal controls and good governance practices would be enhanced. The Committee would like to thank the Executive Authority, the HOD and management for their support throughout the year. Special appreciation also goes to the AGSA, Provincial Treasury and the Internal Audit team for their support and professionalism in the performance of their mandates.

On behalf of the Audit Committee:



MR G HIGGINS

CHAIRPERSON (INTERIM): AUDIT COMMITTEE

FREE STATE DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

31 JULY 2023

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade Industry and Competition.

Has the Department/ Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Level 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	N/a
Developing and implementing a preferential procurement policy?	Yes	The department implements the preferential procurement policy on all projects in line with the provisions of the Preferential Procurement Regulations of 2022 and the SCM policy incorporates the relevant clauses of these regulations.
Determining qualification criteria for the sale of state-owned enterprise?	No	The Department has an approved Immovable Asset Management Policy which provides for allocation of specific goals for preferential procurement objectives in line with PPR of 2022.
Developing criteria for entering into partnerships with private sectors?	Yes	PFMA, 16.2.1 states that, "Only the accounting officer or the accounting authority of an institution may enter into a PPP agreement on behalf of that institution." PFMA, 16.3 to 16.10 outlines the process which must be followed should an organ of state want to form a PPP agreement. This includes the registration of the PPP agreement with relevant treasury, step by step process and approval by such a treasury.
Determining criteria for the awarding of incentives, grants and investments schemes in support of Broad Based Black Economic Empowerment?	No	N/a

PART D

HUMAN RESOURCE MANAGEMENT

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1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

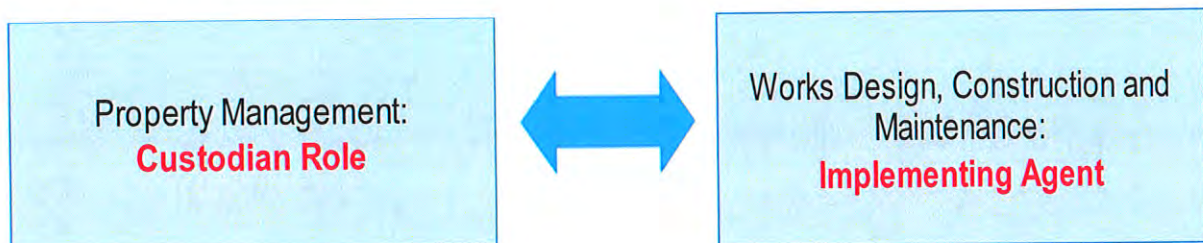
The Department of Public Works and Infrastructure pays all staff members appointed on a permanent, contract, temporary, part time / periodical basis (e.g. members of the Audit committee) inclusive of learners and interns by utilising the Persal system.

The 1 250 staff members are appointed to appropriate posts within the Departmental budget Programmes / structure as follows:

- Programme 1: Administration
- Programme 2: Public Works Infrastructure
- Programme 3: Expanded Public Works Programme

Technical capacity falls within Programme 2: Public Works Infrastructure and is outlined in the diagram below which differentiate the role difference between property management and the works component.

Program 2: Technical Roles



With regards to the aforementioned the department has developed technical capacity to a satisfactory level with registered professionals in the disciplines of Construction Project Management, Civil Engineering, Electrical Engineering, Mechanical Engineering, Quantity Surveying and Architecture. This capacity is supplemented by employees in the occupation class works inspector, the artisan and tradesman aids occupations. This technical capacity operates within the Infrastructure Delivery Management System which consists of three delivery processes:

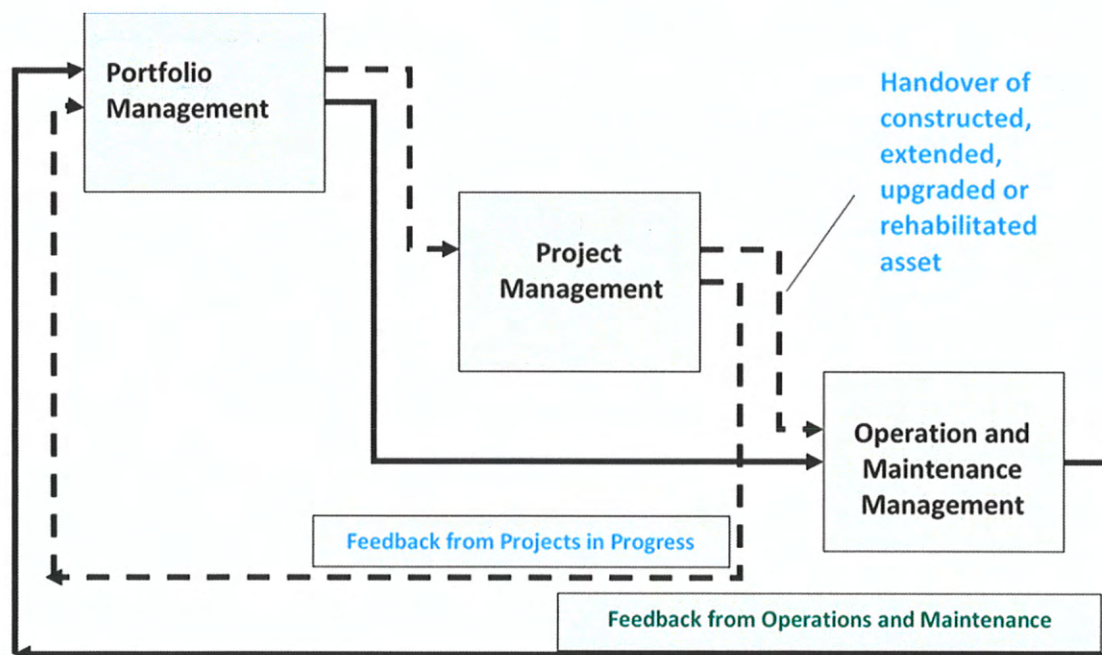
- DP1: Portfolio Management
- DP2: Project Implementation Management
- DP3: Operations and Maintenance Management

The three delivery processes address the management of two distinct, but closely related portfolios, i.e.:

- The provincial portfolio of immovable assets developed (1) in support of the provincial government's service delivery objectives, and (2) in terms of infrastructure norms and standards; and
- The provincial portfolio of projects implemented to address (1) the need for additional immovable assets and (2) to improve the utilisation, functionality and condition of the existing immovable assets.

The linkages between the three delivery processes and the respective portfolio management functions are shown in the Figure below. The Immovable Asset Portfolio Management (property management) function is shown in green and the Project Portfolio Management function is shown in blue (dashed).

Delivery Processes for Portfolio Management Functions



The two portfolios can be differentiated as follows: All provincial government Departments are involved in the management of both portfolios, but with clear differentiation of key roles in terms of the management of each portfolio.

Furthermore, the Department has an approved service delivery model and its functions and or outputs are delivered by competent staff in accordance with such. The growth and development of staff to oversee the establishment of social infrastructure is contributing to the national development plan, national skills development strategy and Free State Vision 2030.

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

- Recruitment, retention and development of technical and professional staff
- Develop competency levels of staff
- Representativity
- Health and Wellness
- Ethics and integrity management

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

- Planning the totality of the Departmental workforce;
- Developing a capable and skilled workforce that is striving towards service excellence;
- Setting guidelines to strengthen leadership and develop human capital by attracting, retaining scarce, valued and critically required skills for department;
- Equip professionals with appropriate computer software, and ensure continuous professional development.

Employee performance management:

- Employees are assessed in terms of the performance management system applicable to salary levels 1-12 and SMS levels.

Employee wellness programmes

Any employer of choice is measured against the success of the employee's health and wellness programme. Departmentally, this programme which relies on close co-operation with line management and all role players seeks to achieve a healthy and productive workforce. Central to this, the Departmental health and wellness programme is dealing with the scourge of HIV/AIDS and other sexually transmitted illness/disease as well as TB and other health risks e.g. non-communicable illnesses and mental illness/disorder.

The Department has approved policies covering the pillars of Employee Health and Wellness, namely HIV/AIDS, STI and TB Management, Health and Productivity Management, Safety, Health, Environment, Risk and Quality (SHERQ) Management as well as Wellness Management. Objectives in terms of the Employee Health and Wellness programme were achieved.

Achievements and challenges faced by the Department, as well as future Human Resource Plans /Goals:

During the period under review the Human Resources Management managed to achieve the 3 targets outlined in the performance plan. For the 2023/2024 financial year two of the targets namely skills development interventions and appointments will reflect as annual targets and not quarterly targets.

Skills development is crucial for personal and professional growth in today's dynamic and competitive work environments. It refers to the process of acquiring new or enhancing existing skills, knowledge, and abilities that are relevant to an employee's career and personal goals whilst enhancing employability, personal and professional growth. Investment in skills development is beneficial and contributes to building a capable ethical and developmental state.

The Department facilitated more than **hundred and eight (108)** different training interventions during which **seven hundred and sixty eight (768)** permanent employees were trained over a period of approximately **three thousand and seventy two (3 072)** training days. The online facility provided by the National School of Government (NSG) with its free courses is beneficial for skills development of departmental employees and this is factored into the aforementioned statistics.

In the annual performance plan for 2022/2023, the Department delivered on its commitment to fill critical vacant funded posts. These critical posts that were filled included the Deputy Director General and Chief Director Property Management, a registered mechanical engineer, construction project manager, works inspectors as well as artisan foreman in welding, carpentry, plumbing and painting were filled. These posts addressed human capital requirements required to improve efficiency and to meet departmental objectives. The department is circumspect in the filling of posts with special emphasis on key and critical positions bearing in mind recruitment, retention and career development of employees.

The Department currently has competent and registered professionals in the disciplines of Engineering, Quantity Surveying, Architectural Services and Construction Project Management. This systematic internal capacity building is now yielding positive results because a number of new clinics are being designed internally and as a result an estimated saving of **sixty-four million (R64 million)** is realized for not using consultants. This saving can be directed towards other critical health infrastructure needs of the province.

In the past financial year, the Department conducted a skills audit in the SCM environment and have invested **one million (R1 million)** on skills these interventions during this period. Emphasis was placed on key interventions to eliminate fruitless, wasteful and irregular expenditure, contract management and detection and combatting of bid rigging to name but the few. This process will unfold further in the 2023/2024 financial year with a rotation of some employees, recruitment of suitably qualified candidates

and up-skilling to enhance the construction procurement portfolio thereby contributing to improve turnaround in delivery of infrastructure projects.

For the new financial year and beyond the department will focus on performing a skills audit to be undertaken on the Works Inspector cadre of the Department. Central to this is up skilling of this cadre to meet the requirements for registration as professional building inspector as outlined by the South African Council for the Project and Construction Management Professions. Skills development initiatives will be implemented to ensure that all security supervisors and managers meet the requirements for PSIRA grade A. We will expand this intervention to the other levels of security employees from 2024/2025 onwards.

During the period under review the department embarked on a process to review the departmental structure and have identified shortcomings within inter alia construction procurement, property management and construction OHS. The structural adjustments are subject to the consultation requirements provided for in the governing legislation and policy. During the 2022/2023 - 2024/2025 MTEF in line with the district development model and reclaiming of its mandate the department will strengthen its regional offices to cater for property management, professional services and EPWP.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 to 31 March 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	141 348	103 105	3 767	-	22.70	180
PUBLIC WORKS INFRASTRUCTURE	1 797 073	333 006	-	-	73.40	28
EPWP	88 479	17 765	-	-	3.90	1 046
Total	2 026 900	453 876	3 767	-	100.00	1 254

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	40 761	9.00	201	203
Skilled (level 3-5)	186 772	41.20	696	268
Highly skilled production (levels 6-8)	89 600	19.70	198	453
Highly skilled supervision (levels 9-12)	103 880	22.90	135	769
Senior and Top management (levels 13-16)	32 863	7.20	24	1 369
Total	453 876	100.00	1 254	362

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINISTRATION	85 680	83.10	185	0.20	2 996	2.90	6 009	5.80
PUBLIC WORKS INFRASTRUCTURE	258 884	77.70	1 442	0.40	16 731	5.00	35 983	10.80
EPWP	15 115	85.10	-	0.00	714	4.00	576	3.20
Total	359 679	79.20	1 627	0.40	20 441	4.50	42 568	9.40

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	27 866	70.50	244	0.60	3 007	7.60	6 073	15.40
Skilled (level 3-5)	140 753	74.20	754	0.40	11 278	5.90	26 006	13.70
Highly skilled production (levels 6-8)	71 857	81.00	312	0.40	3 465	3.90	6 822	7.70
Highly skilled supervision (levels 9-12)	90 858	87.00	317	0.30	1 887	1.80	3 401	3.30
Senior management (level 13-16)	28 345	89.60	-	0.00	804	2.50	266	0.80
Total	359 679	79.20	1 627	0.40	20 441	4.50	42 568	9.40

3.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION	223	176	21.10	1
PUBLIC WORKS INFRASTRUCTURE	1 255	1 046	16.70	0
EPWP	34	28	17.60	0
Total	1 512	1 250	17.30	1

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	215	201	6.50	0
Skilled (3-5)	825	692	16.10	0
Highly skilled production (6-8)	279	198	29.00	0
Highly skilled supervision (9-12)	166	135	18.70	1
Senior management (13-16)	27	24	11.10	0
Total	1 512	1 250	17.30	1

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
All Artisans in the Building Metal Machinery Etc.	142	93	34.50	0.00
Architects Town and Traffic Planners	4	2	50.00	0.00
Artisan Project and Related Superintendents	13	13	0.00	0.00
Engineering Sciences Related	7	6	14.30	0.00
Engineers and Related Professionals	24	16	33.30	0.00
Inspectors of Apprentices Works and Vehicles	70	47	32.90	0.00
Quantity Surveyors and Related Professionals not class elsewhere	70	47	33.30	0.00
Total	330	224	32.10	0.00

3.3. Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Salary Level 15	1	0	0	1	100
Salary Level 14	6	5	83	1	16.6
Salary Level 13	18	17	94	1	5.5
Total	26	23	88	3	12

Table 3.3.2 SMS post information as on 30 September 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Salary Level 15	1	0	0	1	100
Salary Level 14	6	5	83	1	16.7
Salary Level 13	18	17	94	1	5.5
Total	26	23	88	3	12

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
1 post advertised within six months
Reasons for vacancies not filled within twelve months
2 post filled during financial year

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
Not applicable
Reasons for vacancies not filled within six months
Not applicable

3.4. Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	Job evaluation system was suspended during 2020/2021 financial year (DPSA – Directive)						
Skilled (Levels 3-5)							
Highly skilled production (Levels 6-8)							
Highly skilled supervision (Levels 9-12)							
Senior Management Service Band A							
Senior Management Service Band B							
Senior Management Service Band C							
Senior Management Service Band D							
Total							

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 and 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total number of employees whose salaries exceeded the level determined by job evaluation				Not applicable
Percentage of total employed				Not applicable

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Male	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total	0	0	0	0	0

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5. Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period- 1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	196	17	6	3.10
Skilled (Levels 3-5)	732	6	43	5.90
Highly skilled production (Levels 6-8)	206	3	17	8.30
Highly skilled supervision (Levels 9-12)	137	2	9	6.60
Senior Management Service Bands A	15	0	0	0.00
Senior Management Service Bands B	5	0	0	0.00
Senior Management Service Bands C	0	0	0	0.00
Senior Management Service Bands D	2	1	0	0.00
Contracts	2	0	0	0.00
Total	1 295	29	75	5.80

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period- April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
All Artisans in the Building Metal Machinery Etc.	103	0	5	5.80
Architects Town and Traffic Planners	2	0	0	0.00
Artisan Project and Related Superintendents	13	0	0	0.00
Engineering Sciences Related	6	0	0	0.00
Engineers and Related Professionals	16	1	2	12.50
Inspectors of Apprentices Works and Vehicles	50	0	2	4.00
Quantity Surveyors and Related Professionals not class elsewhere	7	0	1	14.30
TOTAL	197	1	10	0.10

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death	10	13.30
Resignation	22	29.30
Expiry of contract	8	10.70
Dismissal – operational changes	0	0.00
Dismissal – misconduct	0	0.00
Dismissal – inefficiency	0	0.00
Discharged due to ill-health	2	2.70
Retirement	33	44.00
Transfer to other Public Service Departments	0	0.00
Other	0	0.00
Total	75	100.00
Total number of employees who left as a % of total employment	6	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
All Artisans in the Building Metal Machinery Etc.	103	6	5.80	41	39.80
Architects Town and Traffic Planners	2	0	0.00	1	50
Artisan Project and Related Superintendents	13	0	0.00	1	7.70
Engineering Sciences Related	6	0	0.00	6	100
Engineers and Related Professionals	16	1	6.30	4	25
Inspectors of Apprentices Works and Vehicles	50	2	4	17	34
Quantity Surveyors and Related Professionals not class elsewhere	7	0	0	2	28.60
TOTAL	197	9	4.60	72	36.50

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	196	0	0.00	150	76.50
Skilled (Levels 3-5)	732	0	0.00	465	63.50
Highly skilled production (Levels 6-8)	206	10	4.90	98	47.60
Highly skilled supervision (Levels 9-12)	137	5	3.80	77	56.20
Senior Management (Level 13-16)	24	2	9.10	0	0.00
Total	1 295	17	1.30	790	61.00

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	0	0	1	7	1	0	1	20
Professionals	24	1	1	6	18	6	0	5	61
Technicians and associate professionals	37	1	0	5	61	2	0	9	115
Clerks	35	2	0	5	93	3	0	11	149
Service and sales workers	177	8	0	2	230	2	0	3	422
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	103	3	0	6	41	0	0	0	153
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Elementary occupations	139	1	0	1	181	7	0	0	329
Total	526	16	1	26	631	21	0	29	1 250
Employees with disabilities	24	0	0	1	14	1	0	3	43

*The Executive Authority not included

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	9	0	0	1	8	2	0	1	21
Professionally qualified and experienced specialists and mid-management	53	2	1	12	56	4	0	7	135
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	87	5	0	12	70	4	0	20	198
Semi-skilled and discretionary decision making	305	9	0	1	370	7	0	1	693
Unskilled and defined decision making	70	0	0	0	127	4	0	0	201
Total	526	16	1	26	631	21	0	29	1 250

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	3	0	0	0	5
Semi-skilled and discretionary decision making	10	0	0	0	4	0	0	0	14
Unskilled and defined decision making	0	0	0	0	7	0	0	0	7
Total	13	0	0	0	17	0	0	0	30
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

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	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	30	1	1	9	33	3	0	5	82
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	42	3	0	6	48	3	0	6	108
Semi-skilled and discretionary decision making	197	1	0	0	263	4	0	0	465
Unskilled and defined decision making	40	0	0	0	106	4	0	0	150
Total	310	5	1	15	451	14	0	11	807
Employees with disabilities	18	0	0	1	13	1	0	1	34

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

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	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	6	0	0	1	2	0	0	1	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	11	0	0	0	5	1	0	0	17
Semi-skilled and discretionary decision making	20	0	0	0	23	0	0	0	43
Unskilled and defined decision making	0	0	0	0	5	0	0	0	5
Total	37	0	0	1	35	1	0	1	75
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Fraud / Negligence	1	0	0	0	3	0	0	0	4
Insubordination	1	0	0	0	0	0	0	0	1
Contravention of Treasury Regulations.	1	0	0	0	0	0	0	0	1
Theft of government property	3	0	0	0	1	0	0	0	4
Insubordination / intimidation / unprofessional behaviour	1	0	0	0	0	0	0	0	1
Fraud / dishonesty	1	0	0	0	0	0	0	0	1
TOTAL	8	0	0	0	4	0	0	0	12

Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	21	5	0	15	21	4	0	6	72
Professionals	29	7	3	25	40	9	0	18	131
Technicians and associate professionals	36	6	1	23	43	3	0	14	126
Clerks	36	3	0	16	41	4	0	17	117
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	137	6	0	0	169	10	0	0	322
Sub-total: Short courses	259	27	4	79	314	30	0	55	768
Sub-total: Short courses (summary)	369				399				768
Sub-total: Part-time Bursaries	76	2	1	0	88	3	0	0	170
Sub-total: Part-time Bursaries (summary)	79				91				170
Sub-total: Employees with disabilities (summary)	9	2	0	0	14	4	0	3	32
Sub-total: Employees disabilities (summary)	11				21				32
TOTAL (short courses & Part-time bursaries)	448				490				938

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	0
Salary Level 16	Not applicable	Not applicable	Not applicable	Not applicable
Salary Level 15	1	0	0	Not applicable
Salary Level 14	5	5	5	100
Salary Level 13	19	17	16	100
Total	26	23	22	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023

Reasons
1 employee on precautionary suspension

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023

Reasons
1 employee on precautionary suspension

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	Cash bonuses have been abolished during 2021/2022 financial year to 0% of remuneration budget (DPSA – Directive)				
Male					
Female					
Asian					
Male					
Female					
Coloured					
Male					
Female					
White					
Male					
Female					
Employees with					
Total					

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	Cash bonuses have been abolished during 2021/2022 financial year to 0% of remuneration budget (DPSA – Directive)					
Skilled (level 3-5)						
Highly skilled production (level 6-8)						
Highly skilled supervision (level 9-12)						
Total						

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Cash bonuses have been abolished on 2021/2022 financial year to 0% of remuneration budget					

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	15	Cash bonuses have been abolished on 2021/2022 financial year to 0% of remuneration budget			
Band B	0	5				
Band C	0	1				
Band D	0	2				
Total	0	23				

3.9. Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative Office Workers	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0
Professionals and Managers	0	0	0	0	0	0
Total	0	0	0	0	0	0

3.10. Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022

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 Skills (Level 1-2)	1 817.50	94.90	167	16.1	10.9	1 053
Skilled (levels 3-5)	6 509.50	87.10	593	56.95	11.0	5 043
Highly skilled production (levels 6-8)	1 609	86.10	161	15.5	10.0	2 409
Highly skilled supervision (levels 9 -12)	892	82.90	105	10.1	8.5	2489
Top and Senior management (levels 13-16)	74	81.10	14	1.35	5.3	346
Total	10 902	94.90	1 040	100	10.5	11 340

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 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)	102	100	3	12.50	34	61
Skilled (Levels 3-5)	848	100	17	70.80	50	654
Highly skilled production (Levels 6-8)	193	100	3	12.50	64	256
Highly skilled supervision (Levels 9-12)	2	100	1	4.20	2	4
Senior management (Levels 13-16)	0	100	0	0	0	0
Total	1 145	100	24	100	48	975

Table 3.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	4 361.92	195	22
Skilled Levels 3-5)	16 756.42	726	23
Highly skilled production (Levels 6-8)	5 469	209	26
Highly skilled supervision (Levels 9-12)	3 411	135	25
Senior management (Levels 13-16)	506	21	24
Total	30 618.34	1 286	23

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

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	0	0
Skilled (Levels 3-5)	68	117	23	49
Highly skilled production (Levels 6-8)	28	67	7	36
Highly skilled supervision (Levels 9-12)	0	31	0	58
Senior management (Levels 13-16)	0	4	0	45
Total	96	219	14	46

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

Table 3.10.5 Leave payouts for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2021/2022 due to non-utilisation of leave for the previous cycle	296	14	21 143
Capped leave payouts on termination of service for 2022/2023	832	40	20 800
Current leave payout on termination of service for 2022/2023	1 551	35	44 314
Total	2 679	89	30 112

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Relevant employees	Awareness sessions, prevention information and VHCT screenings/promotions

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Stan Diakos Director: Human Resources
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.	Yes		Employee Health and Wellness unit Head: Employee Health and Wellness One staff member responsible with the task of promoting the health and well-being of employees. The budget of the unit falls under HRM.
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.	Yes		Employee Assistance Programme – assistance with psychological and work life balance for employees, interns and their immediate family members. Health programmes are aligned with National Department of Health calendar. Awareness, presentation sessions, roadshows and health screenings are done. Need analysis is done on a monthly basis and through consultations. Key elements: physical/nutritional, emotional, psychological, social, spiritual, intellectual, financial and environmental
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		At the districts they are staff members nominated for the smooth running of Employee Health and Wellness programme.
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.	Yes		- HIV/AIDS, STI and TB Management policy - Health and Productivity Management policy - Wellness Management policy All of the above mentioned policies do not discriminate against employees on the basis of their HIV status.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The policies states clearly how the department deals with such incidences.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		VHCT is conducted with the help of GEMS service providers periodically and confidentiality of results are safeguarded. 76 tested negative 0 tested positive
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Provision for health promotion programs to employees at all levels in all the districts.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

Subject matter	Date
Total number of Collective agreements	None

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	0	0%
Suspended without pay / Final Written Warning (Combination)	1	25%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	3	75%
Case withdrawn	0	0%
Total	4	100%

Total number of Informal Disciplinary Cases finalised	5
Total number of Disciplinary hearings finalised	4
Total number of Disciplinary hearings pending	8

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
Fraud / Negligence	4	34%
Insubordination	1	8%
Contravention of Treasury Regulations.	1	8%
Theft of government property	4	34%
Insubordination / intimidation/ unprofessional behaviour	1	8%
Fraud / dishonesty	1	8%
Total	12	100%

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	13	92%
Number of grievances not resolved	1	8%
Total number of grievances lodged	14	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	4	100%
Total number of disputes lodged	4	100%

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

Total number of persons working days lost	104
Total costs working days lost	R 75 050.00
Amount recovered as a result of no work no pay (R'000)	R 75 050.00

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023

Number of people suspended	5
Number of people whose suspension exceeded 30 days	5
Average number of days suspended	309
Cost of suspension (R'000)	R1 230 451.00

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Training needs identified at start of the reporting period			
		Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	25	3	28
	Male	0	32	5	37
Professionals	Female	0	51	17	68
	Male	0	49	24	73
Technicians and associate professionals	Female	0	50	36	86
	Male	0	50	31	81
Clerks	Female	0	52	20	72
	Male	0	41	11	52
Service and sales workers	Female	0	0	0	0
	Male	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0
	Male	0	0	0	0
Craft and related trades workers	Female	0	0	0	0
	Male	0	0	0	0
Elementary occupations	Female	0	125	15	140
	Male	0	125	8	133
Sub Total	Female	0	303	91	394
	Male	0	297	79	376
Total		0	600	170	770

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Training provided within the reporting period			
		Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	34	3	37
	Male	0	41	5	46
Professionals	Female	0	67	17	84
	Male	0	64	24	88
Technicians and associate professionals	Female	0	60	36	96
	Male	0	66	31	97
Clerks	Female	0	62	20	82
	Male	0	55	11	66
Service and sales workers	Female	0	0	0	0
	Male	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0
	Male	0	0	0	0
Craft and related trades workers	Female	0	0	0	0
	Male	0	0	0	0
Elementary occupations	Female	0	176	15	191
	Male	0	143	8	151
Sub Total	Female	0	399	91	490
	Male	0	369	79	448
Total		0	768	170	938

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2022 and 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	16	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	16	100

3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Health Risk Manager	1 (Thandile)	12 Months	R35 015,00
SAQA	1	12 months	R100 668,75

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Not applicable	Not applicable	Not applicable	Not applicable

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Health Risk Manager	Level 3 contributor (owner 25.00)	26.01% black ownership	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Not applicable	Not applicable	Not applicable	Not applicable

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable	Not applicable	Not applicable	Not applicable

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2022 and 31 March 2023

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Skilled (Levels 3-5)				
Highly skilled production (Levels 6-8)				
Highly skilled supervision (Levels 9-12)				
Senior management (Levels 13-16)				
Total	0	0	0	0

PART E:

PFMA COMPLIANCE REPORT

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

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	559 851	466 475
Add: Irregular expenditure confirmed	42 662	93 811
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	(-3 680)	(-435)
Closing balance	598 833	559 851

Prior period error:

During the current financial year, irregular expenditure amounting to R1.565 million which were confirmed during 2021/2022, but paid during 2020/2021 were included in the irregular expenditure register.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/2022	-	-
Irregular expenditure that relates to 2021/2022 and identified in 2022/2023	-	1 565
Irregular expenditure for the current year	42 662	93 811
Total	42 662	95 376

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

Description ¹	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	598 833	559 851
Total 2	598 833	559 851

Include discussion here where deemed relevant.

c) Details of current and previous year irregular expenditure condoned

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

Include discussion here where deemed relevant.

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Include discussion here where deemed relevant.

¹ Group similar items

² Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

Include discussion here where deemed relevant.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	3 680	435
Total	3 680	435

Include discussion here where deemed relevant.

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
None
Total

Include discussion here where deemed relevant.

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

Description	2022/2023	2021/2022
	R'000	R'000
None	-	-
	-	-
	-	-
	-	-
Total	-	-

Include discussion here where deemed relevant.

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

Disciplinary steps taken
None

Include discussion here where deemed relevant.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	49	-
Add: Fruitless and wasteful expenditure confirmed	11 393	49
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	11 442	49

Include discussion here where deemed relevant.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/2022	-	-
Fruitless and wasteful expenditure that relates to 2021/2022 and identified in 2022/2023	-	-
Fruitless and wasteful expenditure for the current year	11 393	49
Total	11 393	49

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ³	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	11 442	49
Total⁴	11 442	49

Include discussion here where deemed relevant.

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

Include discussion here where deemed relevant.

³ Group similar items

⁴ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

Include discussion here where deemed relevant.

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
None
Total

Include discussion here where deemed relevant.

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off ⁵	-	-
Closing balance	-	-

Include discussion here where deemed relevant.

⁵ This amount may only be written off against available savings

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 2021/2022	-	-
Unauthorised expenditure that relates to 2021/2022 and identified in 2022/2023	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description ⁶	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total⁷	-	-

Include discussion here where deemed relevant.

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	283	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	(283)	-
Total	-	-

Include discussion here where deemed relevant.

⁶ Group similar items

⁷ Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
	-	-
Total	-	-

Include discussion here where deemed relevant and criminal or disciplinary steps taken by the institution.

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
	-	-
Total	-	-

Include discussion here where deemed relevant.

d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
	-	-
Total	-	-

Include discussion here where deemed relevant.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1528	246 808
Invoices paid within 30 days or agreed period	1523	246 453
Invoices paid after 30 days or agreed period	5	355
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	6	7 051
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	0	-

Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Request for approval to deviate and appoint Lesedi FM through limited bidding process for Media Buying Budget Vote sitting 2022, which will be held on the 07th April 2022.	SABC - Lesedi FM	Limited bidding	-	460
Request for approval to deviate from not obtaining at least three (3) written price quotations for month to month servicing in ladies toilets	Sanitech Waco International	Less than 3 quotes received	-	30
Request for approval to procure goods and services by emergency means other than through the invitation of competitive bids for payment of R16 192 to Hi-Tech Engineering form emergency repair on leaking valves and sprinkle heads at Fidel Castro building in Bloemfontein.	Hi-Tech engineering	Emergency	-	16
Request for approval to deviate from not obtaining at least three (3) written price quotations	Agtho Projects	Less than 3 quotes received	-	29
Request for approval to deviate from normal procurement processes: Supply and delivery servicing and repairs of fire Extinguishers and fit of additional equipment, as per SANS 1475 part 1-2 at the following offices: Station Street: Cogta building, 63 Orange Street: Department of Public Works and infrastructure regional office and 22 Botha street - Departement of Public Works and Infrastructure regional office	Silver Streak Trading	Less than 3 quotes received	-	18
Request for approval to deviate from normal procurement processes to extend the Mimecast email Archiving solution for a period of six months while embarking on the normal procurement process after the lifting of the national treasury suspension on procurement	Datacentrix	Less than 3 quotes received	-	217
Request for approval to deviate from normal procurement processes: Service repairs to fire extinguishers equipment and fit additional equipment at (old maternity ward/MDR (TB hospital building) in Welkom Kopano Complex	Silver Streak Trading 681	Less than 3 quotes received	-	115

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Request approval to procure goods and services by emergency means other than through the invitation of competitive bids and for the payment of R23 796.32 to Sibavene services for emergency repairs and servicing of standby generators at the Free State House (Premier residence)	Sibavene Services	Emergency	-	24
Request for approval to deviate from not obtaining at least three (3) written price quotations to appoint First Technology for procurement of new and renewal of Autocad licenses	First Technology	Less than 3 quotes received	-	432
Request for approval to deviate from normal SCM processes and appoint a service provider for the supply and delivery of Annual report for 2021-22	Sante Printing and media	Less than 3 quotes received	-	98
Request for approval to deviate from not obtaining at least three written price quotations	Larona Consulting (PTY) Ltd	Less than 3 quotes received	-	9
Request for approval to procure goods and services by emergency means other than through the invitation of competitive bids and for the payment of R99 194.13 (Ninety nine thousand, one hundred and ninety four rand and thirteen cents) to Ratakano trading for emergency supply of 50ppm diesel (3000l) urgently needed for standby generators at both Fidel Castro building and OR Tambo House	Ratakano Trading	Emergency	-	99
Request for approval to deviate from normal SCM processes for not obtaining at least three (3) written price quotations to appoint Kungam for renewal of Asset Management software (AMS) license.	Kungam	Less than 3 quotes received	-	71
Request for approval to deviate from normal procurement processes to appoint Wolter Kluwer sole supplier of teammate software to renew the teammate annual license.	Wolters Kluwer	Limited bidding	-	80
Request for approval to deviate from normal SCM processes for not obtaining at least three (3) written price quotations to appoint First Technology Central Pty Ltd for Anti-Virus Security license extension for 12 months.	First Technology Central Pty Ltd	Less than 3 quotes received	-	132
Request for approval to deviate from normal SCM processes for not obtaining at least three (3) written price quotations to appoint First Technology for renewal of WINQS Software Licences.	First Technology Central Pty Ltd	Less than 3 quotes received	-	10
Request for approval to deviate from normal SCM processes for not obtaining at least three (3) written price quotations to appoint AE Soft (Pty) Ltd for additional scope of work at OR Tambo House 8th floor: Video and Audio Visual Solution.	AE Soft (Pty) Ltd	Less than 3 quotes received	-	326
Request for approval to deviate from normal SCM processes for not obtaining at least three (3) written price quotations to Ubuntu Technology (Pty) Ltd for Supply, Delivery and Installation of core access switch for redundancy	Ubuntu Technology	Less than 3 quotes received	-	372
Request for approval to deviate from normal SCM processes to appoint SABS for renewal of SABS standard software license through limited bidding	SABS	Limited bidding	-	34

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Request for approval to deviate from not obtaining at least three written price quotations - conducting medical surveillance on 468 staff members on behalf of the Department of Public Works and Infrastructure in various towns.	Healthwise Occupational Health Services	Less than 3 quotes received	-	380
Request for approval to deviate from not obtaining at least three written price quotations - Installation of alarm systems, panic buttons and armed response at prestige residences and office buildings.	Fidelity ADT	Less than 3 quotes received	-	139
Deviation of various expired leases during the financial year 2022 to 2023	Various landlords	Urgent cases	-	3 777
Total				6 869

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Construction of low volume road in Clarens	Bokamoso Consulting and Project Managers	VO	DPWFS RFP019/2018	4 049	-	732
Construction of low volume road in Hertzogville	Quantum Built & Environment Consultants	VO	DPWFS RFP019/2018	1 889	-	674
Construction of low volume road in Memel	NEP Consulting Engineers & Kaykaysim Projects JV	VO	DPWFS RFP019/2018	2 759	-	247
Construction of low volume road in Vrede	Baithusi Consulting	VO	DPWFS RFP019/2018	3 253	-	479
Tshireletsong Children's Home Phase 02	Mosa Consulting	VO	DPWFS (T) 001/2021	33 289	-	3 491
Total				45 239		5 623

PART F:

FINANCIAL INFORMATION

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Report of the auditor-general to the Free State Provincial Legislature on vote no. 9: 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 149 to 205, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works and Infrastructure as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

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

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. As disclosed in note 18 to the financial statements, the department had significant outstanding accruals of R33 909 000 and payables not recognised of R1 139 650 000 as at 31 March 2023. The department also had capital commitments of R128 777 000 as stated in note 17. These events or conditions, along with other matters as set forth in note 18, indicate that a material uncertainty exists that may cast significant doubt on the department's ability to continue as a going concern.

Emphasis of matters

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

Contingent liabilities

9. As disclosed in note 16.1 to the financial statements, the department is the defendant in various legal claims. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Contingent assets

10. With reference to notes 16.2 and 27.3 to the financial statements, the department entered into an agreement in 2016-17 to dispose of a land parcel to the value of R48 000 000 identified for development, namely the Free State Sport and Science Institute. According to the deed of sale, the purchaser would pay the department a cash amount of R28 000 000 and install bulk infrastructure on the property to the value of at least R20 000 000. The R28 000 000 cash portion had been paid by 31 March 2021, while the ultimate outcome of the remaining R20 000 000 for the bulk infrastructure will be determined at the completion of the project. In the event that the value of the bulk infrastructure is less than R20 000 000, the purchaser shall pay the balance between R20 000 000 and the value of the bulk infrastructure to the department at the completion of the project. As at 31 March 2023, the bulk infrastructure had not been installed.

Payables

11. As disclosed in note 18.2 to the financial statements, payables not recognised of R1 123 441 000 exceeded the payment term of 30 days, contrary to treasury regulation 8.2.3. This amount, in turn, exceeded the R25 554 000 of voted funds to be surrendered by R1 097 887 000 as per the statement of financial performance. The amount of R1 097 887 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in time.

Material impairment

12. As disclosed in note 21.2 to the financial statements there was a material impairment of R19 672 000 (2022: R17 957 000) as a result of irrecoverable accrued departmental revenue.

Irregular expenditure

13. As disclosed in note 22 to the financial statements, the department incurred irregular expenditure of R42 662 000 (2022: R93 811 000) due to payments made, as a result of the outcome of legal cases against the department.

Restatement of corresponding figures

14. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2023.

Other matters

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

Unaudited supplementary schedules

16. The supplementary information set out on pages 206 to 218 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

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

17. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 22 to the financial statements of the department. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

18. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.
19. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

20. 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.
21. 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

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

23. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
Public works infrastructure	46	To provide a balanced and equitable provincial government building infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive, and which supports economic development and social empowerment.
Expanded public works programme	58	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 co-ordination of the expanded public works programme.

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

25. I performed procedures to test whether:

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

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

27. I did not raise any material findings on the reported performance information for the selected programmes.

Other matters

28. I draw attention to the matters below.

Achievement of planned targets

29. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.
30. The department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
Public works infrastructure <i>Targets achieved: 63%</i> <i>Budget spent: 99,8%.</i>		
Number of new (educational, health, *general) construction projects completed	3	0
Number of facilities refurbished/renovate	5	0
Number of renewable energy projects completed	2	1
Number of TRP's completed	14	2
Number of planned maintenance projects awarded	12	1
Number of properties disposed off	50	1
Number of properties recorded on the immovable asset register	4 893	4 890

31. Reasons for the underachievement of targets are included in the annual performance report on pages 48 to 55.

Material misstatements

32. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of public works infrastructure and expanded public works programme. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

33. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
34. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
35. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow for consistent measurement and evaluation, while also sufficiently detailed and readily available to report

in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Annual financial statements

37. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 40(1) (b) of the PFMA. Material misstatements of disclosures identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

38. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.
39. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 22 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was due to payments made, as a result of the outcome of legal cases against the department.
40. Effective steps were not taken to prevent fruitless and wasteful expenditure as disclosed in note 22 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by interest paid due to outstanding accounts not paid on time.

Consequence management

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

Revenue management

42. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Strategic planning and performance management

43. Specific information systems were not adequately 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 in the annual report

44. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
45. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
46. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
47. The other information I obtained prior to the date of this auditor's report is disclosed in the annual report for unauthorised, irregular, fruitless and wasteful expenditure. The other information outstanding in the annual report is expected to be made available to us after 31 July 2023.
48. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
49. When I do receive and read the annual report of outstanding 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

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

52. Management did not in all instances implement controls over daily and monthly processing and reconciling of transactions, as material misstatements were identified on the annual financial statements and annual performance report.
53. Management did not in all instances review and monitor compliance with applicable laws and regulations, resulting in instances of material non-compliance being identified.
54. Oversight responsibility regarding financial and performance reporting, compliance and related internal controls, was not effective in all instances to prevent internal control deficiencies.

Other reports

55. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
56. The Public Protector is in process of investigating allegations of maladministration, financial and procurement irregularities relating to the construction of the Vogelfontein Primary School in Bethlehem by the Department of Public Works and Infrastructure. The Department of Education appointed the department as implementing agent for this project. The project commenced in 2018 and the contract was terminated in March 2021, although the project was not complete. The investigation has not been finalised at reporting date.

Auditor-General

Bloemfontein

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:
 - the auditor-general's responsibility for the audit
 - the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

Communication with those charged with governance

4. 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.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation and regulations	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 1; 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii) Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b) Sections 40(1)(c)(i); 43(4); 44; 44(1) & (2); 45(b); 50(3); 50(3)(a)
Treasury Regulations	Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Regulations 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1 Regulations 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a) Regulations 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c) Regulations 16A 6.1; 16A 6.2(a), (b) & (e); 16A 6.3(a) Regulations 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e) Regulations 16A 6.4; 16A 6.5; 16A 6.6; 16A 7.1 Regulations 16A 7.3; 16A 7.6; 16A 7.7; 16A 8.2(1) & (2) Regulations 16A 8.3; 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1 Regulations 16A 9.1(b)(ii); 16A 9.1(c); 16A 9.1(d); 16A 9.1(e) Regulations 16A 9.2; 16A 9.2(a)(ii) & (iii); 16A 9.1(f) Regulations 17.1.1; 18.2; 19.8.4
Division of Revenue Act 5 of 2022	Sections 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations	Regulations 18; 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6 Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 8.2; 8.5; 9.1; 9.2; 12.1; 12.2
Preferential Procurement Regulations of 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998	Section 7(3)
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2

Legislation and regulations	Sections or regulations
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraphs 4.8; 4.9; 5.1; 5.3
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraphs 1; 2
National Treasury PFMA SCM Instruction 3 of 2021-22	Paragraphs 4.3; 4.4; 4.4(a); 4.4(c) & (d)
National Treasury PFMA SCM Instruction 11 of 2020-21	Paragraphs 3.1; 3.4(b); 3.9
National Treasury PFMA SCM Instruction 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.3.1
National Treasury Practice Note 7 of 2009-10	Paragraph 4.1.2

ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

For the year ended
31 March 2023

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

Appropriation per programme									
2022/23							2021/22		
Programme	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
1. Administration	152 323	-	(10 038)	142 285	141 348	937	99.3%	140 806	136 823
2. Public Works & Infrastructure	1 785 277	-	14 581	1 799 858	1 797 073	2 785	99.8%	1 624 802	1 617 294
3. Expanded Public Works Programme	114 854	-	(4 543)	110 311	88 479	21 832	80.2%	98 535	91 860
Subtotal	2 052 454	-	-	2 052 454	2 026 900	25 554	98.8%	1 864 143	1 845 977
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				-				-	
NRF Receipts				-				-	
Aid assistance				-				-	
Actual amounts per statement of financial performance (total revenue)				2 052 454				1 864 143	
ADD									
Aid assistance					-				-
Prior year unauthorised expenditure approved without funding									
Actual amounts per statement of financial performance (total expenditure)					2 026 900				1 845 977

APPROPRIATION STATEMENT
for the year ended 31 March 2023

2022/23										2021/22	
Economic Classification	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Current payments	1 426 342	(467)	(21 700)	1 404 175	1 400 562	3 613	99.7%	1 305 266	1 300 435		
Compensation of employees	458 843	-	(3 500)	455 343	453 876	1 467	99.7%	444 777	444 362		
Goods and services	967 402	(1 680)	(26 229)	939 493	937 348	2 145	99.8%	860 440	856 024		
Interest and rent on land	97	1 213	8 029	9 339	9 338	1	100.0%	49	49		
Transfers and subsidies	487 372	-	27 626	514 998	514 942	56	100.0%	466 711	463 437		
Provinces and municipalities	480 600	-	-	480 600	480 587	13	100.0%	458 588	458 579		
Departmental agencies and accounts	17	5	(6)	16	15	1	93.8%	7	7		
Households	6 755	(5)	27 632	34 382	34 340	42	99.8%	8 116	4 851		
Payments for capital assets	138 740	467	(5 926)	133 281	111 108	22 173	83.4%	92 166	82 072		
Buildings and other fixed structures	132 895	(3 323)	(4 375)	125 197	103 040	22 157	82.3%	81 868	71 782		
Machinery and equipment	5 845	3 205	(1 551)	7 499	7 483	16	99.8%	8 098	8 090		
Land and subsoil assets	-	-	-	-	-	-	-	2 200	2 200		
Software and other intangible assets	-	585	-	585	585	-	100.0%	-	-		
Payments for financial assets	-	-	-	-	288	(288)	-	-	33		
TOTAL	2 052 454	-	-	2 052 454	2 026 900	25 554	98.8%	1 864 143	1 845 977		

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

Programme 1: Administration									
2022/23							2021/22		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	11 825	(163)	(2 768)	8 894	8 703	191	97.9%	8 252	8 193
2. Management of the Department	15 484	1 234	(1 223)	15 495	15 427	68	99.6%	13 838	13 738
3. Corporate Support	125 014	(1 071)	(6 047)	117 896	117 218	678	99.4%	118 716	114 892
Total for sub programmes	152 323	-	(10 038)	142 285	141 348	937	99.3%	140 806	136 823
Economic classification									
Current payments	145 824	(56)	(8 966)	136 802	135 811	991	99.3%	128 891	128 228
Compensation of employees	102 656	-	1 290	103 946	103 105	841	99.2%	99 324	99 183
Goods and services	43 107	(56)	(10 256)	32 795	32 645	150	99.5%	29 518	28 996
Interest and rent on land	61	-	-	61	61	-	100.0%	49	49
Transfers and subsidies	1 142	-	(152)	990	952	38	99.2%	4 518	1 199
Departmental agencies and accounts	7	5	(4)	8	8	-	100.0%	-	-
Households	1 135	(5)	(148)	982	944	38	96.1%	4 518	1 199
Payments for capital assets	5 357	56	(920)	4 493	4 483	10	99.8%	7 397	7 393
Buildings and other fixed structures	-	-	-	-	-	-	-	1 639	1 639
Machinery and equipment	5 357	56	(920)	4 493	4 483	10	99.8%	5 758	5 754
Payments for financial assets	-	-	-	-	102	(102)	-	-	3
TOTAL	152 323	-	(10 038)	142 285	141 348	937	99.3%	140 806	136 823

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 2: Public Works & Infrastructure									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support	6 534	(673)	(351)	5 510	5 479	31	99.4%	4 718	4 675
2. Planning	10 853	7 699	28 323	46 875	46 857	18	100.0%	7 687	7 676
3. Design	21 238	1 084	(405)	21 917	21 886	31	99.9%	20 074	20 065
4. Construction	84 163	(13 153)	(3 893)	67 117	65 312	1 805	97.3%	39 445	35 847
5. Maintenance	130 988	(9 307)	(4 775)	116 906	116 165	741	99.4%	127 251	124 564
6. Immovable Asset Management	1 331 129	(9 057)	5 465	1 327 537	1 327 415	122	100.0%	1 227 145	1 226 391
7. Facility Operations	200 372	23 407	(9 783)	213 996	213 959	37	100.0%	198 482	198 076
Total for sub programmes	1 785 277	-	14 581	1 799 858	1 797 073	2 785	99.8%	1 624 802	1 617 294
Economic classification									
Current payments	1 215 703	(411)	(8 191)	1 207 101	1 205 948	1 153	99.9%	1 120 204	1 116 218
Compensation of employees	338 814	-	(5 211)	333 603	333 006	597	99.8%	328 647	328 387
Goods and services	876 853	(1 624)	(11 009)	864 220	863 665	555	99.9%	791 557	787 831
Interest and rent on land	36	1 213	8 029	9 278	9 277	1	100.0%	-	-
Transfers and subsidies	486 230	-	27 778	514 008	513 990	18	100.0%	462 186	462 231
Provinces and municipalities	480 600	-	-	480 600	480 587	13	100.0%	458 588	458 579
Departmental agencies and accounts	10	-	(2)	8	7	1	87.5%	7	7
Households	5 620	-	27 780	33 400	33 396	4	100.0%	3 591	3 645

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

Programme 2: Public Works & Infrastructure (Continued)

2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Payments for capital assets	83 344	411	(5 006)	78 749	76 949	1 800	97.7%	42 412	38 815
Buildings and other fixed structures	82 856	(3 323)	(4 375)	75 158	73 364	1 794	97.6%	37 872	34 279
Machinery and equipment	488	3 149	(631)	3 006	3 000	6	99.8%	2 340	2 336
Land and subsoil assets	-	-	-	-	-	-	-	2 200	2 200
Software and other intangible assets	-	585	-	585	585	-	100.0%	-	-
Payments for financial assets	-	-	-	-	186	(186)	-	-	30
TOTAL	1 785 277	-	14 581	1 799 858	1 797 073	2 785	99.8%	1 624 802	1 617 294

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 3: Expanded Public Works Programme									
2022/23									
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support	18 945	-	(156)	18 789	18 736	53	99.7%	17 318	17 287
2. Community Development	83 905	428	(1 799)	82 534	60 757	21 777	73.6%	72 818	66 194
3. Innovative and Empowerment	12 004	(428)	(2 588)	8 988	8 986	2	100.0%	8 399	8 379
Total for sub programmes	114 854	-	(4 543)	110 311	88 479	21 832	80.2%	98 535	91 860
Economic classification									
Current payments	64 815	-	(4 543)	60 272	58 803	1 469	97.6%	56 171	55 989
Compensation of employees	17 373	-	421	17 794	17 765	29	99.8%	16 806	16 792
Goods and services	47 442	-	(4 964)	42 478	41 038	1 440	96.6%	39 365	39 197
Transfers and subsidies	-	-	-	-	-	-	-	7	7
Households	-	-	-	-	-	-	-	7	7
Payments for capital assets	50 039	-	-	50 039	29 676	20 363	59.3%	42 357	35 864
Buildings and other fixtures	50 039	-	-	50 039	29 676	20 363	59.3%	42 357	35 864
TOTAL	114 854	-	(4 543)	110 311	88 479	21 832	80.2%	98 535	91 860

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

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a percentage of Final Budget %
Programme 1: Administration	142 285	141 348	937	0.7%
Programme 2: Public Works & Infrastructure	1 799 858	1 797 073	2 785	0.2%
Programme 3: Expanded Public Works Programme	110 311	88 479	21 832	19.8%
TOTAL	2 052 454	2 026 900	25 554	1.2%

Procurement of the Service Providers for Township Revitalization Projects was delayed due to possible transfer of the function to the Department of Community Safety and Roads Department. The matter was only resolved during the AEPRE process.

4.2 Per economic classification

Economic classification	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a percentage of Final Budget %
Current payments				
Compensation of employees	455 343	453 876	1 467	0.3%
Goods and services	939 493	937 348	2 145	0.2%
Interest and rent on land	9 339	9 338	1	0.0%
Transfers and subsidies				
Provinces and municipalities	480 600	480 587	13	0.0%
Departmental agencies and accounts	16	15	1	6.3%
Households	34 382	34 340	42	0.1%

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

	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
Economic classification				
Payments for capital assets				
Buildings and other fixed structures	125 197	103 040	22 157	17.7%
Machinery and equipment	7 499	7 483	16	0.2%
Software and other intangible assets	585	585	-	-
Payments for financial assets	-	288	(288)	-
TOTAL	2 052 454	2 026 900	25 554	1.2%

Procurement of the Service Providers for Township Revitalization Projects was delayed due to possible transfer of the function to the Department of Community Safety and Roads Department. The matter was only resolved during the AEPRE process.

4.3 Per conditional grant

	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
Conditional grant				
EPWP Integrated Grant for Provinces	6 183	6 150	33	0.5%
TOTAL	6 183	6 150	33	0.5%

There were no material variances between the final appropriation and actual expenditure.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	2 052 454	1 864 143
Departmental revenue	2	-	-
TOTAL REVENUE		2 052 454	1 864 143
EXPENDITURE			
Current expenditure		1 400 561	1 300 435
Compensation of employees	3	453 876	444 362
Goods and services	4	937 347	856 024
Interest and rent on land	5	9 338	49
Transfers and subsidies		514 942	463 437
Transfers and subsidies	7	514 942	463 437
Expenditure for capital assets		111 109	82 072
Tangible assets	8	110 524	82 072
Intangible assets		585	-
Unauthorised expenditure approved without funding			
Payments for financial assets	6	288	33
TOTAL EXPENDITURE		2 026 900	1 845 977
SURPLUS/(DEFICIT) FOR THE YEAR		25 554	18 166

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds	25 554	18 166
Annual appropriation	25 521	18 165
Conditional grants	33	1
SURPLUS/(DEFICIT) FOR THE YEAR	25 554	18 166

STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
ASSETS			
Current assets		64 663	25 106
Cash and cash equivalents	9	54 158	20 491
Receivables	10	10 505	4 615
Non-current assets		1 931	537
Receivables	10	1 931	537
TOTAL ASSETS		66 594	25 643
LIABILITIES			
Current liabilities		64 503	23 249
Voted funds to be surrendered to the Revenue Fund	11	25 554	18 166
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	38 751	4 833
Payables	13	198	250
TOTAL LIABILITIES		64 503	23 249
NET ASSETS		2 091	2 394

		2022/23	2021/22
	Note	R'000	R'000
Represented by:			
Recoverable revenue		2 091	2 394
TOTAL		2 091	2 394

STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
Recoverable revenue			
Opening balance		2 394	1 287
Transfers:		(303)	1 107
Irrecoverable amounts written off	6.1	-	(13)
Debts revised		(93)	(69)
Debts recovered (included in departmental revenue)		(793)	(152)
Debts raised		583	1 341
Closing balance		2 091	2 394
 TOTAL		 2 091	 2 394

CASH FLOW STATEMENT
for the year ended 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 092 479	1 903 170
Annual appropriation funds received	1.1	2 052 454	1 864 143
Departmental revenue received	2	39 871	38 984
Interest received	2.2	154	43
Net (increase)/decrease in net working capital		(5 942)	(2 580)
Surrendered to Revenue Fund		(59 555)	(40 587)
Current payments		(1 391 223)	(1 300 386)
Interest paid	5	(9 338)	(49)
Payments for financial assets		(288)	(33)
Transfers and subsidies paid		(514 942)	(463 437)
Net cash flow available from operating activities	14	111 191	96 098
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(111 109)	(82 072)
Proceeds from sale of capital assets	2.3	35 282	812
(Increase)/decrease in non-current receivables	10	(1 394)	55
Net cash flow available from investing activities		(77 221)	(81 205)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(303)	1 107
Net cash flows from financing activities		(303)	1 107
Net increase/(decrease) in cash and cash equivalents		33 667	16 000
Cash and cash equivalents at beginning of period		20 491	4 491
Cash and cash equivalents at end of period	15	54 158	20 491

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

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

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

7. Revenue

7.1 Appropriated funds

[Revenue, General Departmental Assets and Liabilities]

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

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

Appropriated funds are measured at the amounts receivable.

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

7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

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

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

7.3 Accrued departmental revenue

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

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

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

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

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

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

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

8.2 Other expenditure

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

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

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

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

Operating lease payments received are recognised as departmental revenue.

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

8.4.2 Finance leases

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

Finance lease payments received are recognised as departmental revenue.

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

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

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

9. 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.

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.

The Department does not have cases where it expenses prepayments and advances.

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

11. Receivables

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 financial statements.

13. Payables

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

14. Capital assets

14.1 Immovable capital assets

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

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

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

14.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the 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 2005 (or a later date as approved by the OAG) may be recorded at R1.

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

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

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

14.3 Intangible capital assets

Intangible assets are initially recorded in the notes to the financial statements at cost.

Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

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

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

All assets acquired prior to 1 April 2005 (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.

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 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 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 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.

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

15.4 Capital commitments

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

16. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

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

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

17. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

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

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

18. Changes in accounting estimates and errors

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

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

19. Events after the reporting date

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

20. Departures from the MCS requirements

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

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

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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

22. Related party transactions

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

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

23. Inventories (Effective from date determined by the Accountant-General)

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. Employee benefits

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

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

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

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

PART B: EXPLANATORY NOTES

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:

Programmes	2022/23			2021/22		
	Final Budget R'000	Actual Funds Received R'000	Funds not requested / not received R'000	Final Budget R'000	Appropriation Received R'000	Funds not requested / not received R'000
Administration	142 285	142 285	-	140 806	140 806	-
Public Works Infrastructure	1 799 858	1 799 858	-	1 624 802	1 624 802	-
Expanded Public Works Programme	110 311	110 311	-	98 535	98 535	-
Total	2 052 454	2 052 454	-	1 864 143	1 864 143	-

1.2. Conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total grants received	30	6 183	6 714

2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services other than capital assets	2.1	38 810	38 726
Interest, dividends and rent on land	2.2	154	43
Sales of capital assets	2.3	35 282	812
Transactions in financial assets and liabilities	2.4	1 061	258
Total revenue collected		75 307	39 839
Less: Own revenue included in appropriation	12	(75 307)	(39 839)
Total		-	-

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

During the 2022/23 financial year the Department entered into a Land Exchange Agreement with the Central University of Technology (CUT). In terms of the agreement, the Department will exchange portions of Erven 1921 and 1961 known as Free State Psychiatric Complex together with certain buildings in exchange for CUTs vacant Erf 24720 in Cecelia Park. The CUT will pay the Department an amount of R104 857 425.10 in three equal instalments over a three year period to compensate the Department for the replacement of buildings occupied by the Free State Department of Sports, Arts, Culture and Recreation as erected on the said portions of land. On 31 March 2023, the Department received R34 952 475.33 which has been included in Departmental Revenue and the balance of R69 904 950 has been included as part of Accrued Departmental Revenue. The last payment is due on 31 March 2025

2.1. Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department		38 794	38 726
Sales by market establishment		38 320	38 230
Other sales		474	496
Sales of scrap, waste and other used current goods		16	-
Total	2	38 810	38 726

2.2. Interest, dividends and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest		154	43
Total	2	154	43

2.3. Sales of capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		35 282	812
Buildings and other fixed structures		35 277	812
Machinery and equipment		5	-
Total	2	35 282	812

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

2.4. Transactions in financial assets and liabilities

	2022/23	2021/22
Note	R'000	R'000
Receivables	789	164
Other receipts including Recoverable Revenue	272	94
Total	1 061	258

3. Compensation of employees

3.1. Analysis of balance

	2022/23	2021/22
Note	R'000	R'000
Basic salary	286 465	282 936
Performance award	-	2 088
Service based	607	421
Compensative/circumstantial	9 226	7 892
Other non-pensionable allowances	77 850	75 678
Total	374 148	369 015

3.2. Social contributions

	2022/23	2021/22
Note	R'000	R'000
Employer contributions		
Pension	36 800	36 372
Medical	42 568	38 572
Bargaining council	146	143
Insurance	214	260
Total	79 728	75 347
Total compensation of employees	453 876	444 362
Average number of employees	1 274	1 301

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

4. Goods and services

	Note	2022/23 R'000	2021/22 R'000
Administrative fees		2 386	2 305
Advertising		807	867
Minor assets	4.1	244	578
Bursaries (employees)		1 432	2 928
Catering		627	421
Communication		2 958	2 415
Computer services	4.2	7 961	6 509
Consultants: Business and advisory services	4.9	29 667	16 322
Legal services		1 597	1 459
Contractors		143	333
Agency and support / outsourced services		29 519	26 798
Audit cost - external	4.3	9 954	9 609
Fleet services		4 462	4 037
Inventories	4.4	13 771	11 999
Consumables	4.5	1 386	1 309
Operating leases		317 308	249 876
Property payments	4.6	498 379	503 618
Rental and hiring		479	1 285
Transport provided as part of the departmental activities		63	-
Travel and subsistence	4.7	5 243	4 259
Venues and facilities		427	-
Training and development		7 508	8 306
Other operating expenditure	4.8	1 026	791
Total		937 347	856 024

Consultants: Business and advisory services increased from the prior year due to the installation of smart meters to implement water saving in government facilities throughout the province.

4.1. Minor assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		244	578
Machinery and equipment		244	578
Total	4	244	578

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

4.2. Computer services

	2022/23	2021/22
Note	R'000	R'000
SITA computer services	1 536	1 544
External computer service providers	6 425	4 965
Total	7 961	6 509

4.3. Audit cost - external

	2022/23	2021/22
Note	R'000	R'000
Regularity audits	9 954	9 609
Total	9 954	9 609

4.4. Inventories

	2022/23	2021/22
Note	R'000	R'000
Clothing material and accessories	4 571	3 568
Farming supplies	251	634
Fuel, oil and gas	387	252
Materials and supplies	7 078	7 210
Other supplies	1 484	335
Total	13 771	11 999

4.4.1. Other supplies

	2022/23	2021/22
Note	R'000	R'000
Other	1 484	335
Total	1 484	335

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

4.5. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		284	228
Uniform and clothing		29	-
Household supplies		198	184
Building material and supplies		29	24
IT consumables		16	13
Other consumables		12	7
Stationery, printing and office supplies		1 102	1 081
Total	4	1 386	1 309

4.6. Property payments

	Note	2022/23 R'000	2021/22 R'000
Municipal services		488 175	487 867
Property maintenance and repairs		4 771	6 974
Other		5 433	8 777
Total	4	498 379	503 618

4.7. Travel and subsistence

	Note	2022/23 R'000	2021/22 R'000
Local		5 223	4 259
Foreign		20	-
Total	4	5 243	4 259

4.8. Other operating expenditure

	Note	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		183	174
Resettlement costs		-	48
Other		843	569
Total	4	1 026	791

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

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

[Treasury Regulations 20.2.4]

	Note	2022/23	2021/22
Name of Commission / Committee of Inquiry	4	R'000	R'000
Shared Audit Committee		238	96
Risk Committee Chairperson		13	39
Total		251	135

The Shared Audit Committee consist of four (4) members appointed in October 2021. The Risk Committee Chairperson is also a member of the Shared Audit Committee.

5. Interest and rent on land

	Note	2022/23	2021/22
		R'000	R'000
Interest paid		9 338	49
Total		9 338	49

Interest paid increased due to court order judgements against the Department to pay plaintiffs default interest on the principal amount.

6. Payments for financial assets

	Note	2022/23	2021/22
		R'000	R'000
Material losses through criminal conduct		283	-
Theft	6.2	283	-
Debts written off		5	33
Total		288	33

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

6.1. Debts written off

	Note	2022/23 R'000	2021/22 R'000
Nature of debts written off			
Recoverable revenue written off			
Losses or damages to assets		-	13
Total		-	13
Other debt written off			
Salary overpayment		5	11
Tax		-	4
Leave without pay		-	5
Total		5	20
Total debt written off	6	5	33

6.2. Details of theft

	Note	2022/23 R'000	2021/22 R'000
Nature of theft			
Loss of assets		283	-
Total	6	283	-

7. Transfers and subsidies

	Note	2022/23 R'000	2021/22 R'000
Provinces and municipalities	31	480 587	458 579
Departmental agencies and accounts	Annex 1B	15	7
Households	Annex 1G	34 340	4 851
Total		514 942	463 437

Households increased from the prior year due to court order judgements against the Department to pay plaintiffs the principal amount.

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

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

	Note	2022/23 R'000	2021/22 R'000
<i>List in-kind donations made</i>	<i>Annex 1J</i>		
Donation of sanitary towels to school learners		-	31
Donation of food parcels to destitute families		30	-
Donation of school uniform to learners		11	-
Donation of food parcels to farm dwellers		75	-
Donation of wreath for a funeral		2	-
Total		118	31

8. Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		110 524	82 072
Buildings and other fixed structures	27	103 040	71 782
Machinery and equipment	25	7 484	8 090
Land and subsoil assets	27	-	2 200
Intangible capital assets		585	-
Software		585	-
Total		111 109	82 072

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

	2022/23	
Name of entity	Voted funds R'000	Total R'000
Tangible capital assets	110 524	110 524
Buildings and other fixed structures	103 040	103 040
Machinery and equipment	7 484	7 484
Intangible capital assets	585	585
Software	585	585
Total	111 109	111 109

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

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

Name of entity	2021/22	
	Voted funds R'000	Total R'000
Tangible capital assets	82 072	82 072
Buildings and other fixed structures	71 782	71 782
Machinery and equipment	8 090	8 090
Land and subsoil assets	2 200	2 200
Total	82 072	82 072

8.3. Finance lease expenditure included in Expenditure for capital assets

	2022/23 R'000	2021/22 R'000
Tangible capital assets		
Machinery and equipment	2 460	4 467
Total	2 460	4 467

9. Cash and cash equivalents

	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account	53 990	19 829
Disbursements	28	522
Cash on hand	140	140
Total	54 158	20 491

There are no significant cash and cash equivalent balances held by the Department that are not available for use. The Department does not have any undrawn borrowing facilities.

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

10. Receivables

		2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	7 926	1 001	8 927	1 450	-	1 450
Recoverable expenditure	10.2	300	-	300	294	-	294
Staff debt	10.3	2 172	930	3 102	2 871	537	3 408
Other receivables	10.4	107	-	107	-	-	-
Total		10 505	1 931	12 436	4 615	537	5 152

10.1. Claims recoverable

		2022/23	2021/22
	Note	R'000	R'000
Provincial departments		8 927	1 450
Total	10	8 927	1 450

10.2. Recoverable expenditure

		2022/23	2021/22
	Note	R'000	R'000
Employee's Tax Debt		1	-
Contributions deducted from employees' salaries via PERSAL for the payment of PAYE to SARS		299	294
Total	10	300	294

10.3. Staff debt

		2022/23	2021/22
	Note	R'000	R'000
Salary Overpayment Debt		710	668
Breach of Contract Debt		1 367	1 958
Losses / Damages Debt		6	43
Communication Debt		5	5
Leave Without Pay Debt		154	115
Deduction Salary Debt		22	20
Government Motor Transport Accident Debt		507	285
Tax Debt		328	311
Other Debt (Subsistence & Travel Claims)		3	3
Total	10	3 102	3 408

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

10.4. Other receivables

	Note	2022/23 R'000	2021/22 R'000
Supplier Debt		107	-
Total	10	107	-

10.5. Impairment of receivables

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of receivables		2 104	1 781
Total		2 104	1 781

The estimate is calculated based on the risk class of each debtor type.

Outstanding debt is written-off when the delegated official is convinced that:

- *Recovery of the debt is uneconomical.*
- *Recovery would cause undue hardship to the debtor or his/her dependents.*
- *It would be to the advantage of the state to issue a waiver on the claim.*

11. Voted funds surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		18 166	2 883
Prior period error		-	-
As restated		18 166	2 883
Transferred from statement of financial performance (as restated)		25 554	18 166
Voted funds not requested/not received		-	-
Conditional grants surrendered by the provincial department	11.1	-	-
Paid during the year		(18 166)	(2 883)
Closing balance		25 554	18 166

11.1 Reconciliation of unspent conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total conditional grants received		6 183	6 714
Total conditional grants spent		(6 150)	(6 713)
Unspent conditional grants to be surrendered		33	1
Due by the Provincial Revenue Fund	11	33	1

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

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

	2022/23	2021/22
Note	R'000	R'000
Opening balance	4 833	2 698
Prior period error	-	-
As restated	4 833	2 698
Own revenue included in appropriation	75 307	39 839
Paid during the year	(41 389)	(37 704)
Closing balance	38 751	4 833

13. Payables - current

	2022/23	2021/22
Note	R'000	R'000
Amounts owing to other entities		
Clearing accounts	198	250
Total	198	250

13.1. Clearing accounts

	2022/23	2021/22
Note	R'000	R'000
Description		
Government Employees Housing Scheme	198	250
Total	198	250

14. Net cash flow available from operating activities

	2022/23	2021/22
Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	25 554	18 166
Add back non-cash/cash movements not deemed operating activities	85 637	77 932
(Increase)/decrease in receivables	(5 890)	(2 544)
Increase/(decrease) in payables - current	(52)	(36)
Proceeds from sale of capital assets	(35 282)	(812)
Expenditure on capital assets	111 109	82 072
Surrenders to Revenue Fund	(59 555)	(40 587)
Own revenue included in appropriation	75 307	39 839
Net cash flow generating	111 191	96 098

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

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

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		53 990	19 829
Disbursements		28	522
Cash on hand		140	140
Total		54 158	20 491

16. Contingent liabilities and contingent assets

16.1. Contingent liabilities

Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Claims against the department		Annex 3B	77 114	119 317
Total			77 114	119 317

No legal fees were included in the claims against the Department, as the legal fees cannot be reliably estimated. Due to the sensitive nature of the claims, the probability of the outcome cannot be disclosed.

16.2. Contingent assets

Nature of contingent asset	Note	2022/23 R'000	2021/22 R'000
Disposal of land		-	-
Total		-	-

Development of Free State Provincial Government Identified Land Parcel (FSSI) – During the 2016/2017 financial year the Department entered into a three (3) year agreement to dispose a property to the value of R48 million. According to the deed of sale the purchaser will pay the Department a cash amount of R28 million and install bulk infrastructure on the property to the value of at least R20 million. By 31 March 2021 the Department received the entire R28 million cash amount. In the event the value of bulk infrastructure is less than R20 million the purchaser shall pay the balance between R20 million and the value of the bulk infrastructure to the Department at completion of the project. As at 31 March 2023, the bulk infrastructure has not been installed yet.

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

17. Capital commitments

	Note	2022/23 R'000	2021/22 R'000
Buildings and other fixed structures		128 777	246 798
Total		128 777	246 798

The Department acts as an implementing agent for the Free State Departments of Health; Education; Sports, Art, Culture & Recreation, (client departments) in relation to the implementation of infrastructure projects. The Department publishes and awards tenders and monitor the construction of infrastructure as required in terms of the arrangements. The Department further signs the contracts with the appointed contractors. The Department does not receive any reimbursement for these functions. The expenditure for these projects is budgeted for by the client departments. The payments are also done by the client departments directly to the contractor. The commitments related to the contracts are disclosed in the financial statements of the client departments.

18. Accruals and payables not recognised

18.1. Accruals

		2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		17 864	10 488	28 352	26 281
Transfers and subsidies		59	182	241	5
Capital assets		4 439	871	5 310	4 484
Other		-	6	6	-
Total		22 362	11 547	33 909	30 770

		2022/23	2021/22
	Note	R'000	R'000
Listed by programme level			
Programme 1: Administration		3 911	2 436
Programme 2: Public Works Infrastructure		24 261	28 318
Programme 3: Expanded Public Works Programme		5 737	16
Total		33 909	30 770

R21.885 million (2021/2022: R21.733 million) of the Accruals relates to Municipal Accounts that were outstanding at year-end, as the invoices had not yet been received. The Department experienced budget constraints due to the fact that municipal service increases are higher than the Departmental budget increase. The accounts could therefore not be settled as at 31 March 2023.

The extent of accruals may create a material uncertainty as well as significant doubt on the Department's ability to meet its financial obligations as they fall due and achievement of service delivery as outlined in the annual performance plan, as the accruals decreases the budget available for spending in the next financial year.

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

18.2. Payables not recognised

	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification		R'000	R'000	R'000	R'000
Goods and services		16 209	879 635	895 844	861 447
Interest and rent on land		-	-	-	90
Transfers and subsidies		-	243 806	243 806	273 868
Capital assets		-	-	-	1 891
Other		-	-	-	25
Total		16 209	1 123 441	1 139 650	1 137 321

	Note	2022/23	2021/22
Listed by programme level		R'000	R'000
Programme 1: Administration		269	3 441
Programme 2: Public Works Infrastructure		1 139 366	1 133 863
Programme 3: Expanded Public Works Programme		15	17
Total		1 139 650	1 137 321

R1 029.733 million (2021/2022: R1 016.101 million) of the payables not recognised relates to Municipal Accounts that were outstanding at year-end. The Department experienced budget constraints due to the fact that municipal service increases are higher than the Departmental budget increase. The accounts could therefore not be settled as at 31 March 2023.

The extent of payables not recognised may create a material uncertainty as well as significant doubt on the Department's ability to meet its financial obligations as they fall due and achievement of service delivery as outlined in the annual performance plan, as payables not recognised decreases the budget available for spending in the next financial year.

	Note	2022/23	2021/22
Included in the above totals are the following:		R'000	R'000
Confirmed balances with other departments	Annex 5	78	43
Total		78	43

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

19. Employee benefits

	2022/23	2021/22
Note	R'000	R'000
Leave entitlement	19 508	19 174
Service bonus	12 206	12 296
Capped leave	10 435	11 989
Other	644	607
Total	42 793	44 066

The current year figure for leave entitlement include a negative balance of R0.574 million (2021/2022: R0.500 million). At this stage the Department is not able to reliably measure the long-term portion of the long service awards. Other Employee Benefits constitute Long Services Awards amounting R0.549 million and the newly appointed Member of Executive Council's salary accrued as at 31 March 2023.

20. Lease commitments

20.1. Operating leases

	2022/23		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	254 782	2 497	257 279
Later than 1 year and not later than 5 years	850 181	2 110	852 291
Later than 5 years	267 671	-	267 671
Total lease commitments	1 372 634	4 607	1 377 241

	2021/22		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	288 863	3 175	292 038
Later than 1 year and not later than 5 years	700 186	3 384	703 570
Later than 5 years	383 854	-	383 854
Total lease commitments	1 372 903	6 559	1 379 462

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

The Department rents 61 (2021/2022: 72) office buildings as part of its mandate to provide office accommodation to other Departments in the Province. There are currently 34 (2021/2022: 29) fixed term lease contracts that ranges between 5 to 10 years and 27 (2021/2022: 43) expired contracts. The escalation rate applicable to these fixed term lease contracts range from 7% to 10% per annum.

The Department currently lease 63 vehicles from Fleet Management for a period between 3 and 4 years.

No asset is sub-leased at fair value. All buildings are provided to Provincial Government Departments to occupy free of charge.

20.2. Finance leases

	2022/23	
	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	1 463	1 463
Later than 1 year and not later than 5 years	438	438
Total lease commitments	1 901	1 901

	2021/22	
	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	1 876	1 876
Later than 1 year and not later than 5 years	691	691
Later than 5 years	-	-
Total lease commitments	2 567	2 567

The Department leases 2 (2021/2022: 46) photocopy machines over a lease term of 36 months.

The Department has 207 (2021/2022: 268) cellular phone contracts and 8 (2021/2022: 10) 3G cards. There are no escalations applicable to these leases.

The Department does not sub-lease any of the assets. The Department does not have any renewal or purchase options. There are no restrictions imposed on the Department through any lease agreement. The Department does not have any sale and leaseback arrangements.

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

20.3. Operating lease future revenue

	2022/23	
	Buildings and other fixed structures	Total
	R'000	R'000
Not later than 1 year	19 161	19 161
Later than 1 year and not later than 5 years	43 497	43 497
Later than 5 years	9 035	9 035
Total operating lease revenue receivable	71 693	71 693

	2021/22	
	Buildings and other fixed structures	Total
	R'000	R'000
Not later than 1 year	18 534	18 534
Later than 1 year and not later than 5 years	47 593	47 593
Later than 5 years	8 643	8 643
Total operating lease revenue receivable	74 770	74 770

The Department rents out 124 (2021/2022: 130) properties to various lessees. There are currently 10 (2021/22: 12) fixed term contracts that escalates between 6% and 8% per annum and 114 month-to-month contracts.

The Department does not sub-lease any of the assets.

The Department has renewal options for lease future revenue contracts ranging between one (1) year and five (5) years, the narrative will be included in the disclosure.

The R81.584 million disclosed in 2021/2022 as operating lease future revenue has been restated to R74.770 million.

21. Accrued departmental revenue

	2022/23	2021/22
	R'000	R'000
Sales of goods and services other than capital assets	25 182	21 307
Sales of capital assets	70 199	440
Total	95 381	21 747

Note

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

The current year figure for Accrued Departmental Revenue included negative balances of R0.932 million (2021/2022: R0.814 million). The Department is in the process of investigating these negative balances.

21.1. Analysis of accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Opening balance		21 747	17 475
Less: amounts received		(66 093)	(31 698)
Add: amounts recorded		139 727	35 970
Closing balance		95 381	21 747

During the 2022/23 financial year the Department entered into a Land Exchange Agreement with the Central University of Technology (CUT). In terms of the agreement, the Department will exchange portions of Erven 1921 and 1961 known as Free State Psychiatric Complex together with certain buildings in exchange for CUTs vacant Erf 24720 in Cecelia Park. The CUT will pay the Department an amount of R104 857 425.10 in three equal instalments over a three year period to compensate the Department for the replacement of buildings occupied by the Free State Department of Sports, Arts, Culture and Recreation as erected on the said portions of land. On 31 March 2023, the Department received R34 952 475.33 which has been included in Departmental Revenue and the balance of R69 904 950 has been included as part of Accrued Departmental Revenue. The last payment is due on 31 March 2025.

21.2. Impairment of accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of accrued departmental revenue		19 672	17 957
Total		19 672	17 957

The estimate is calculated based on the risk class of each debtor type.

22. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2022/23 R'000	2021/22 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		42 662	93 811
Fruitless and wasteful expenditure - current year		11 393	49
Total		54 055	93 860

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

23. Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers	2 004	2 000
Officials:		
Level 15 to 16	3 948	3 882
Level 14 (incl CFO)	10 761	10 039
Family members of key management personnel	551	410
Total	17 264	16 331

The Chief Director for EPWP acts as the Accounting Officer for the Department of Community Safety, Roads and Transport since August 2022. Subsequent to the interim appointment the Chief Director has not participated in decision making for the Department of Public Works and Infrastructure. The acting allowance was paid by the Department of Community Safety, Roads and Transport.

24. Provisions

	Note	2022/23 R'000	2021/22 R'000
Retention fees on capital projects		9 593	2 742
Notice of civil claim for service rendered		1 016	-
Total		10 609	2 742

The retention provision created is in cases where a contractual arrangement stipulates that a certain percentage should be withheld from payments in respect of capital infrastructure projects. The amount is retained as a guarantee and is released after final completion of the project.

A notice of a civil claim for service rendered was issued against the Department. It is probable that an obligation will arise.

24.1. Reconciliation of movement in provisions - Current year

	2022/23		
	Retention withheld	Notice of civil claim	Total provisions
	R'000	R'000	R'000
Opening balance	2 742	-	2 742
Increase in provision	7 420	1 016	8 436
Settlement of provision	(556)	-	(556)
Unused amount reversed	(13)	-	(13)
Closing balance	9 593	1 016	10 609

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

Reconciliation of movement in provisions - Prior year

	2021/22	
	Retention withheld	Total provisions
	R'000	R'000
Opening balance	657	657
Increase in provision	2 679	2 679
Settlement of provision	(64)	(64)
Unused amount reversed	(530)	(530)
Closing balance	2 742	2 742

25. Movable Tangible Capital Assets

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

	2022/23				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	56 533		5 024	(422)	61 135
Transport assets	15		-	-	15
Computer equipment	27 642		4 286	(128)	31 800
Furniture and office equipment	19 683		497	(112)	20 068
Other machinery and equipment	9 193		241	(182)	9 252
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	56 533	-	5 024	(422)	61 135

Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
<i>Note</i>		
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:		
Machinery and equipment	348	5 567

The assets could not be verified during the asset counts and after the investigation is concluded, it will be handed over to loss control.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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25.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	52 875	35	3 623	-	56 533
Transport assets	15	-	-	-	15
Computer equipment	26 068	425	1 149	-	27 642
Furniture and office equipment	18 023	-	1 660	-	19 683
Other machinery and equipment	8 769	(390)	814	-	9 193
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	52 875	35	3 623	-	56 533

25.1.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2020/21 <i>[affecting the opening balance]</i>		35
Incorrect classification of movable assets - Computer equipment		425
Incorrect classification of movable assets - Other machinery and equipment		(425)
Surplus assets identified and added to the asset register		35
Total prior period errors		35

The Department corrected the misclassification between Computer Equipment, Other Machinery and Equipment.

The opening balance has been adjusted with R0.035 million.

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

25.2. Minor assets

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

	2022/23		
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	3	16 658	16 661
Value adjustments	-	-	-
Additions	-	244	244
Disposals	-	(417)	(417)
Total Minor assets	3	16 485	16 488

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	5	5
Number of minor assets at cost	1	12 066	12 067
Total number of minor assets	1	12 071	12 072

Minor capital assets under investigation

	Number	Value R'000
<i>Note</i>		
Included in the above total of the minor capital assets per the asset register that are under investigation:		
Machinery and equipment	102	111

The assets could not be verified during the asset counts and after the investigation is concluded, it will be handed over to loss control.

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for the year ended 31 March 2023

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

	2021/22		
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	3	16 074	16 077
Prior period error	-	6	6
Additions	-	578	578
Disposals	-	-	-
Total Minor assets	3	16 658	16 661

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	5	5
Number of minor assets at cost	1	12 215	12 216
Total number of minor assets	1	12 220	12 221

25.2.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2020/21 <i>[affecting the opening balance]</i>		6
Surplus assets identified and added to the asset register.		6
Total prior period errors		6

The opening balance has been adjusted with R0.006 million.

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

25.3. Movable tangible capital assets written off

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

	2022/23	
	Machinery and equipment	Total
	R'000	R'000
Assets written off	416	416
Total movable assets written off	416	416

Included in the R0.416 million disclosed is the amount of R0.301 million for Machinery and Equipment that was written off due to the fire that broke out at the Free State House.

26. Intangible Capital Assets

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

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	1 642	585	-	2 227
TOTAL INTANGIBLE CAPITAL ASSETS	1 642	585	-	2 227

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

	2021/22			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	1 642	-	-	1 642
TOTAL INTANGIBLE CAPITAL ASSETS	1 642	-	-	1 642

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

27. Immovable Tangible Capital Assets

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

	2022/23			
	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	10 583 312	376 434	(71 541)	10 888 205
Dwellings	109 839	-	(270)	109 569
Non-residential buildings	10 473 473	376 434	(71 271)	10 778 636
HERITAGE ASSETS	31 680	-	-	31 680
Heritage assets	31 680	-	-	31 680
LAND AND SUBSOIL ASSETS	569 487	49 600	(840)	618 247
Land	569 487	49 600	(840)	618 247
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	11 184 479	426 034	(72 381)	11 538 132

Additions consists of the following:

> The Department purchased land for R2.2 million during the 2021/22 financial year. However, the property had not been registered in the Department's name by 31 March 2022. The property was registered in the Department's name by September 2022 and is included in the additions above.

> Own projects capitalised amounting to R11.673 million.

> Section 42 (PFMA) transfers amounting to R361.161 million.

> Item 28 (1) transfers to the Department amounting to R1.400 million.

> Land received from CUT amounting to R49.600 million through a Land Exchange agreement.

Included in the R35.277 million disclosed in note 2.3 is cash received that relates to properties that were sold in instalments, the change of ownership will only occur when the final amount is received by the Department.

Non-Residential Buildings amounting to R53.871 million disposed to CUT through a Land Exchange agreement.

The Department disposed of property amounting to R0.270 million during the 2014/15 financial year, the transfer of ownership occurred in 2022/23 financial year.

Land and Non-Residential Buildings amounting to R18.240 million were transferred to National Government.

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

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

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	10 174 302	45 571	363 439	-	10 583 312
Dwellings	115 649	(8 917)	3 107	-	109 839
Non-residential buildings	10 058 653	54 488	360 332	-	10 473 473
HERITAGE ASSETS	31 680	-	-	-	31 680
Heritage assets	31 680	-	-	-	31 680
LAND AND SUBSOIL ASSETS	570 820	(1 333)	-	-	569 487
Land	570 820	(1 333)	-	-	569 487
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	10 776 802	44 238	363 439	-	11 184 479

Additions consists of the following:

> The Department purchased a house for R2.890 million during the 2020/21 financial year. However, the property had not been registered in the Department's name by 31 March 2021. The property was registered in the Department's name by June 2021 and is included in the additions above.

> Section 42 (PFMA) transfers amounting to R169.275 million received from user Departments.

> Transfers to the Department amounting to R172.830 million.

> Own projects capitalised amounting to R16.678 million.

> Other new cash additions amounting to R1.766 million.

Included in the R0.812 million disclosed in note 2.3 is cash received that relates to properties that were sold in instalments, the change of ownership will only occur when the final amount is received by the Department.

The Department purchased land for R2.2 million during the 2021/22 financial year. However, the property had not been registered in the Department's name by year-end and is therefore not included in the additions above.

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

27.1.1. Prior period error

Nature of prior period error	Note	2021/22
		R'000
Relating to 2020/21 [affecting the opening balance]		44 238
Immovable assets incorrectly included in Immovable Capital Assets		(52)
Property erroneously excluded from the Immovable asset register		44 290
Total prior period errors		44 238

Properties previously disclosed, however according to new information obtained, it is properties identified for Township establishment and does not form part of the Department's Immovable Tangible Capital Assets. The Department also corrected classification differences between Dwellings, Non-Residential Buildings and Land. Property erroneously excluded from the Immovable asset register.

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

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

	2022/23			
	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000
Buildings and other fixed structures	83 974	103 040	(34 052)	152 962
Total	83 974	103 040	(34 052)	152 962

Included in the R34 052 million disclosed in the column "Ready for use (Assets to the AR) / Contracts terminated" is R11.673 million that was capitalised in the Immovable Asset Register, R11.561 million relates to projects completed on land not owned by the Free State Provincial Government, R10.818 million relates to projects completed for other spheres of Government.

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

Payables not recognised relating to Capital WIP	2022/23	2021/22
<i>Note</i>	R'000	R'000
KOFFIEFONTEIN EDUCATION & SASSA BUILDING	-	137
TSHIRELETSONG CHILDREN'S HOME	-	537
BULTFONTEIN TRP	-	403
PAUL ROUX TRP	-	339
FRANKFORT TRP	-	235
VILLIERS TRP	-	205
F/CASTRO 1 ST FLOOR	-	35
Total	-	1 891

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

	2021/22				
	Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	77 032	1 565	70 016	(64 639)	83 974
Total	77 032	1 565	70 016	(64 639)	83 974

Included in the R64.639 million disclosed in the column "Ready for use (Assets to the AR) / Contracts terminated" is R16.678 million that was capitalised in the Immovable Asset Register, R37.095 million relates to projects completed for other spheres of Government, and R10.866 million relates to projects that was removed from the work-in-progress register for various reasons.

The closing balance amount has been restated from R82.409 million to R83.974 million. The restatement amounting to R1.565 million was due to a capital project incorrectly classified as no projects in 2021/2022 financial year.

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

27.3. Immovable capital assets (additional information)

	Note	2022/23	2021/22
		Area	Area
a) Unsurveyed land	Estimated completion date Annex 9		
None		-	-
b) Properties deemed vested	Annex 9		
Land parcels		70	70
Facilities			
Schools		70	70
Clinics		2	4
Hospitals		-	-
Office buildings		13	14
Dwellings		12	12
Storage facilities		1	1
Other		10	10
c) Facilities on unsurveyed land	Duration of use Annex 9	2022/23 Number	2021/22 Number
Schools		-	-
Clinics		-	-
Hospitals		-	-
Office buildings		-	-
Dwellings		-	-
Storage facilities		-	-
Other		-	-
d) Facilities on right to use land	Duration of use Annex 9		
Schools		760	769
Clinics		199	203
Hospitals		1	2
Office buildings		38	23
Dwellings		-	-
Storage facilities		-	-
Other		91	100
e) Agreement of custodianship	Annex 9		
Land parcels			
Facilities		-	-
Schools		132	47
Clinics		1	-
Hospitals		-	-
Office buildings		-	-
Dwellings		-	-
Storage facilities		-	-
Other		-	-

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

Development of Free State Provincial Government Identified Land Parcel (FSSI) – During the 2016/2017 financial year, the Department entered into a three (3) year agreement to dispose a property to the value of R48 million. According to the deed of sale the purchaser will pay the Department a cash amount of R28 million and install bulk infrastructure on the property to the value of at least R20 million. As at 31 March 2021, the Department received the entire R28 million cash amount. In the event the value of bulk infrastructure is less than R20 million the purchaser shall pay the balance between R20 million and the value of the bulk infrastructure to the Department at completion of the project.

During the 2022/23 financial year the Department entered into a Land Exchange Agreement with the Central University of Technology (CUT). In terms of the agreement, the Department will exchange portions of Erven 1921 and 1961 known as Free State Psychiatric Complex together with certain buildings in exchange for CUTs vacant Erf 24720 in Cecelia Park. The CUT will pay the Department an amount of R104 857 425.10 in three equal instalments over a three year period to compensate the Department for the replacement of buildings occupied by the Free State Department of Sports, Arts, Culture and Recreation as erected on the said portions of land. On 31 March 2023, the Department received R34 952 475.33 which has been included in Departmental Revenue and the balance of R69 904 950 has been included as part of Accrued Departmental Revenue. The last payment is due on 31 March 2025.

On 11 September 2022, a dam collapsed at a diamond mine in Jagersfontein. The disaster caused damage to 22 properties which are included in the immovable asset register.

On 23 March 2023, a fire broke out at the Free State House which houses the Premier, the extent of the damage to the property is yet to be determined.

28. Changes in accounting estimates

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

	Value derived using the original estimate R'000	Value derived using the amended estimate R'000	R-value impact of change in estimate R'000
Impairment of receivables	1 941	2 104	163
Impairment of accrued departmental revenue	20 839	19 406	(1 433)

The Department expects the estimated impact to continue on future periods.

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

29. Prior period errors

29.1. Correction of prior period errors

		2021/22		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Movable Tangible Assets: Computer equipment	25.1	26 068	425	26 493
Movable Tangible Assets: Other machinery and equipment	25.1	8 769	(390)	8 379
Minor Assets - Opening Balance (Machinery and Equipment)	25.2.1	16 652	6	16 658
Operating lease future revenue	20.3	81 584	(6 814)	74 770
Immovable Tangible Capital Assets: Dwellings	27.1	115 649	(8 917)	106 732
Immovable Tangible Capital Assets: Non-Residential Buildings	27.1	10 058 653	54 488	10 113 141
Immovable Tangible Capital Assets: Land	27.1	570 820	(1 333)	569 487
Capital Work-In-Progress	27.2	82 409	1 565	83 974
Net effect		10 960 604	39 030	10 999 634

The opening balance was restated because misclassifications between Computer equipment and Other machinery and equipment was corrected.

Movable Tangible Capital Assets - Opening Balance (Other Machinery & Equipment) - Refer to note 25.1.1 the detail regarding the restatement.

Minor Assets - Opening Balance (Machinery and Equipment) - Refer to note 25.2.1 for the detail regarding the restatement.

The R81.584 million disclosed in 2021/2022 as operating lease future revenue has been restated to R74.770 million.

Properties previously disclosed, however according to new information obtained, it is properties identified for Township establishment and does not form part of the Department's Immovable Tangible Capital Assets. The Department also corrected classification differences between Dwellings, Non-Residential Buildings and Land. Property erroneously excluded from the Immovable asset register.

The closing balance amount has been restated from R82.409 million to R83.974 million. The restatement amounting to R1.565 million was due to a capital project incorrectly classified as no projects in 2021/2022 financial year.

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

30. Statement of conditional grants received

Name of grant	2022/23						2021/22		
	GRANT ALLOCATION			SPENT			% of available funds spent by department	Division of Revenue Act / Provincial grants	Amount spent by department
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Integrated Grant for Provinces	6 183	-	-	-	6 183	6 183	99%	6 714	6 713
TOTAL	6 183	-	-	-	6 183	6 183		6 714	6 713

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

31. Statement of conditional grants and other transfers paid to municipalities

Name of municipality	GRANT ALLOCATION				TRANSFER		Reallocations by National Treasury / National Department %	2021/22	
	DORA and other transfers R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000		DORA and other transfers R'000	Actual transfer R'000
DIHLABENG	12 007	-	(724)	11 283	11 282	-	-	11 443	11 442
KOPANONG	7 399	-	39	7 438	7 438	-	-	6 773	6 772
LETSEMENG	2 796	-	(246)	2 550	2 550	-	-	2 670	2 670
MAFUBE	2 635	-	(40)	2 595	2 594	-	-	2 737	2 736
MALUTI-A-PHOFUNG	33 761	-	(292)	33 469	33 469	-	-	40 814	40 814
MAN MANGAUNG	210 025	-	7 218	217 243	217 243	-	-	192 404	192 404
MANTSOPA	3 747	-	(143)	3 604	3 603	-	-	3 573	3 573
MASILONYANA	7 761	-	108	7 869	7 865	-	-	7 410	7 410
MATJHABENG	138 549	-	(5 008)	133 541	133 540	-	-	131 649	131 648
METSIMAHOLO	12 167	-	(51)	12 116	12 115	-	-	11 604	11 604
MOHOKARE	599	-	(158)	441	441	-	-	569	569
MOQHAKA	14 986	-	351	15 337	15 336	-	-	14 211	14 210
NALA	5 141	-	72	5 213	5 213	-	-	4 956	4 955
NGWATHE	8 183	-	(805)	7 378	7 377	-	-	7 811	7 810
NKETOANA	802	-	262	1 064	1 063	-	-	776	775
PHUMELELA	2 383	-	(4)	2 379	2 379	-	-	2 220	2 219
SETSOTO	14 567	-	(952)	13 615	13 615	-	-	14 047	14 047
TOKOLOGO	409	-	5	414	413	-	-	372	372
TSWELOPELE	2 683	-	368	3 051	3 051	-	-	2 549	2 549
TOTAL	480 600	-	-	480 600	480 587	-	-	458 588	458 579

The above forms part of the Department's Annual Appropriation (Property Rates Enhancement Allocation) and not a conditional grant.

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

32. 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.

33. COVID 19 Response expenditure

	2022/23	2021/22
<i>Note</i>	R'000	R'000
Goods and services	97	6 142
Transfers and subsidies	457	-
Total	554	6 142

Annex 11

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

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	GRANT ALLOCATION				TRANSFER		2022/23		SPENT		2021/22				
	Name of Municipality		DoRA and Other transfers R'000	Roll overs R'000	Adjust-ments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000	Re-allocations by National Treasury or National department %	Amount received by municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	DORA and other transfers R'000	Actual transfer s R'000
	DIHLABENG		12 007	-	(724)	11 283	11 282	-	-	-	-	-	-	11 443	11 442
	KOPANONG		7 399	-	39	7 438	7 438	-	-	-	-	-	-	6 773	6 772
	LETSEMENG		2 796	-	(246)	2 550	2 550	-	-	-	-	-	-	2 670	2 670
	MAFUBE		2 635	-	(40)	2 595	2 594	-	-	-	-	-	-	2 737	2 736
	MALUTI-A-PHOFUNG		33 761	-	(292)	33 469	33 469	-	-	-	-	-	-	40 814	40 814
	MAN MANGAUNG		210 025	-	7 218	217 243	217 243	-	-	-	-	-	-	192 404	192 404
	MANTSOPA		3 747	-	(143)	3 604	3 603	-	-	-	-	-	-	3 573	3 573
	MASILONYANA		7 761	-	108	7 869	7 865	-	-	-	-	-	-	7 410	7 410
	MATJHABENG		138 549	-	(5 008)	133 541	133 540	-	-	-	-	-	-	131 649	131 648
	METSIMAHOLO		12 167	-	(51)	12 116	12 115	-	-	-	-	-	-	11 604	11 604
	MOHOKARE		599	-	(158)	441	441	-	-	-	-	-	-	569	569
	MOQHAKA		14 986	-	351	15 337	15 336	-	-	-	-	-	-	14 211	14 210
	NALA		5 141	-	72	5 213	5 213	-	-	-	-	-	-	4 956	4 955
	NGWATHE		8 183	-	(805)	7 378	7 377	-	-	-	-	-	-	7 811	7 810
	NKETOANA		802	-	262	1 064	1 063	-	-	-	-	-	-	776	775
	PHUMELELA		2 383	-	(4)	2 379	2 379	-	-	-	-	-	-	2 220	2 219
	SETSOTO		14 567	-	(952)	13 615	13 615	-	-	-	-	-	-	14 047	14 047
	TOKOLOGO		409	-	5	414	413	-	-	-	-	-	-	372	372
	TSWELOPELE		2 683	-	368	3 051	3 051	-	-	-	-	-	-	2 549	2 549
	TOTAL		480 600	-	-	480 600	480 587	-	-	-	-	-	-	458 588	458 579

The above forms part of the Department's Annual Appropriation (Property Rates Enhancement Allocation) and not a conditional grant

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

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23					2021/22			
	TRANSFER ALLOCATION				TRANSFER				
	Adjusted Budget	Roll overs	Adjustments	Total Available		Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
COM: LICENCES	17	-	(1)	16	15	94%	7	7	
TOTAL	17	-	(1)	16	15		7	7	

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

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2022/23				2021/22		
	TRANSFER ALLOCATION			EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	% of available funds transferred		Actual transfer
					R'000	R'000	
Household	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers							
Employee Social Benefit	3 364	-	(321)	3 043	100%	4 168	4 219
Claims & Other Transfers	3 391	-	27 948	31 339	100%	3 948	632
Total	6 755	-	27 627	34 382		8 116	4 851
TOTAL	6 755	-	27 627	34 382		8 116	4 851

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

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship (Group major categories but list material items including name of organisation)	2022/23	2021/22
Made in kind	R'000	R'000
Donation of sanitary towels to school learners	-	31
Donation of food parcels to destitute families	30	-
Donation of school uniform to learners	11	-
Donation of food parcels to farm dwellers	75	-
Donation of wreath for a funeral	2	-
TOTAL	118	31

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

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Phela Umsebenzi Trading 48 CC (Breach of contract)	5 473	-	-	-	5 473
Mr C Moloi (Rental)	9 500	-	(9 500)	-	-
Kroon Pannelbeaters (Damage to property)	17	-	-	-	17
Nitsoaki Joyce Mokoena (Recovery of deductions)	82	-	-	-	82
Mangaung Urban Renewal Company (Pty) Ltd (Breach of contract)	32 791	-	-	-	32 791
R & B Construction (Services rendered)	2 210	-	-	-	2 210
Afri Blaze Projects (PTY) Ltd (Rectification of Lease Agreement)	2 626	-	(2 626)	-	-
Castle Bridge School Association NPC	2 681	-	-	-	2 681
Ochie Livinus Okwidili	86	-	(86)	-	-
Uvuko Civils (Pty) Ltd	25 262	-	-	-	25 262
Nexor 312 (Pty) Ltd t/a VNA Consulting	27 946	-	(27 946)	-	-
Phetogo Consulting (Pty) Ltd	7 442	-	(7 442)	-	-
Christian Revival Church	3 201	-	-	-	3 201
E'tsho Civils (Pty) Ltd	-	5 397	-	-	5 397
Subtotal	119 317	5 397	(47 600)	-	77 114
TOTAL	119 317	5 397	(47 600)	-	77 114

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

ANNEXURE 4
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	Receipt date up to six (6) working days after year end	Amount R'000
Department								
Police, Roads & Transport	-	-	305	-	305	-	-	-
Health	-	-	1 001	1 001	1 001	1 001	-	-
Education	-	-	7 442	-	7 442	-	-	-
Human Settlement	-	9	-	-	-	9	-	-
COGTA	-	-	-	53	-	53	-	-
Fleet Management	-	-	-	387	-	387	-	-
Social Development	-	-	179	-	179	-	-	-
Subtotal	-	9	8 927	1 441	8 927	1 450	-	-
TOTAL	-	9	8 927	1 441	8 927	1 450	-	-

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

ANNEXURE 5
INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *
	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	Payment date up to six (6) working days after year end Amount R'000
DEPARTMENTS							
Current							
Premier	78	18	-	-	78	18	-
Provincial Treasury	-	25	-	-	-	25	-
Subtotal	78	43	-	-	78	43	-
TOTAL INTERGOVERNMENT PAYABLES	78	43	-	-	78	43	-

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

ANNEXURE 6 INVENTORIES

	Material & Supplies	Total
	R'000	R'000
Inventories for the year ended 31 March 2023		
Opening balance	302	302
Add/(Less): Adjustments to prior year balances	-	-
Add: Additions/Purchases - Cash	14 560	14 560
Add: Additions - Non-cash	-	-
(Less): Disposals	(56)	(56)
(Less): Issues	(14 569)	(14 569)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	10	10
Add/(Less): Adjustments	28	28
Closing balance	275	275

Inventory cash additions under goods and services amount to R13.772 million and under projects R2.177 million (Total: R15.949 million). An Inventory reconciliation between BAS and LOGIS was performed.

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

	Material & Supplies		Total
	R'000	R'000	
Inventories for the year ended 31 March 2022			
Opening balance	563	563	563
Add/(Less): Adjustments to prior year balances	-	-	-
Add: Additions/Purchases - Cash	13 904	13 904	13 904
Add: Additions - Non-cash	(47)	(47)	(47)
(Less): Disposals	(14 168)	(14 168)	(14 168)
(Less): Issues	-	-	-
Add/(Less): Received current, not paid; (Paid current year, received prior year)	50	50	50
Add/(Less): Adjustments	-	-	-
Closing balance	302	302	302

Inventory cash additions under goods and services amount to R11.999 million and under projects R0.733 million (Total: R12.732 million). An Inventory reconciliation between BAS and LOGIS was performed.

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

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2023

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	83 974	103 040	(34 052)	152 962
Dwellings	1 036	2 754	(1 251)	2 539
Non-residential buildings	77 535	70 610	(21 983)	126 162
Other fixed structures	5 403	29 676	(10 818)	24 261
TOTAL	83 974	103 040	(34 052)	152 962

Included in the R34 052 million disclosed in the column "Ready for use (Assets to the AR) / Contracts terminated" is R11.673 million that was capitalised in the Immovable Asset Register, R11.561 million relates to projects completed on land not owned by the Free State Provincial Government, R10.818 million relates to projects completed for other spheres of Government.

Movement in capital work in progress for the year ended 31 March 2022

	Opening balance	Prior period errors	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	77 032	1 565	70 016	(64 639)	83 974
Dwellings	434	-	2 062	(1 460)	1 036
Non-residential buildings	67 674	1 565	32 090	(23 794)	77 535
Other fixed structures	8 924	-	35 864	(39 385)	5 403
TOTAL	77 032	1 565	70 016	(64 639)	83 974

Included in the R64.639 million disclosed in the column "Ready for use (Assets to the AR) / Contracts terminated" is R16.678 million that was capitalised in the Immovable Asset Register, R37.095 million relates to projects completed for other spheres of Government, and R10.866 million relates to projects that was removed from the work-in-progress register for various reasons.

The closing balance amount has been restated from R82.409 million to R83.974 million. The restatement amounting to R1.565 million was due to a capital project incorrectly classified as no projects in 2021/22 financial year.

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

ANNEXURE 9

ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

1. Deemed vested

Properties deemed to vest in the province in terms of the Constitution, but for which the vesting process has not been completed are not included in the asset register of the department, but a separate register, as title has not been endorsed as yet. However, as a result of the provincial function, the properties are managed by the provincial government and include the following:

	Note	2022/23	2021/22
		Area	Area
Unsurveyed land	<i>Annex 9</i>		
None		-	-
Properties deemed vested	<i>Annex 9</i>		
Land parcels		70	70
Facilities			
Schools		70	70
Clinics		2	4
Hospitals		-	-
Office buildings		13	14
Dwellings		12	12
Storage facilities		1	1
Other		10	10

2. Facilities on land not surveyed

The Free state Department of Public Works and Infrastructure is not aware of any facilities on unsurveyed land.

3. Facilities on land and where a right of use exist

The following service delivery facilities were constructed on the land parcels of other custodians.

		2022/23	2021/22
		Number	Number
Facilities on right to use land	<i>Annex 9</i>		
Schools		760	769
Clinics		199	203
Hospitals		1	2
Office buildings		38	23
Dwellings		-	-
Storage facilities		-	-
Other		91	100

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4. Agreement of custodianship reached

Where agreement of custodianship has been reached the properties were transferred in accordance with the requirements of Section 42 of the Public Finance Management Act.

	Annex 9	2022/23 Number	2021/22 Number
Agreement of custodianship			
Land parcels		-	-
Facilities		-	-
Schools		132	47
Clinics		1	-
Hospitals		-	-
Office buildings		-	-
Dwellings		-	-
Storage facilities		-	-
Other		-	-

5. Contingent assets

Development of Free State Provincial Government Identified Land Parcel (FSSI) – During the 2016/2017 financial year, the Department entered into a three (3) year agreement to dispose a property to the value of R48 million. According to the deed of sale the purchaser will pay the Department a cash amount of R28 million and install bulk infrastructure on the property to the value of at least R20 million. By 31 March 2021, the Department received the entire R28 million cash amount. In the event the value of bulk infrastructure is less than R20 million the purchaser shall pay the balance between R20 million and the value of the bulk infrastructure to the Department at completion of the project. As at 31 March 2023, the bulk infrastructure has not been installed yet.

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ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2022/23				2021/22	
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	97	-	-	-	97	6 142
Goods and services	97	-	-	-	97	-
P/P:PEST CNTRL/FUMIGATION SER	-	-	-	-	-	517
OPERATING LEASES	-	-	-	-	-	5 379
PROPERTY PAYMENTS	-	-	-	-	-	129
RENTAL & HIRING	-	-	-	-	-	117
INV: CLOTH MAT&ACCESSORIES	-	-	-	-	-	-
Transfers and subsidies	-	457	-	-	457	-
H/H: OTHER TRANSFERS (CASH)	-	457	-	-	457	-
TOTAL COVID 19 RESPONSE EXPENDITURE	97	457	-	-	554	6 142