Province of the
EASTERN CAPE
PUBLIC WORKS & INFRASTRUCTURE

2023/24 ANNUAL REPORT

30 YEARS OF FREEDOM

EXPANDED PUBLIC WORKS PROGRAMME
CONTRIBUTION TO A NATION AT WORK

2030 NDP

Designed and issued by Communication Service Unit : 040 602 4000

Province of the
EASTERN CAPE
PUBLIC WORKS & INFRASTRUCTURE

EASTERN CAPE DEPARTMENT OF PUBLIC WORKS & INFRASTRUCTURE

ANNUAL REPORT 2023/24
Vote 05

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General Information

Part A

1. PART A: GENERAL INFORMATION

1.1 Department's General Information

Full name of the Department

Department of Public Works & Infrastructure

Physical Address of Head Office

Qhasana Building

Independence Avenue

Bhisho

5605

Postal Address of Head Office

Private Bag x 0022

Bhisho

5605

Contact telephone numbers

040 602 4256 (Head of Department)

Call Centre (defects): 087 210 0925

Toll free (Citizens only): 0800 864 951

WhatsApp only: 060 090 5299

Facebook page: Customer Care Ecdpwi

Switchboard: 040 602 4000

Email address: customercare@ecdpw.gov.za

Website address: www.ecdpw.gov.za

Facebook page: Eastern Cape Department of Public Works & Infrastructure

1.2 List of Abbreviations /Acronyms

Abbreviations / Acronyms	
AC	Audit Committee
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
APTCoD	Accelerated Professional and Trade Competency Development
ARP	Annual Recruitment Plan
AutoCAD	Computer-Aided Design
BAC	Bid Adjudication Committee
AFS	Annual Financial Statements
BBBEE	Broad-Based Black Economic Empowerment
BBCBE	Black Business Council in the Built Environment
BCEA	Basic Conditions of Employment Act
BCMM	Buffalo City Metropolitan Municipality
CBE	Council for the Built Environment
CBM	Customer Business Management
CDP	Contractors Development Programme
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
COE	Compensation of Employees
COAF	Communication of Audit Findings
COGTA	Cooperative Governance and Traditional Affairs
DDM	District Development Model
DOE	Department of Education
DOH	Department of Health
DPWI	Department of Public Works & Infrastructure
DPSA	Department of Public Service and Administration
DRDAR	Department of Rural Development Agrarian Reform
DSRAC	Department of Sports, Recreation, Arts and Culture
DTT	Departmental Task Teams
EE	Employment Equity
EC	Eastern Cape
ECPG	Eastern Cape Provincial Government
EME	Exempted Micro Enterprise
EPWP	Expanded Public Works Programme
EXCO	Executive Council
EXMA	Executive Management Committee
EOI	Expression of Interest
EOT	Extension of Time
GIAMA	Government Immovable Assets Management Act

Abbreviations / Acronyms	
GIS	Geographic Information System
HDI	Historically Disadvantaged Individuals
HIV	Human Immunodeficiency Virus
HIRA	Hazard Identification and Risk Assessment
HOA	Homeowners Association
HOD	Head of Department
HRD	Human Resource Development
HSPPUA	Health, Safety, Public Protection and Universal Access
IA	Implementing Agent
IAM	Immovable Asset Management
IAR	Immovable Asset Register
ICT	Information and Communication Technology
ICDP	Integrated Contractor Development Programme
IDMS	Infrastructure Delivery Management System
IGR	Intergovernmental Relations
IIA	Institute of Internal Auditors
IIMM	International Infrastructure Management Manual
IPMP	Infrastructure Programme Management Plan
IRMSA	Institute of Risk Management South Africa
ISSC	Integrated Shared Services Contracts
KWT	King Williams Town
LOGIS	Logistical Information System
MBE	Master of the Built Environment
MEC	Member of the Executive Council
MINMEC	Minister and Members of Executive Council
MSME	Medium, Small and Micro Enterprise
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NIP	National Infrastructure Plan
NMBM	Nelson Mandela Bay Municipality
NYS	National Youth Service
OHS	Occupational Health and Safety
OMF	Operation Management Framework
ORW	Other Remunerative Work
OSD	Occupation Specific Dispensation
OTP	Office of The Premier
PDP	Provincial Development Plan
PFMA	Public Finance Management Act
PICC	Provincial Infrastructure Coordinating Committees

Abbreviations / Acronyms	
PIMO	Provincial Infrastructure Management Office
PISC	Project Infrastructure Steering Committee
PMS	Property Management Strategy
PMSME	Provincial, Medium, Small and Micro Enterprises
P-MTSF	Provincial Medium Term Strategic Framework
PPP	Public-Private Partnership
PPR	Procurement Preferential Regulations
PPSU	Provincial Project Support Unit
PSC	Public Service Commission
PT	Provincial Treasury
PWD	People With Disabilities
QSE	Qualifying Small Enterprise
RAIM	Risk, Anti-Corruption & Integrity Management
REMC	Renewable Energy Management Centers
RFI	Request for Information
RPL	Recognition of Prior Learning
SCA	Supreme Court of Appeal
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDM	Service Delivery Model
SETA	Sector Education and Training Authority
SHERQ	Safety Health Environment Risk & Quality
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SONA	State of the Nation Address
SOP	Standard Operating Procedure
SOPA	State of the Province Address
STI	Sexually Transmitted Disease
TB	Tuberculosis
TCF	Transformation Collaborative Forum
TIC	Transversal Infrastructure Coordination
ToR	Terms of Reference
UAMP	User Asset Management Plan

1.3 Foreword by MEC of the Department

During the 2023/24 financial year, the Department of Public Works and Infrastructure (DPWI) devoted its energies to realizing the pronouncements made by the President in the 2023 January 8th Statement and the 2023 State of the Nation Address (SONA). Of relevance to the DPWI, the January 8th Statement of the Ruling Party highlighted the following priorities:

- Acceleration of the resolution of the energy crisis to end load-shedding, emphasizing the use of energy saving measures to alleviate stress on the national grid;
- Bold mobilization of social partners around economic reconstruction and recovery in order to increase job creation, investment and empowerment focusing on youth employment and skills training, the green economy and the 4th Industrial Revolution; and
- Improvement of the delivery of basic services and maintenance of infrastructure. This entails effective integrated planning, implementation of the District Development Model, professionalization of the public administration and production of developmental, technical and professional personnel.

In his 2023 State of the Nation Address, the President went further to identify key issues that must be addressed as a matter of urgency. These were articulated as follows:

- Load-shedding and the need to restore energy security;
- Dealing with the scourge of unemployment; and
- Tackling poverty and the rising cost of living.

Taking cue from the SONA, the Premier in his 2023 State of the Province Address (SOPA) made key pronouncements that have a direct bearing on the work of the DPWI. These were stated as follows:

- Investment attraction and job creation;
- Provision of SMME support through interventions that leverage public sector spend on SMMEs;
- Mainstreaming of women to ensure their full participation in the Provincial economy. All Provincial Departments to ensure that at least 40% of government procurement is spent on women-owned Eastern Cape based businesses;
- Use of infrastructure as a lever for economic development;
- The need to improve capacity across infrastructure value chains. This involves the imperative for collaboration and sharing of best practices on how to deliver infrastructure projects faster and within budget; and
- Use of sustainable energy infrastructure to reduce the reliance of public sector institutions on the national grid.

During the year under review, the DPWI has ensured that it remains attuned to these political and policy imperatives by continuing to implement key strategic interventions which focus on the following:

- Building institutional capacity and capability through the acquisition of professional and technical skills to enable the Department to carry out its mandate;
- Revenue enhancement through efficient revenue collection and effective lease management;
- Facilities management and maintenance of the property portfolio;
- Supplier and enterprise development by providing support to Historically Disadvantaged Contractors in the Integrated Contractor Development Programme (ICDP);
- Optimized public employment and effective coordination of the Expanded Public Works Programme (EPWP) in the Province; and
- Transversal Infrastructure Coordination to ensure improved infrastructure planning, delivery, operations and maintenance capability across the Province.

In relation to building institutional capacity and capability, the Department is pleased to report that, 11 candidates attained professional registration status through various professional bodies. This is commendable as the Department seeks to professionalize its workforce in the built environment and property management spaces. Also significant in this regard is that all the portfolios in the public works infrastructure domain were able to use far greater ratio of internal to external professionals compared to what was planned. This bodes well with the DPWI's Transformation Agenda which foresaw the 2023/24 financial year as the conclusion of the Phase of Stabilization, wherein the Department strengthens its capabilities to be a primary Implementing Agent for prioritized social infrastructure delivery.

During the year under review, the Department began to show signs of maturity in respect of facilities management and maintenance of its property portfolio. The Department implemented all the six (6) facility management initiatives it had planned in the areas such as planned and unplanned maintenance, Customer Business Management Services, Management of Prestige Portfolio Services and Occupational Health and Safety. This demonstrates progress made by the Department in ensuring productive assets and dignified user experience by Client Departments, citizens and key stakeholders.

In the 2023/24 financial year, the Department continued to contribute towards enterprise development and the transformation of the built environment in a number of significant ways. For instance, 173 ICDP contractors were supported and 80 of them upgraded in the CIDB register of contractors. Furthermore, the DPWI is very pleased to share with its stakeholders that 89% of awards of infrastructure capital expenditure were sourced from local suppliers, manufacturers and contractors.

The imperative of transformation was also felt in the property sector. During the period under review, the Department concluded 67% of leases with Black Developers, a development that is in line with the Property Transformation Charter which seeks to encourage the participation of black-owned enterprises in the property sector. By affording leasehold portfolio opportunities to new black entrants into this market, the Department is in a deliberate way, assisting to advance the Transformation Agenda of Government in an industry that had put unconscionable barriers to entry for Africans in general, and black people in particular.

During the 2023/24 financial year, the Department contributed significantly to the outcome of optimized job opportunities by creating 5212 work opportunities through infrastructure delivery. The Department also drove effective coordination of EPWP in the Province by supporting all the 50 Public Bodies implementing

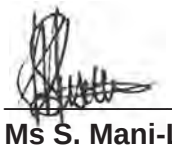
EPWP to report on their targets, thus ensuring the inflow of EPWP Incentive Grant funding into the Province.

While the Department is proud of the achievements made during the 2023/24 financial year, it is worth mentioning areas of serious concern, which are as follows:

- Completion of planned maintenance and new construction projects under Public Works Infrastructure.
- Collection of the revenue generated as the Department only collected R17, 354 million against the target of R79, 157 million; and
- The Department had planned to pay 100% of invoices within 30 days, but only managed to pay 94% of invoices within 30 days.

Finally, the Department notes and acknowledges the generous support and contribution made by the Premier, the entire EXCO members and all stakeholders, in ensuring that the Department delivers on its mandate of being a leader in the provision of high quality services in infrastructure delivery, coordination and socio-economic investment.

Thank you.



Ms S. Mani-Lusithi
MEC for Public Works & Infrastructure

1.4 Report of the Accounting Officer

Overview of the operations of the Department

This Annual Report is presented in the fourth year of the 06th Administration term, a period in which DPWI committed to a phased approach of transforming itself into a nerve-centre for infrastructure delivery, coordination and investment. We are proud to say that the Department has stabilized in its development process and currently in the process of a maturity trajectory. The Transformation Agenda of DPWI is embedded on its four broad roles of being the:

- Custodian of infrastructure assets for the Province;
- Implementing Agent of various infrastructure projects;
- Coordinator for socio-economic transformation; and
- Coordinator of infrastructure development for the Province.

The ultimate goal of the transformation agenda is to contribute towards the development of Medium, Small and Micro Enterprises (MSMEs), local economic development, coordination and delivery of infrastructure as a lever for socio-economic development and job creation.

The Department's overall performance for 2023/24 is 92% of its planned targets, an 8% improvement from 2022/23 financial year. The improvement is due to strengthened oversight by the various governance and political structures. This performance was realized through budget expenditure of 97.8% of the adjusted appropriation of R2.516 billion during the year under review.

In pursuit of ensuring a capable DPWI in the maturity phase, the Department has successfully implemented the approved organizational structure with notable achievements being the capacitation of the core programmes together with District Directors through implementation of the Annual Recruitment Plan (ARP).

The Department has completed 30 capital and maintenance projects and will continue to make strides towards ensuring that DPWI is an Implementing Agent of Choice through improved client relations, strategic conversation and internal collaboration of the infrastructure directorates.

The Department prides itself on the role bestowed on it by the Province as facilitator and coordinator of infrastructure. Through this role, Transversal Infrastructure Coordination (TIC) successfully assisted the Province in monitoring infrastructure performance and resolving bottlenecks in infrastructure delivery and expenditure. This has led to improved expenditure by the four (4) biggest Departments that consume 86% of the provincial infrastructure budget, namely: Health, Education, Transport and Human Settlements.

Through the coordination efforts of Public Bodies in the implementation of Phase IV of the EPWP, the Eastern Cape Province has created 111 674 jobs, surpassing the target of 100 041. Going forward, the Department will focus on supporting Public Bodies towards the roll-out of Phase V of EPWP. Furthermore, through our Security Management function, the Department created employment opportunities for 19 security providers, twelve (12) cooperatives directly contracted to DPWI and seven (7) were sourced through military veterans' cooperatives.

As part of our commitment to institutionalize a Facilities Management Model, the Department has established a Customer Business Management Unit (CBM) to manage client Departments' complaints, track the progress on the registered queries and provide feedback.

The Department ensures mainstreaming of Gender Equality and Designated Groups in implementing its programmes. For an example, DPWI is currently implementing the Employment Equity Plan in the recruitment processes, which has resulted in the improvement of equity targets with 57% women in SMS positions and 55% of employees in the youth category. The Department will improve the 1,9% under-achievement on the performance of persons with disabilities employed.

Overview of the financial results of the Department

Departmental receipts

Items	2023/24			2022/23		
	Estimate	Actual collection	(Over)/Under collection	Estimate	Actual collection	(Over)/Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Rentals Dwelings	79 157	14 662	64 495	54 382	16 856	37 526
Interest	-	1 862	-1862	-	403	-403
Sale of capital assests	-	777	-777	-	677	-677
Assets and Liabilities	-	53	-53	-	384	-384
Total	**79 157**	**17 354**	**61 803**	**54 382**	**18 320**	**36 062**

For the period under review, the Department under collected the projected revenue by R61 million.

Main sources of revenue collection include cell masts, parking and leases both in residential and commercial properties. Other sources include sale of capital assets in the form of properties and other assets. The non-responsiveness and poor response of the property market continues to hamper the Department in its efforts to maximize revenue collection. This has resulted in few awards made for long-term leasing and development of advertised state-owned sites. The Department is currently exploring other ways to attract the market in its revenue generation and enhancement initiatives.

There has been a reduction in the rental collection due to continued defaulters on lease rentals in the year under review. In this regard, processes of collection were implemented through the RT27 National Treasury contract.

Programme Expenditure

In the period under review, the Department posted expenditure of R2. 461 billion which is 97,8% against the total adjusted appropriation of R2. 516 billion and recorded under expenditure of R54. 766 million. The table below provides the expenditure trend per programme:

Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	553 605	552 369	1 236	516 950	516 772	178
2. Public Works Infastructure	1 815 176	1 763 814	51 362	2 032 890	2 032 883	7
3. Expanded Public Works Programme	147 072	144 904	2 168	130 633	130 633	-
Total	**2 515 853**	**2 461 087**	**54 766**	**2 680 473**	**2 680 288**	**185**

Virements and rollovers

In line with Section 43 (1), (2) and (3) of the PFMA of 1999 together with National Treasury Regulations Paragraph 3, virements within the legislated 8% threshold were implemented as follows:

From Programme 2: Public Works and Infrastructure: R7. 212 million and Programme 3: EPWP: R1. 612 million to Programme 1: Administration for the provision of Disaster Recovery and Cyber Resilience Solutions, renewal of AutoCAD Infrastructure and provision for the leave gratuity for employees exiting the system.

The table below provides the summary of the virements that were effected in the period under review.

Appropriation per programme									
Programme Name	2023/24							2022/23	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000					R'000	R'000
Programme									
1. Administration	544 781	-	8 824	553 605	552 369	1 236	99,8%	516 950	516 772
2. Public Works Infastructure	1 822 388	-	(7 212)	1 815 176	1 763 814	51 362	97,2%	2 032 890	2 032 883
3. Expanded Public Works Programme	148 684	-	(1 612)	147 072	144 904	2 168	98,5%	130 633	130 633
Total	**2 515 853**	**-**	**-**	**2 515 853**	**2 461 087**	**54 766**	**97,8%**	**2 680 473**	**2 680 288**

Reasons for recorded under expenditure of R54. 766 million:

Programme 1: Administration - Machinery and Equipment

Due to delayed verification process of invoices received from the Government Fleet Entity.

Programme 2: Public Works Infrastructure – Provinces and Municipalities and Buildings and other fixed structures

Provinces and Municipalities:

Due to delayed process of ownership verification for properties in Makana that were billed by the municipality but not in the Asset register.

Buildings and Other Fixed Structures:

Due to delayed delivery of project milestones for construction projects on the ground pertaining to various reasons, which are as follows:

- Mqanduli Cluster Offices – Poor contractor performance;
- KD Matanzima Building – Production challenges experienced by the manufacturer;
- Mt Ayliff Cluster Offices (Civil works) – Community unrest;
- Makanda Artisan Development Centre – Inclement weather conditions;
- Ngqamakwe Cluster Offices – Inclement weather conditions;
- Fencing to Prestige Portfolio – Contractual disputes between main contractor and sub-contractor;
- Botha Sigcau Generator –Finalization of cession agreement; and
- Solar system at Old Ford House building – Finalization of the cession agreement.

Programme 3: Expanded Public Works Programme – Buildings and Other Fixed Structures

Due to delayed procurement (Award) of Puthadichaba Training Center caused by the non-responsiveness of bidders.

An amount of R 52.992 million has been requested to be rolled over for the following items:

1. Programme 1: Administration
   - Government Fleet - R1.502 million;
2. Programme 2: Public Works Infrastructure
   - Infrastructure Projects - R45.062 million;
   - Rates and Taxes - R4.603 million; and
3. Programme 3: EPWP
   - Infrastructure project - R1.825 million.

A description of the reasons for unauthorized, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence

Financial year	Analysis	Amount	Movements (Recoveries and Resolved)	Balance	Description
2023/24	No show	13 972,00	(5 141,00)	8 831,00	Non-attendance of trainings
	Other wasteful	3 384,00	-	3 384,00	Accomodation exceeded tariff
	Interest	604 567,35	(602 498,00)	2 069,35	Telkom, the contractor who left site and accommodation late payments
Total 2023/24		**621 923,35**	**(607 639,00)**	**14 284,35**	
Prior Years	No show	150 713,18	(95 593,00)	55 120,18	Non-attendance of trainings
	Other wasteful	370 433,18	(301 470,34)	68 962,84	Trips wrongly classified as business trips, Accommodation exceeded tariff and claiming of lunch packs while lunch is served
	Interest	506 534,17	(342 616,72)	163 917,45	Interest on late payment of Eskom, Telkom government fleet, GEPF and property rentals
Total (prior year)		**1 027 680,53**	**(739 680,06)**	**288 000,47**	
Total				**302 284,82**	

Steps to prevent recurrence

The Department will conduct awareness programmes both at Head Office and District level.

Strategic focus over the short to medium term period

- Priorization of Infrastructure Investment to fast-track economic growth in the Province;
- Forging of Public Private Partnerships as an alternative funding model;
- Transformation of the construction and property sectors through entrepreneurship opportunities;
- Promotion of enterprise and supplier development through provision of support that empowers MSMEs in construction, focusing on Women in Construction;
- Creation of job opportunities, focusing on designated groups;

- Building of effective and integrated planning and service delivery through Infrastructure Coordination;
- Improvement of revenue generation through implementation of Revenue Enhancement Strategy; and
- Use of Government land and properties for spatial transformation and social justice.

Public Private Partnerships

The Department is in the process of finalizing the Public Private Partnership agreement for the Bhisho Precinct. The Department has submitted the Treasury Approval IIB to National Treasury for review and approval.

Discontinued key activities / activities to be discontinued

There were no activities discontinued during the year under review.

New or proposed key activities

- Renovation of Provincial Legislature in order to accommodate nine (9) additional members of the Legislature. This is due to the need for additional office space, residential accommodation and additional seats in the Council Chamber;
- Coordination of the implementation of new EPWP Phase V by all Public Bodies, focusing on creating quality and sustainable work opportunities and quality service delivery so as to positively impact the lives of the Citizenry;
- Installation of Solar and Water Conservation Project, due to a need for alternative energy as a result of load-shedding;

Supply Chain Management

There were no unsolicited bid proposals for the year under review. The Department has put in place systems and procedures to strengthen the control environment including proper a delegation system. The Compliance Unit will be used to assess all procurement transactions and issue compliance assurance before approval. SCM experienced a shortage of staff due to promotion and movement to other Departments. This will be addressed through the implementation of the 2024/25 ARP which incorporates the capacitation of the Department, including the Supply Chain Management Directorate.

Gifts and Donations received in kind from non-related parties

During the 2023/24 financial period, there were no gifts received and declared by any DPWI official.

Exemptions and deviations received from the National Treasury

No exemptions or deviations have been received from National Treasury.

Events after the reporting date

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

Other

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

Acknowledgements and/ or Appreciations

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

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

Conclusion

The Department presents this report in terms of the Public Finance Management Act. This report offers the Accounting Officer the opportunity to fully account for both the financial and non-financial activities for the year under review and the results thereof as contained in detail in this Annual Report. The Annual Financial Statements have been prepared in terms of the Guide to the Preparation of the Annual Financial Statements as issued by the National Treasury.

Approval and sign off:

Mr T.L. Manda
Head of Department
30 August 2024

1.5. Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

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

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

The Annual Report is complete, accurate and is free from any omissions.

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

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

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

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

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2024.

Yours faithfully

Mr T.L. Manda
Head of Department
30 August 2024

1.6 Strategic Overview

The following information for the department must be provided:

1.6.1 Vision

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

1.6.2 Mission

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

1.6.3 Values

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

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

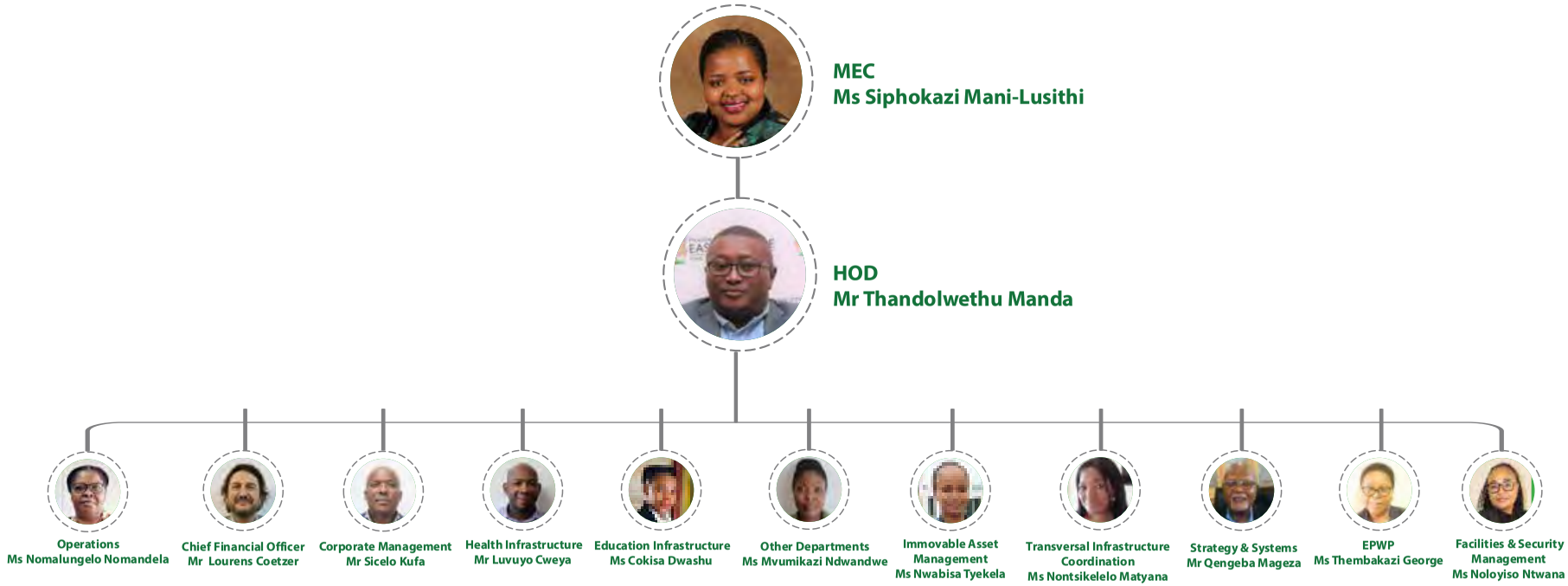
1.7 Legislative and Other Mandates

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

Legislative source	Directives in relation to the mandate, roles and responsibilities of the DPWI
NATIONAL	
National Infrastructure Plan, Vision 2050	National Infrastructure Plan, Vision 2050 (NIP) offers a strategic vision and actionable steps to ensure achievement of intermediate outcomes. It identifies the most critical actions needed for sustained improvement in public infrastructure delivery. It further addresses institutional blockages and weaknesses that hinder success as well as guide the way towards building stronger institutions that can deliver on the National Development Plan (NDP) aspirations.
National Development Plan, Vision 2030:	The NDP aims to eliminate poverty and reduce inequality by 2030. It engages with all sectors to understand how they are contributing to implementation, and particularly to identify any obstacles to them fulfilling their role effectively, in order to improve the quality of public services that is critical to achieving transformation. For instance, the NDP enjoins various stakeholders including DPWI to focus on the critical capabilities needed to transform the economy and society, to find ways to urgently reduce alarming levels of youth unemployment as well as to shape budget allocation over the years until 2030.
Construction Industry Development Board: National Immovable Asset Maintenance Management Standard, 2017	The standard establishes a system of principles or practice specifications for the management and care of immovable assets subsequent to initial construction or acquisition. The Standard focuses on the requirements for the establishment of asset care objectives, strategies and plans, the implementation, monitoring and review of the preventative and corrective maintenance activities, and the roles and responsibilities for effective maintenance of infrastructure assets.
International Infrastructure Management Manual (IIMM); 2006, 2011, 2015	The manual provides practitioners with the necessary tools, resources and case studies to demonstrate how to apply and put into practice the elements of good asset management as proposed by the ISO Standards. The IIMM shows infrastructure managers how to achieve the ISO Standards' goal of getting the appropriate balance between cost, risk and performance from the assets in delivering the best service outcomes for all stakeholders.
Infrastructure Development Act, Act No. 23 of 2014)	To provide for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic; to ensure that infrastructure development in the Republic is given priority in planning, approval and implementation; to ensure that the development goals of the state are promoted through infrastructure development; to improve the management of such infrastructure during all life-cycle phases, including planning, approval, implementation and operations; and to provide for matters incidental thereto.
Construction Regulations, 2014	Sub-Regulation 11(2) requires an owner of structures to ensure that a competent person (typically a Built Environment Professional) carries out periodic inspections of structures at least once every six months for the first two years after its construction and thereafter yearly to render the structure safe for continued use and that the structure is maintained so that it remains safe for continued use. Thus at least annual condition assessments must be carried out and maintenance and renewal programmes must be implemented.
Spatial Planning and Land use Management Act, 2013 (Act No. 16 of 2013)	To provide for inclusive, developmental, equitable and efficient spatial planning at the different spheres of government.

Legislative source	Directives in relation to the mandate, roles and responsibilities of the DPWI
NATIONAL	
Property Management Strategy on BBBEE, Job Creation and Poverty Alleviation, 2007 (PMS BBBEE 2007)	The objective of the PMS BBBEE 2007 is to: • address skewed property and equity ownership in the property industry in the country; and • promote black participation in the property industry through management, control and procurement.
Property Sector Transformation Charter, 2007 of the Broad-Based Black Economic Empowerment Act, 2003 (BBBEE Act)	The Charter 2007 aims to promote the objectives contained in Section 2 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

1.8 Organisational Structure



1.9 Entities Reporting to the MEC

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

Performance Information

Part B

2. Part B: Performance Information

2.1. Auditor-General's Report: Predetermined Objectives

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

2.2 Overview of Departmental Performance

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

2.2.1 Service Delivery Environment

The service delivery environment seeks to provide a balanced overview of the environment within which the Department operated to implement its mandate. The purpose is to provide users of the Annual Report with challenges, successes and other factors that impacted the performance against set targets in the 2023/24 Annual Performance Plan.

Buildings Infrastructure

The Department plays an integral role in the national economy of South Africa. One of the fundamental challenges in government is service delivery in the construction sector. With the increased pressure on DPWI to deliver successful projects, there is a call for the implementation of project management procedures and policies (IDMS). The DPWI implemented capital and maintenance infrastructure projects through the designated three (3) portfolios i.e. Health, Education and DPWI & Other to change the socio-economic outlook in previously disadvantaged communities through the delivery of high-quality infrastructure.

Construction of cluster offices as one-stop shops, small-town revitalization and rural economy remains the priority of the Department. One of the cluster offices is the construction of Emaxesibeni project with the aim of relocating government departments operating from KwaZulu- Natal (Kokstad) to the Eastern Cape (Mt Ayliff). During the period under review, Block A project to accommodate the Departments of Transport and Human Settlements was handed over to the contractor.

Also, worth mentioning are the strides made by the Department to address office accommodation challenges in the town of Bhisho. In this regard, the Department identified the construction of the Bhisho Office Precinct as a sustainable, long-term solution towards providing suitable and adequate office accommodation for various User Departments. Although the Public Private Partnership arrangement will be utilized to deliver this project, an amount of R62 million has been set aside for the next financial year as the contribution by the Department in the partnership.

In response to load-shedding, the Department has assessed eight (8) buildings for alternative energy and two (2) solar installation projects (Maluti College and Ford House) in Alfred Nzo and Sarah Baartman Districts, were awarded. The installation of alternative energy will enable business continuity as well as reducing the running costs of diesel back-up generators. This initiative will also be rolled-out in the next financial year for the remainder of the assessed buildings.

The Department is also constructing Mqanduli Cluster offices that will cater for four (4) Departments namely: Departments of Social Development, Rural Development & Agrarian Reform, Education, Cooperative Governance & Traditional Affairs.

The Department has established a call-centre that will enable effective communication as well as shortened turnaround times of the maintenance service teams in all districts. With the renovations and resuscitation of the operations at depots, the plan to have prompt repairs and maintenance responses will become a

reality. The Infrastructure Act emphasizes the importance of sustainable infrastructure that contributes to job creation, skills development and SMME support. The Department has complied with the ethos of the Act by ensuring that infrastructure projects provide employment to unskilled labour, placement of built environment graduates, interns and artisans for skills development and provides SMME packages across the Province.

To this end, the Department successfully completed the following Capital Infrastructure and Maintenance Projects:

Item	Project	Client Department
1	Cookhouse Public Library	Department of Sports, Arts, and Culture
2	Amagqunukhwebe Traditional Council	Department of Cooperative Governance and Traditional Affairs
3	Makanda Training Centre Phase 2	Department of Public Works and Infrastructure
4	Molteno Service Centre	Department of Social Development
5	Refurbishment to Lusikisiki College Phase 2	Department of Public Works and Infrastructure
6	Upgrade of Sewerage System in Ex-Butterworth College	Department of Public Works and Infrastructure
7	Middledrift Service Office	Department of Social Development
8	Ngubengcuka SSS	Department of Education
9	Louis Rex primary School- sectional completion	Department of Education
10	Bulelani SSS Phase 1	Department of Education
11	Bulelani SSS Phase 2	Department of Education
12	Arcadia SSS- sectional completion	Department of Education
13	Sterkspruit Community School	Department of Education
14	Msintsana ECD	Department of Education
15	Phahameng SS	Department of Education
16	Kwanikwe PS	Department of Education
17	Caiphus Kopa PS	Department of Education
18	Emdeni PS	Department of Education
19	Dedelo PS	Department of Education
20	Ntsintsana JSS	Department of Education
21	Mhleleni JSS	Department of Education
22	Gcuma PS	Department of Education
23	Phakamani PS	Department of Education
24	Repairs, renovation and addition at Ntabankulu CHC	Department of Health
25	Emergency Refurbishment to Fort Beaufort and Winterberg Hospital	Department of Health
26	Molteno Hospital X-Ray Unit	Department of Health
27	Repairs and Renovations at Sir Henry Elliot Hospital	Department of Health
28	S.S. Gida Hospital	Department of Health
29	Ntsimba Clinic	Department of Health
30	Torha Clinic	Department of Health
31	Shiloh Clinic	Department of Health
32	Construction of Guardhouse, Fencing and related site works at Maclear Hospital	Department of Health

Minor repairs, Disaster and Emergency repairs

The Department is responsible for providing office accommodation that is safe and fit to meet the service delivery requirements of the User Departments. In addition, the Department ensures that it responds to requests for emergency repairs and renovations to ensure dignified user experience.

DPWI as an implementing agent has responded to various submissions made by the Client Departments to implement disaster and clean-up programmes to improve the conditions of facilities that were affected by disasters and other unforeseeable events.

DPWI		
Name of the project	**Nature**	**Status**
Botha Sigcau Refurbishment	Minor repairs	Awarded awaiting Site hand over
Minor building repairs at various state-owned houses in Makanda	Minor repairs	Under construction
Exploration and Installation of Borehole and Backup Tank for Whittlesea Depot	Minor repairs	Completed
Minor repairs at Bathandwa Ndondo- Block- G	Minor repairs	Completed
Emergency repairs of underground cable and backup generator	Minor repairs	Completed
Repairs to roof ECDPWI District offices	Minor repairs	Completed
Conversation of lights to LED	Minor repairs	Completed
Minor Renovations at Steynsburg Training Centre	Minor repairs	Termination
Erection of Security fence house 104 and 105 Van Tonder Street	Minor repairs	Termination
Minor Servicing and maintenance of Mechanical Systems	Minor repairs	Completed
Term Servicing Maintenance of firefighting equipment	Minor repairs	Under construction
Term Contracts for Lifts and Stair Lifts Joe Gqabi	Minor repairs	Under construction
Repairs & Additions to fencing to offices Occupied by DOE at Saphire, Mt Frere	Minor repairs	Completed

Education		
Name of the project	**Nature**	**Status**
Gwarubana SSS	Disaster	Under Construction
Emergency Repairs to: Esikwayini B J.S.S	Emergency Repairs and Renovations	Under Construction
Esikhobeni J.P.S,	Emergency Repairs and Renovations	Under Construction
Esikwayini A J.S.S	Emergency Repairs and Renovations	Under Construction
Gwebinkundla J.S.S	Emergency Repairs and Renovations	Under Construction
Qokolweni S.S.S.	Emergency Repairs and Renovations	Under Construction
Athenkosi Special School	Disaster	Under Construction
Vukuhambe Special School	Disaster	
Phumelelani	Disaster	Under Construction
Mgceleni JPS	Emergency Repairs and Renovations	Under Procurement

Education		
Name of the project	**Nature**	**Status**
Lundzwana JSS	Emergency Repairs and Renovations	Under Procurement
Lovedale	Disaster	Under Construction
Imingcangathelo SSS	Disaster	Under Construction
Gqumashe JPS	Disaster	Under Construction
Fort Beaufort Primary School	Disaster	Under Construction
Langalivelile Primary School	Disaster	Under Construction
Ulana Agricultural School	Disaster	Under Construction
Siseko Senior Secondary School	Disaster	Under Construction
Ngangelizwe Senior Secondary School	Disaster	Under Construction
Nkosiyakhe PS	Emergency Repairs and Renovations	Completed
Lower Gqaga PS	Emergency Repairs and Renovations	Procurement stage
Mcobololo SSS	Emergency Repairs and Renovations	Procurement stage
Siviwe PS	Repairs and renovations	Procurement stage
Majali SSS	Emergency Repairs and Renovations	Procurement stage
Mjobeni JSS	Emergency Repairs and Renovations	Under Construction
Mlamli JSS	Emergency Repairs and Renovations	Under Construction
Nqeketo JSS	Emergency Repairs and Renovations	Under Construction
Wabani SSS	Emergency Repairs and Renovations	Under Construction
Bajonge JSS	Emergency Repairs and Renovations	Under Construction
Mgcotyelwa JSS	Emergency Repairs and Renovations	Under Construction
Wayo SPS	Emergency Repairs and Renovations	Under Construction
Mangqukwana SPS	Emergency Repairs and Renovations	Under Construction
Gotyibeni SPS	Emergency Repairs and Renovations	Under Construction
Ezingcuka SSS	Disaster	Under Construction
Tiyo Soga JSS	Disaster	Under Construction
Laphumilanga JSS	Disaster	Under Construction
Zanewonga SSS	Disaster	Under Construction
Tshabe JSS	Emergency Repairs and Renovations	Procurement stage
Thembelihle PS	Emergency Repairs and Renovations	Procurement stage

Health Portfolio		
Name of the project	**Nature**	**Status**
DOH Disaster Cluster 1		
Cebe Clinic	Disaster / Emergency Repairs	Planning Stage
All Saints - Kitchen and Laundry	Disaster / Emergency Repairs	Planning Stage
Malangeni Clinic	Disaster / Emergency Repairs	Practical Complete

Health Portfolio		
Name of the project	**Nature**	**Status**
Majola Clinic	Disaster / Emergency Repairs	Practical Complete
Flagstaff Clinic	Disaster / Emergency Repairs	Practical Complete
Qadu Clinic	Disaster / Emergency Repairs	Practical Complete
Mgwenyana Clinic	Disaster / Emergency Repairs	Practical Complete
Mpunzi Clinic	Disaster / Emergency Repairs	Practical Complete
Lwandile Clinic	Disaster / Emergency Repairs	Practical Complete
Mangcwanguleni	Disaster / Emergency Repairs	Under construction
St Lucy's Hospital Phase 2	Disaster / Emergency Repairs	Under construction
DOH Disaster Cluster 2		
Elliot Hospital	Disaster Repairs	Planning Stage
Hytor Clinic	Disaster Repairs	Award stage
Mbalisweni Clinic	Emergency repairs	Under construction
Mbotyi Clinic	Emergency repairs	Under construction
Jamestown Hospital	Minor repairs & Renovations	Under construction
Aliwal North Hospital	Minor repairs & Renovations	Under construction
St Michaels Clinic	Minor repairs & Renovations	Under construction
Burgersdorp Hospital	Minor repairs & Renovations	Under construction
Maclear Hospital	Minor repairs & Renovations	Under construction
Mt Fletcher Offices	Minor repairs & Renovations	Under construction
Cloute Joubert Hospital	Minor repairs & Renovations	Under construction
Empilisiweni Hospital	Minor repairs & Renovations	Under construction
Mlamli Hospital	Minor repairs & Renovations	Site handed over
Madlangala Clinic	Minor repairs & Renovations	Tender advert
Paballong Clinic	Minor Repairs & Renovations	Tender advert
Willowvale CHC	Minor Repairs & Renovations	Tender advert
Tafalofefe Hospital	Minor Repairs & Renovations	Tender advert
Mpukane Clinic	Minor Repairs & Renovations	Tender advert
Macibe Clinic	Minor Repairs & Renovations	Tender advert
Mapuzi Clinic	Minor repairs & renovations	On Adjudication
Zithulele Hospital	Minor repairs & renovations	On Adjudication
Nkwenkwana Clinic	Minor repairs & renovations	On Adjudication
Gubenxa Clinic	Minor repairs & renovations	On Adjudication
Tsembeyi Clinic	Minor repairs & renovations	On Adjudication
Zwaartwater Clinic	Minor repairs & renovations	On Adjudication
Ngonyama Clinic	Minor repairs & renovations	On Adjudication

Health Portfolio		
Name of the project	**Nature**	**Status**
Bengu Clinic	Minor repairs & renovations	On Adjudication
Mhlanga Clinic	Minor repairs & renovations	On Adjudication
Tsitsikama Clinic	Minor repairs & renovations	On Adjudication
Pricedale Clinic	Minor repairs & renovations	On Adjudication
Kubengu Clinic	Minor repairs & renovations	On Adjudication
Tsakane Clinic	Minor repairs & renovations	On Adjudication
Bilatye Clinic	Minor repairs & Renovations	Under construction
Qongqotha Clinic	Minor repairs & Renovations	On Adjudication
Banzi Clinic	Minor repairs & Renovations	On Adjudication
Clean Up Programme		
Amatshangase Clinic	Minor repairs & Renovations	Documentation stage
Hlamandana Clinic	Minor repairs & Renovations	Documentation stage
Isilimdeni Clinic	Minor repairs & Renovations	Documentation stage
Luyengwanga Clinic	Minor repairs & Renovations	Documentation stage
Mwaca Clinic	Minor repairs & Renovations	Documentation stage
Qhasa Clinic	Minor repairs & Renovations	Documentation stage
Tshongwana Clinic	Minor repairs & Renovations	Documentation stage
Mt Arthur Clinic	Minor repairs & Renovations	Under construction
Bilatye Clinic	Minor repairs & Renovations	Under construction
Gqogqorha Clinic	Minor repairs & Renovations	Under construction
Mt Arthur Clinic	Minor repairs & Renovations	Under construction
Mnyolo Clinic	Minor repairs & Renovations	Under construction
Mhlwazi Clinic	Minor repairs & Renovations	Under construction
Oxtsyn Clinic	Minor repairs & Renovations	Under construction
Godini Clinic	Minor repairs & Renovations	Under construction
Mjanyana Clinic	Minor repairs & Renovations	Under construction
Hewu Clinic	Minor repairs & Renovations	Under construction

Not withstanding the successes highlighted above, the Department is faced with the following challenges in the provision of infrastructure:

- Delays in the commencement of construction due to late confirmation of the budget by the client Departments;
- Poor performance by contractors, late payment of service providers and non-use of tranche payment system by the client;
- The so-called construction mafia that threatens the future of construction companies in South Africa. These criminal syndicates forcefully extract protection fees from construction companies through intimidation tactics;
- Limited number of sub-contracting opportunities within the sector, resulting in the manipulation of the SMME inclusion process by Business Forums;
- Clients recall projects whilst at various stages due to financial constraints;
- Projects affected by land claims that led to closure of sites by members of community;
- Projects were affected by general community protests. For example, the Chris Hani protracted community protests affected the progress of Emalahleni Service Office;
- Challenges experienced were also due to lack of financial capacity by the contractors. This is one area that the Department needs to structure an intervention to build the financial capacity of contractors; and
- SMME protests resulting to the closure of briefing venues or construction sites for projects at construction stages.

Transversal Infrastructure Coordination

During the year under review, TIC continued to provide support to the newly established Provincial Infrastructure Coordinating Committees (PICC), which are Technical and Political structures. The aim of this support and coordination is to maximize infrastructure delivery, financial performance and contribution to socio-economic development by the four (4) Departments.

The Department has also been instrumental in the work that is being carried out by the Catalytic Projects and Infrastructure work stream of the Provincial Project Support Unit (PPSU) that was announced by the Premier in October 2023. Of note is the TIC contribution in resolving bottlenecks that hindered the take-off of the Welisizwe Bridge Programme that was pronounced by the President in the 2022 & 2023 SONA and the Premier in the 2022 & 2023 SOPA. The Department also ensured improved project co-ordination through contributions at various engagements and in physical verification and reporting on the works on the ground in 19 bridges.

Facilities & Security Management

DPWI has elevated the provision of Facilities and Security Management function to a Chief Directorate, which provides coordination of property maintenance and improvement services to State owned immovable assets, in order to meet the requirements of clients.

In compliance with the Regulations on the Energy Performance Assessment for State Owned Buildings, the Department embarked on retrofitting projects in its facilities. Forty-eight (48) facilities were assessed in the period under review.

Customer Business Management

The Customer Business Management Unit (CBM) has been established to ensure effective and efficient management of client complaints, track the progress on the queries and provide a system generated report on the resolution of queries. The CBM Unit has a functioning 8 hour call centre, and during the period under review, **1178** defects were registered and managed to resolve **886** defects with **292** pending finalization.

Security Management

The Department is responsible for providing security services which include safeguarding of state assets at an annual cost of R252 million. Through this function, employment opportunities were created for private security companies with twelve (12) Security Coops directly contracted to the Department and seven (7) Military Veterans Security Cooperatives sub-contracted; and expenditure of R 57 917 196 million and R 21 881 160 million respectively was incurred.

The Department continues to provide security services with fully operational control rooms in Lillian Diedericks House, EC Provincial Legislature, Ministerial Complex as well as monitoring of alarm systems in the prestige houses.

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

Botha Sigcau Building – Installation of security electronic systems currently in progress and projected to be completed in the 2024/25 financial year.

KD Matanzima Building – Installation of security electronic systems currently in progress and projected to be completed in the 2024/25 financial year.

Prestige Services

The Department is responsible for the day-to-day maintenance of the Prestige Portfolio to ensure dignified client experience.

In this regard, the Department appointed a contractor to refurbish nine (9) Prestige houses (No. 3 Shaw Street,143 Queen Road, 14 Kitton Crescent, Ministerial Complex-No. 4, No.5, No.7, No.14, No.21 and No.22). The contractor commenced work in December 2023 and the projected completion date is November 2024.

Immovable Asset Management

The Department developed an Office Accommodation Plan which seeks to accommodate Head Office at 100 percent state owned facilities in Bhisho, and 60/40 (state-owned/private leases) in the districts. Towards the implementation of this plan, the Department during 2022/2023 acquired Erf 310, a non-residential property in Bhisho. The impact for this acquisition will contribute towards 100% achievement of state-owned facilities.

With the implementation of the Revenue Generation Strategy, the Department intends to create social upliftment in the communities where development projects are to be implemented resulting in job creation and fostering economic growth.

As part of implementing the Revenue Generation Strategy, the Department has prioritized the property sector transformation by appointing Black Developers with the intention to transfer the property sector skills and expertise to the previously disadvantaged. During the year under review, 67% of the appointments were Black Developers.

Access to development funding and existence of bulk infrastructure in municipalities remains a challenge for awarded Developers. The Department intends to hold engagements where industry experts could handhold the appointed Developers and share their knowledge and expertise as well as provide mentorship.

Land Surveys

The Department has conducted provincial wide land audits aimed at improving the property information in the Immovable Asset Register (IAR). The outcome of these land audits assisted the Department in paying rates and taxes on newly surveyed properties. In this process, the Department has been able to confirm land ownership and also identified anomalies such as unsurveyed land and provincial buildings built on non-provincial land. This has allowed the asset register to be updated with value-added information. In addressing the anomalies identified prior and during the land audit, the Department identified a backlog of 1324 unsurveyed properties and to-date a total of 1363 land surveys have been completed and 150 were completed in the 2023/24 financial year.

Disposals

In the year under review, the Department focused on the release of properties for land and agrarian reforms, sustainable human settlements / security of tenure, rural development and integrated urban development. A total of 111 disposals are being processed and are at different stages of approval.

Expanded Public Works Programme

The EPWP is a nation-wide government-led initiative aimed at drawing a significant number of the unemployed people into productive work. This enables participants to gain skills and earn an income that will contribute towards the development of their communities. In the process, community assets and services are created and improved, thus leading to a better quality of life for poor communities.

In the year under review, the Eastern Cape created 111 674 jobs through EPWP. This is an achievement of 112% against the provincial annual target of 100 041. While the Province surpassed its annual target, some public bodies continue to lag in achieving their job creation targets.

The EPWP prioritizes designated groups in order to contribute to the transformation of society. Out of the total jobs planned to be created, 60% should benefit women, 55% youth and 2% targeted at People with Disabilities.

In the year under review, the province exceeded the targets for women by reporting 66%, however it fell short of achieving youth and people with disability targets as it reported 42% and 1% respectively. To address the persistent under-achievement of the youth targets, the Department will continue to implement the recommendations of the EPWP Youth Evaluation Study.

In respect of people with disabilities, the Department will continue to engage organizations working in the disability sector with the view to better target this designated group.

In an effort to contribute to the transformation of the construction industry, the Department supported 173 ICDP incubator contractors, 80 SMMEs upgraded to a higher CIDB grading, Furthermore, 1 199 APTCoD and 171 NYS learners were trained.

In the year under review, DPWI embarked on a programme to support Technical Schools by constructing two classroom blocks with Graphic Design Laboratories in the Alfred Nzo District at Imfazwe Technical School in Ntabankulu, Mount Ayliff Technical School in Mzimvubu and O.R. Tambo Technical High School in Mbizana.

2.2.2 Service Delivery Improvement Plan

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provide support to client departments by implementing infrastructure projects for user Departments	Client Departments	59% of Infrastructure projects completed as per stipulated project plan	100% of Infrastructure Projects Implemented by DPWI within the stipulated timeframe as per the project plan.	68% of Infrastructure Projects were implemented i.e. The total number of planned infrastructure projects for 2023/24 financial year was 44 projects and 30 projects were completed. The underachievement is due to the following: • Late payment of contractors • Contactors suspending the works and stoppages due to strikes by SMMEs. • SMME unrests • Termination of work due to the non-performance of contractors. • Delays due to community unrest as well as the environmental authorization penalty.
Provide Income Lease (Residential)	Eastern Cape Government	0% of Leases accommodation provided within 90 days	100% of Residential Accommodations provided within the stipulated timeframe: 90 days.	100% of Residential Accommodation provided within the stipulated timeframe: 90 days.
Provide Expense Lease (Office Accommodations)	Client Departments	150 of all new requests for office accommodation is provided within 6-24 months	250 of all new requests for office accommodation is provided within 6-24 months.	250 of all new requests for office accommodation is provided within 6-24 months.

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Utilize government property portfolio to generate revenue for the Provincial Government	Eastern Cape Government	R18, 320 million	R79, 157 million.	The Department has managed to collect an amount of R17, 354 million and the underachievement is due to the following: • Delay in the implementation of the approved revenue enhancement strategy on the long term lease developments. • Poor response of the property market. • Lack of developmental funding from the financiers . • Legal disputes on the awarding of telecommunication projects that lead to a delay in collection of revenue.

2.2.3 Batho Pele arrangements with beneficiaries (Consultation Access etc)

Project Management

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Consultation	• Infrastructure Forum meetings were conducted on monthly basis with Client Departments.	Infrastructure forum meetings will be conducted on monthly basis.	Infrastructure Forum meetings were conducted on monthly basis with Client Departments.
Courtesy	• Frontline personnel, Customer Care staff, Programme Managers, were trained on 'Batho Pele Principles' on how to handle stakeholders with care	Frontline personnel, customer Care staff, Programe Managers, will continue to be trained on 'Batho Pele Principles' on how to handle stakeholders with care.	Frontline personnel, customer care staff, programme managers, were trained on 'Batho Pele Principles' on how to handle stakeholders with care.

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Access	• The sitting arrangement of customer care officers and security officers was monitored. • Frontline personnel, Customer Care staff, Programme Managers were trained on "Batho Pele Principles" regarding on how to deal with stakeholders. • The sitting arrangement of Customer Care Officers and Security Officers was monitored continuously.	Frontline personnel, customer care staff, programme managers will be trained on "Batho Pele Principles" regarding on how to deal with stakeholders. Sitting arrangement of Customer Care Officers & Security Officers will continue to be monitored to be user- friendly.	Sitting arrangement of customer care officers and security officers is monitored. Frontline personnel, customer care staff, programme managers were trained on "Batho Pele Principles" regarding on how to deal with stakeholders. The sitting arrangement of customer care officers and security officers is monitored continuously.
Information	• Information was disseminated monthly through Infrastructure Forum meetings that are held by the Department with its stakeholders.	Information will continue to be disseminated monthly through Infrastructure forum meetings.	Department conducted monthly infrastructure forum meeting with all stakeholders.
Openness & Transparency	• Monthly Forum meetings at District at Municipal level through Regional Directors were utilised to provide information. • Public Service Week was held in Sarah Baartman Region, Internal newsletter (Bazaw'sazi), external flyers, IKM Bulletin, notice boards, website notices, e-mail notices and MEC / HoD consultation Sessions.	The Department will continue to provide information during monthly Forums at District Municipality level through District Directors.	Monthly forum meetings at district / municipal level through District Directors were utilised to provide information.

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Value For Money	• The Department conducted a business process mapping in order to define value chain so that it maximizes value as perceived by citizens. • Also to ensure that departmental processes are clearly defined and standardized. • Ensuring that services are accessible and appropriate.	Department will conduct a business process mapping in order to define value chain so that it maximizes value as perceived by citizens and also eliminate waste and unnecessary expenditure. Ensuring that services are accessible, appropriate, and adequate to citizens' needs. Bring more qualified, experienced and registered employees so that we can see quality and value for money.	Business processes were mapped in order to define value chain so that it maximizes value as perceived by citizens and also to ensure that departmental processes are clear and adequate. Ensuring that services are accessible and appropriate.
Redress	• MEC outreach programmes / HOD Consultation sessions to consult with the affected communities, offer an apology where necessary, give full explanation and commit to rectify the situation if there are problems encountered.	The Department will continue to communicate back to communities through Portfolio Committee meetings and forums to consult with affected communities, offer an apology where necessary, give full explanation and commit to rectify the situation if there are problems.	MEC outreach programmes / HOD Consultation sessions to consult with the affected communities, offer an apology where necessary, give full explanation and commit to rectify the situation if there are problems encountered.

Lease in- Lease out

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Consultation	• The Department completed Provincial Office Accommodation Plan for all User Departments. • The Department also consulted the plan with all various User Departments on state-owned and leased accommodation. • The consultations provided the DPWI and User Departments to identify new needs and problems in the various buildings that needed attention. • Consultations were taken further in Work Streams between the various user departments, through the Provincial Infrastructure Steering Committee (office accommodation) that on a monthly basis.	The Department will continue to engage with User Departments on the office accommodation issues through User Forums, Property Summits, Annual and Quarterly Imbizos and monthly meetings will be held with tenants.	The Department engaged with User Departments for office space through user forum meetings, bilateral meetings and quarterly meetings during the 2023/24 financial year.

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Courtesy	• The Departmental staff and front-line customer care officials at Head Office / district offices welcome Client Departments and tenants. • All officials were provided with name tags to ensure ease of identification should unsatisfactory service is received by our clients. • Clients of the Department were also allocated a spacious waiting area at head office prior to consultation.	Property Management staff and frontline customer care officials will continue to interact courteously with User Departments and tenants. All these officials will be provided with personalised name tags to ensure ease of identification.	Client Departments and tenants are welcomed by the departmental staff and front-line customer care officials at Head Office/ district offices. All officials are provided with name tags to ensure ease of identification should unsatisfactory service is received by our clients. Clients of the Department are also allocated a spacious waiting area at Head Office prior to consultation.
Access	• The Department completed Provincial Office Accommodation Plan for all User Departments. • The Department also consulted the plan with all various User Departments on state-owned and leased accommodation. • The consultations provided the DPWI and User Departments to identify new needs and problems within the various buildings that needed attention.	Tenant Forums and Complaints Registers will be accessed at District Offices. A Programme for managing leases i.e. (*notification, decision and appropriate action on lease renewals, terminations, and reviews*) will be established and implemented at Head / District level.	Forums where tenants participated took place to address issues pertaining to lease agreements. Complaints Registers were accessed at District Offices. Forums where tenants participated took place to address issues pertaining to lease agreements.

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Information	• Information is circulated through Immovable Asset Management quarterly sessions and outreach programmes.	Information will be disseminated through Immovable Asset Management quarterly sessions and outreach programmes.	Customer complaint handling system is utilized as a redress mechanism. Effective utilization of work streams meetings assisted with redress. The management of existing suggestion boxes through the appointment of Complaints Management Committee was managed by Customer Care Unit.
Openness & Transparency	• User Forum meetings, Bilateral meetings and Quarterly meetings were utilized to make information available to the users. • Further, at Head Office level regular Work Stream meetings were held with client Departments to discuss and report on issues related to office accommodation. • Work stream meetings report to the Heads of Departments bi-monthly.	The Department will continue to engage with User Departments for office space through user forum meetings, bilateral meetings and quarterly meetings.	User forum meetings, bilateral meetings and quarterly meetings were utilized to make information available to all users. Work Stream meetings are held with client Departments to discuss and report on issues related to office accommodation. Work Stream report to Head of Departments bi monthly.

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Value For Money	• The procurement and in-house activities were assessed to ensure that the service is provided in an economical manner. • Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and with the view to streamline processes to ensure that the provision of this lease management is in an efficient and effective manner. • The Department implemented various activities to derive value for money: - review and implement New Space Norms and Standards - implement market related rentals - Implement approved Revenue Strategy. • The Revenue Strategy has been rolled out to User Departments for collection of Revenue.	Value for money will continue to be informed by assessing the three E's (Economy, Efficiency & Effectiveness). Business Processes & Standard Operating Procedures will continuously be reviewed to identify waste and be streamlined and also optimized to ensure the provision of this service in an efficient and effective manner. The Department will also continue to implement various other activities to derive value for money such as: - Review & implement new Space Norms & Standards, - Implement market-related rentals and approved Revenue Strategy.	The procurement and in-house activities are assessed to ensure that the service is provided in an economical manner. Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and streamlined to ensure the provision of this service in an efficient and effective manner. • The Department implemented various activities to derive value for money: - New Space Norms and Standards are reviewed and implemented, - Market-related rentals are implemented to all tenants to pay. - The Department is implementing approved Revenue Strategy. • Revenue Strategy was also rolled out to all User Departments for collection of revenue.

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Redress	• Customer complaint handling system is utilized as a redress mechanism for the Department. • Effective utilisation of work stream meeting assisted with redress.	Redress will continue to be done through a customer compliments & complaints register that is managed by Customer Care Unit.	Customer complaint handling system is utilized as a redress mechanism. Effective utilization of Work Streams meetings assisted with redress. The management of existing suggestion boxes through the appointment of Complaints Management Committee was managed by Customer Care Unit.

Revenue collection

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Consultation	• Tenants Forum meetings were conducted on a monthly basis with Tenants.	Tenants Forum meetings were conducted on a monthly basis with tenants.	Tenants Forum meetings were conducted on a monthly basis with tenants.
Courtesy	• The Department notifies its tenants 3 months prior to the lease expiry date. • The Department issues monthly statements to Tenants.	The Department notifies its tenants 3 Months prior to the lease expiry date. The Department issues monthly statements to Tenants.	The Department notifies its tenants 3 months prior to the lease expiry date. The Department issues monthly statement to tenants by e-mail and hand delivery.
Access	• The Department notifies its tenants 3 months prior lease expiry date. • The Department issues monthly statements to Tenants.	The Department notifies its tenants 3 months prior lease expiry date. The Department issues monthly statements to Tenants.	The Department notifies its tenants 3 months prior lease expiry date. The Department issues monthly statement to tenants by E-mail and hand delivery.
Information	• The Department notifies its tenants 3 months prior lease expiry date • The Department issues monthly statements to Tenants.	The Department notifies its tenants 3 months prior lease expiry date The Department issues monthly statements to Tenants.	The Department notifies its tenants 3 Months prior lease expiry date The Department issues monthly statement to tenants by E-mail and hand delivery.
Openness & Transparency	• Tenants Forummeetings were conducted on a monthly basis with Tenants.	Tenants Forum meetings were conducted on a monthly basis with tenants.	Tenants Forum meetings were conducted on a monthly basis with tenants.

Batho Pele	Current/actual arrangements	Desired arrangements	Actual achievements
Value For Money	• Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and with the view to streamline processes to ensure that the provision of lease management is in an efficient and effective manner. • The Department implemented various activities to derive value for money: - Review and implement New Space Norms and Standards - Implement market related rentals - Implement approved Revenue Strategy. • The Revenue Strategy has been rolled out to User • Departments for collection of Revenue.	Business Processes & Standard Operating Procedures will continuously have reviewed to identify waste and be streamlined and also optimized to ensure the provision of this service in an efficient and effective manner. The Department will also continue to implement various other activities to derive value for money such as: - Review & implement new Space Norms & Standards, - Implement market-related rentals and approved Revenue Strategy.	Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and streamlined to ensure the provision of this service in an efficient and effective manner. • The Department implemented various activities to derive value for money: - New Space Norms and Standards are reviews and implemented, - market-related rentals are implemented to all tenants to pay. - The Department is implementing the approved Revenue Strategy. Revenue Strategy was also rolled-out to all User Departments for collection of revenue.
Redress	• Customer complaint handling system is utilized as a redress mechanism for the Department. Effective utilization of Work Stream meetings assisted with redress.	Redress will continue to be done through a customer compliments & complaints register that is managed by Ccustomer Care Unit.	Customer complaint handling system is utilized as a redress mechanism. Effective utilisation of Work Streams meetings assisted with redress. The management of existing suggestion boxes through the appointment of Complaints Management Committee was managed by Customer Care Unit.

2.2.4 Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
The Department delivers services delivery information through the following tools: • Facebook page • Website • External Newsletter • Exhibitions • Livestreaming of events • Mainstream and Community Media	The Department aims to communicate through using Website and Facebook page as a source of information.	• Optimum utilization of the Department's Facebook page to communicate departmental programmes and policies. • Maximum utilization of digital space including newsletters are now disseminated digitally. • Revamping of the website has now been completed, it is fully functional and is continuously loaded with updated content.

2.2.5 Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
The Department operates an 8-hour Call Centre that receives, resources and escalates the Clients' reported defects and complaints to relevant Units/ Districts for maintenance and redress. This is based on the implementation of the Batho Pele Principles: Openness, Transparency, Communication and Redress to all the citizens. The Department utilizes the following channels of communication through the queue-based telephone system: Switchboard: 040 602 4000 Call Centre [defects]: 087 210 0925 Toll free [citizens only]: 0800 864 951 WhatsApp only: 060 090 5299 Email address: customercare@ecdpw.gov.za Facebook page : Customer Care Ecdpwi The Client is then provided with a systems generated reference number for each call and for making a follow up. The Client is also requested to assist in the Customer Satisfaction Survey to rate the call and the services rendered respectively.	The Department, for 2023/24, envisages a fully resourced Call Centre to operate 24/7 as per the CBM organogram. The Department is also working towards the capacitation of the main depots to be able to efficiently and effectively deal with defects.	The Department in the year under review, recorded 1178 defects from various Client Departments, including Districts, with 886 completed defects and 292 open calls.

2.2.6 Organisational Environment

The focus of the Department in the period under review was to finalize the migration process of levels 2-12 as part of implementation of the organizational structure. As part of the stabilization phase of the 5 year Change Agenda, the Department prioritized the capacitation of the (two) 2 newly established Districts. The role of the district is very key to the achievement of the service delivery objectives of the department focusing on operating efficiencies.

The Department implemented the recommendations of the Employee Engagement Survey that was conducted to build a culture of high performance. Key recommendations implemented were the management of organizational culture and a recognition and reward programme. The two recommendations were implemented during the 2023/24 financial year and the remainder will be rolled out in subsequent years.

The Department was not immune to the effects of load-shedding and its impact on business continuity, and the most affected operational area was late payment of service providers due to network interruptions.

The Department remains committed to achieving the Employment Equity targets prioritizing designated groups by achieving 57% women in SMS, 55% Youth and 1.9% people with disabilities. The recruitment plan was ring-fenced to ensure that the EE targets are maintained.

The Department managed to implement its Annual Training Plan. As a result of placement of staff into the new structure, the Department identified 100 members of staff that required to upgrade their qualifications in line with the job profiles of the posts they were placed on. Due to limited budget only 35 internal and permanent staff were awarded bursaries to study for qualifications in different institutions of higher learning.

The Department managed to place 235 youth into development programmes in various internship programmes. The internship programmes provide appropriate and relevant work experience that is commensurate with qualifications. As part of contributing towards the one of the key priorities of government and the National Development Plan, “building the capacity of the state”, the Department continued to implement its bursary programme for 77 external candidates.

A concerted drive to instill anti-fraud and ethics awareness was made throughout the Department during 2023/24, with a particular focus at district and sub-district levels as a way of conscientizing officials about the risks of fraud and corruption.

As the process of migrating staff got completed, an Annual Recruitment Plan (ARP) was developed and approved for implementation in the same financial year. A total of two hundred and forty-nine (249) posts were prioritized for filling, however by end of March 2024 only 160 posts were filled.

2.2.7 Key policy developments and legislative changes

There were no key policy developments and legislative changes for the year under review.

2.3 Progress towards Achievement of Institutional Impacts and Outcomes

During the period under review, DPWI continued to pursue the outcomes and impacts it had espoused from the beginning of the 6th Administration. These outcomes and impacts were in many respects informed by the need to address the triple challenges of poverty, inequality and unemployment that continue to afflict the citizens of the Eastern Cape. By using infrastructure as a lever for economic growth, the Department remained focused on interventions that would deepen the impact of attenuating all forms of poverty, inequality and joblessness by ensuring that the people of the Eastern Cape have improved life chances and have access to basic services, high quality infrastructure, job opportunities and access to economic activities.

Outcome: Resilient, Ethical and Capable DPWI, Responsive and citizen centric Public Works and Infrastructure
P- MTSF Priority 1: A capable, Ethical and Developmental state
P- MTSF Priority 3: Education, Skills and Health

Building a resilient, and capable Public Works and Infrastructure is of paramount importance to the Department as it ensures that the planning process and the resultant plans are an outcome of meaningful consultation and engagement with all key internal and external stakeholders of the Department. This resulted in the development and tabling of functional, efficient and integrated plans that are consistently implemented and monitored by Management and the Executive Authority. The 2023/24 Annual Performance Plan demonstrated the maturity of the Department to produce an APP that takes into cognisance the need to integrate global, national, sector, provincial and local government priorities that are in line with the Sustainable Development Goals (SDGs), the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF), the Provincial-Medium Term Strategic Framework (P-MTSF) the Provincial Development Plan (PDP) and the District Development Model (DDM).

DPWI did not manage to achieve the Provincial performance target of between 90%-98% as the overall performance was at 89% by the end of the 2023/24 financial year. It is worth noting that this is a marked improvement compared to the previous financial year. This improvement can be attributed to intense and focused oversight by the Executive Management Committee (EXMA), Top Management and the Audit Committee as well as performance reviews conducted by the MEC.

In respect of the outcome on inculcating the Department's institutional posture to be **responsive and citizen-centric**, DPWI continued through the Office of the MEC to roll-out outreach programmes. These outreach programmes are platforms used by the MEC to enhance Intergovernmental Relations (IGR) and engagements with citizens. During the year under review, 33 outreach programmes were conducted by the Office of the MEC. This clearly shows that the Department is on an upward trajectory towards being positively attuned to the needs and aspirations of citizens.

The quest to build a resilient and capacitated Department of Public Works and Infrastructure received further impetus when the Department registered eleven (11) professionals through its Professional Development Programme. This will go a long way towards the creation of much needed professional skills pipeline in various disciplines of the built environment.

The Department continued to make significant progress in the implementation of its new Organizational Structure.

The approved organogram presented the Department with a good opportunity to improve the achievement of its equity targets. For instance, the Department surpassed the employment equity target of 50% of women in the SMS echelon. Women in SMS positions are now at 57%, compared to the 56% in the previous financial year. Furthermore, 55% of employees in the Department are in the youth category, and this achievement is against the target of 31%.

In so far as financial capability is concerned, the Department has shown improvements in some areas of financial management. Key among these is the rand value of cost savings made through retention strategies. In this regard, R218 million cost savings were realized against the target of R20 million. Another commendable area that showed fiscal responsibility is the percentage of total budget spent on approved rates invoices from municipalities. Consistently over the years, the Department has paid 99% of the allocated budget for rates and taxes, and this remained the case in the 2023/24 financial year. Also worth mentioning is the fact that the Department managed to implement 100% of its Procurement Plan. This is a good improvement as only 77% was implemented in the previous financial year.

However, it must be noted that the Department still has to improve on key areas of financial capability. These relate to the revenue generated and invoices paid within 30 days. In respect of the former, the

Department only managed to collect revenue to the amount of R17.354 million against the annual target of R79.157 million.

This under-performance calls for the Department to urgently fast-track the revenue enhancement initiatives as contained in the approved Revenue Strategy. Also, the lack of significant progress in the invoices paid within 30 days is of great concern as the Department only paid 94% of invoices within the stipulated 30 days during the period under review.

Outcome: Productive Assets, Dignified User Experience & Transformed Built Environment
P- MTSF Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services
P- MTSF Priority 5: Spatial Integration, Human Settlements and Local Government
P- MTSF Priority 7: A better Africa and World

Productive Assets and Dignified User Experience are achieved through leveraging on the Department's Immovable Asset Portfolio. In order to increase the productivity of the Department's assets, DPWI had positioned itself to optimize the utilization of its Immovable Asset Portfolio as a means to increase investment through interventions that facilitate revenue generation, retention as well as mobilization of public investment. Such interventions would in turn lead to entrepreneurship, SMME development, job creation and skills development in the Eastern Cape.

In relation to leveraging the Department's Immovable Asset Portfolio for service delivery and revenue generation, DPWI had committed to a number of interventions. The first one relates to the provision of facilities to Client Departments in order to achieve the following:

- Improved community access to government Departments
- Enhanced Departmental collaboration; and
- Provision of efficient, effective and sustainable workplaces

For the period under review, DPWI provided 250 fit for purpose facilities for efficient, effective and sustainable office accommodation for User Departments.

The second intervention was in the form of condition assessments conducted. These condition assessments were done to determine the extent of User Departments' facilities that are in a very poor to excellent condition. During the 2023/24 financial year, the Department set itself a target of 300 condition assessments to be conducted on state-owned buildings. The Department surpassed this target by conducting 312 condition assessments.

The third intervention was the implementation of revenue enhancement strategy initiatives through the Immovable Asset Portfolio. These revenue enhancement strategies involved long-term, short-term and residential and commercial leases. For the year under review, the Department targeted to implement 3 revenue enhancement strategies, and this was achieved. However, no revenue has been generated yet from the long term development projects leases, the actual revenue generated was collected from the two sources (short term (Cell Mast and Residential portfolio).

The fourth intervention on this outcome talks to facilities management initiatives implemented by the Department. This measures the delivery of Facilities Management Services through the following interventions:

- Coordination of planned and unplanned Maintenance Services;
- Customer Business Management Services;
- Prestige Management Services;
- Occupational Health and Safety;
- Security and Protection Services; and
- Hygiene and Environmental Services

During the period under review, the Department set a target of implementing 6 facilities management initiatives, and the target was met in all the above-mentioned initiatives.

The fifth and final intervention to be implemented to determine the productivity of assets was the conducting of utilization inspections to assess the optimal use of office accommodation. The target of 50 utilization inspections was set and it was met.

However, of great concern is the Department's failure to achieve the target on energy efficient DPWI buildings. In this regard, the Department had targeted to have 50 energy efficient buildings and only achieved 48 during the financial year under review. This under-performance will no doubt continue to cast a shadow on the Department's efforts to mitigate the effects of energy insecurity in the Province.

Furthermore, 36 facilities adhering to access to norms and standards for people with disabilities was achieved across all portfolios. The Department acknowledges that on the Dignified User Experience outcome, more still needs to be done to improve performance in this regard.

Also important for the Department is the outcome on **Transformed Built Environment.** This outcome was driven through initiatives aimed at optimizing entrepreneurial and SMME development. Key achievements in this regard are as follows:

- 67% achievement against the target of 65% of leases concluded with Black Developers;
- 89% achievement against the target of 60% of awards of infrastructure capital expenditure items sourced from local suppliers, manufacturers and contractors including (EMEs and QSEs);
- 173 achievement against the target of 160 ICDP contractors supported; and
- 80 ICDP contractors upgraded in the CIDB register against the target of 20.

However, the Department registered a shortfall on the percentage of awards of goods and services sourced from local suppliers, manufacturers and contractors including (EMEs and QSEs). 81% of awards were achieved against the target of 100%. Also of concern is the 8% achievement against the targeted 20% of infrastructure budget was set aside for direct contracting with (ICDP) SMMEs (EMEs and QSEs) prioritizing designated groups (women, youth and people with disabilities)

Outcome: Sustainable Infrastructure Investment and Optimized Job Opportunities
P-MTSF Priority 2: Economic Transformation and Job Creation:
P-MTSF Priority 3: Education, Skills and Health

For **Sustainable Infrastructure Investment**, 21 infrastructure designs were ready for tender against the target of 20 under the DPWI and Other Portfolio. An 89/11 ratio on utilization of internal vs external professional services was achieved against the target of 30/70. However, 19 projects were under construction against the target of 36. Also, 3 new projects were completed against the target of 6. Of particular concern is the failure to achieve the target for completed planned maintenance. Only 4 maintenance projects were completed against the target of 12.

In relation to the Education Portfolio, a 50/50 ratio on utilization of internal vs external professional services was achieved against the target of 30/70. Also encouraging is the fact that six (6) planned maintenance projects were completed against the target of 6. The target of 7 infrastructure designs ready for tender was not achieved as only 5 designs were ready. Furthermore, 12 capital projects were under construction at the end of the financial year against the target of 20 and 10 new construction projects were completed against the target of 10.

For the Health Portfolio, a ratio of 82/18 on the utilization of internal vs external professional services was achieved against the target of 30/70. With the exception of the foregoing, all other targets were not met. These relate to 20 infrastructure designs ready for tender against the target of 25, 17 capital infrastructure projects under construction against the target of 20 and 9 planned maintenance projects completed against the target of 10.

The achievement of the outcome on **Optimized Job Opportunities** is mainly driven through the Expanded Public works Programme (EPWP). This entails coordination of efforts to maximize the creation of work opportunities by Public Bodies implementing EPWP in the Province and the implementation of EPWP amenable projects and interventions by DPWI. During the period under review, the Department ensured that 54 Public Bodies reporting on their EPWP targets was achieved. Furthermore, 5 212 work opportunities were created against the target of 5 000.

Outcome: Integrated Planning and Coordination
P- MTSF Priority 7: A better Africa and World

The outcome on **Integrated Planning and Coordination** is driven by the newly established Transversal Infrastructure Coordination (TIC) function and is anchored on the following interventions:

- Coordination of integrated infrastructure planning, implementation, operation and maintenance to ensure an enabling public infrastructure;
- Improvement of infrastructure portfolio planning capabilities in the Province;
- Ensuring functional governance structures and arrangements to improve inter-governmental relations and governance;
- Coordination of effective government-wide socio-economic infrastructure in the Eastern Cape; and
- Ensuring adherence to Policy and Regulatory Frameworks that govern infrastructure planning, delivery and investment.

During the period under review, the Department continued to focus on two areas that measure the levels of capability maturity. These are adherence to Terms of Reference by DPWI convened infrastructure governance structures and the level of Transversal Coordination Capability Maturity Score Attained. For the former, the Department achieved level 3 (against the target of level 3) and for the latter, level 2 (against the target of level 2) was realized.

2.4 Institutional Programme Performance Information

2.4.1 Programme 1: Administration

Purpose

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

The Programme consists of the following Sub-Programmes:

1.1 Office of the MEC

Purpose: To render advisory, secretarial, administrative and office support service.

1.2 Management of the Department

Purpose: To provide overall management and support of the department

1.3 Corporate Support

Purpose: To manage personnel, procurement, finance, administration and related support services

List of Outcomes

- Responsive and citizen centric Public Works and Infrastructure;
- Resilient and capacitated Public Works and Infrastructure;
- Transformed built environment; and
- Sustainable Infrastructure Investment.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme/Sub-Programme

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
PROGRAMME 1: ADMINISTRATION								
OFFICE OF THE MEC								
Responsive and citizen centric Public Works **Improved intergovernmental relations and engagement with citizens**	Political oversight provided through Outreach programmes	Number of planned outreach programmes undertaken by the office of the MEC	43	65	32	33	+1	The over-performance is due to an additional outreach activity which was necessitated in response to the Stakeholder needs.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
MANAGEMENT OF THE DEPARTMENT-OFFICE OF THE HEAD OF DEPARTMENT								
Responsive and citizen centric Public Works and Infrastructure	Effective intergov-ernmental relations	% Resolutions from intergovern-mental structures implemented	95%	95%	100%	97%	-3%	The under-achievement is due to resolutions that are on-going.
Resilient and capacitated Public Works and Infrastructure	District Operat-ing Model interventions implement-ed	Number of District Operating Model interventions implemented	_	_	Phase1 4	Phase 1 3	Phase 1 -1	The under achievement is due to non-completion of four depot refurbishment projects: three (3) depots (Mthatha, Cofimvaba, Zwelitsha) funding was redirected for the reprioritization of Bhisho Office Precinct. One depot (Maluti) was not completed due to delays in procurement process.
Resilient and capacitated Public Works and Infrastructure	Planned and implement-ed empow-erment programmes for designat-ed groups	Number of mainstreamed programmes for designated groups implemented	15	13	10	9	-1	The under-achievement is as a result of youth empowerment activity that was not undertaken due to more focus given to other designated groups.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
MANAGEMENT OF THE DEPARTMENT-INTERNAL AUDIT								
Resilient and capacitated Public Works and Infrastructure	Effective co-ordination of Combined Assurance Providers	Level of Combined Assurance Programme Maturity Assessment Score attained	Level 1	Level 2	Level 2	Level 2	N/A.	N/A.
MANAGEMENT OF THE DEPARTMENT-RISK ,ANTI-CORRUPTION & INTEGRITY MANAGEMENT								
Resilient and capacitated Public Works and Infrastructure	Effective Enterprise Risk Management in the Department	Level of Risk Management Maturity Assessment Score Attained	New indicator	Level 4	Level 4	Level 4	N/A.	N/A.
		% implementation of Ethics and Anti-Corruption functions in the Department	95%	95%	100%	100%	N/A.	N/A.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
MANAGEMENT OF THE DEPARTMENT-STRATEGY & SYSTEMS								
Resilient and capacitated Public Works and Infrastructure	Monitored performance	Number of Departmental performance reviews	1	1	1	1	N/A.	N/A.
	Effective and efficient IT Operational System	Number of strategic ICT initiatives implemented	New Indicator	New Indicator	7	2	-5	The under-achievement is due to the following: • Technical challenges experienced during the implementation of the Cyber Resilience for Emails Solution. • Technical challenges experienced in the implementation of e-Leave System which affected next initiative of e-Submission. • e-Procurement-awaiting Provincial Treasury approval. • e-Contracts-Service Provider could not start due to Cost Containment measures.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
CORPORATE SUPPORT-FINANCIAL MANAGEMENT								
Transformed built environment	Local Economic Growth	% awards of goods and services (monetary value) sourced from local suppliers, manufacturers and /or contractors (including EMEs and QSEs)	92%	92%	100%	81%	-19%	The under-achievement is due to Centralized Supplier Database address being National details even though the supplier has a Provincial/ Local Office
		% awards of infrastructure capital expenditure items (monetary value) sourced from local suppliers, manufacturers and /contractors (including EMEs and QSEs)	80%	78%	60%	89%	+29%	The over-achieve-ment is due to the Department ensuring that procurement is made to local service providers.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Sustainable Infrastructure Investment	Revenue growth	Rand value of revenue generated	R14,776 million	R18,320 million	R79,157 million	R17, 354 million	-R61, 803 million	The under- achievement is due to delayed implementation of the approved revenue strategy on the long term lease development as a result of the non-responsiveness and poor response of the property market. Also contributing is the lack of development funding from the financiers and other financial institutions. There was also a legal dispute on the awards of telecommunication project which led to delayed collection of revenue.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
		Rand value of cost savings made through retention strategies	R14,838 million	R 2 8 , 9 1 7 million	R20 million	R218 million	+R198 million	The over achievement is due to the appeals submitted to the BCMM resulting in the adjustment of market values and reversal of the amounts of 6 properties billed between 2018 and 2022. These properties were credited by the Municipality. There was addition of the Amathole region in the scope of work as well as more properties in Makana that a rebate was claimed and corrected BCMM tariffs on services/ utilities.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Resilient and capacitated Public Works and Infrastructure	Improved Financial Manage-ment Capa-bility	% implementation of Procurement Plan	82%	71%	100%	100%	N/A.	N/A.
		% of total budget spent on approved property rates invoices from municipalities	100%	100%	100%	99%	-1%	The underachievement is due to the delayed process of ownership verification for properties in Makana that were billed by the municipality but not in the Asset register.
		% of invoices paid within 30 days	100%	94%	100%	94%	-6%	The under-achievement is due to implementation of cost containment measures on budget ceilings. The reduction in the voted baseline led to the accumulation accruals from February 2024. Logis was unavailable for approximately 2 weeks in April 2023 and 1 week in May 2023 due to system maintenance and subsequent network interruptions as a result of load shedding.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Transformed built environment	Optimized entrepre-neurship op-portunities	% infrastructure budget set-aside for direct contracting (ICDP) SMMEs (EMEs & QSEs) prioritizing designated groups (women, youth, people with disabilities)	24%	32%	20%	8%	-12%	The under-achievement is as a result of majority of projects that were out of the ICDP categories, both in terms of class and grade required for those planned projects.
CORPORATE SUPPORT-CORPORATE MANAGEMENT								
Resilient and capacitated Public Works and Infrastructure	DPWI Business Architecture in place	Level of OMF Maturity Assessment Score attained	New indicator	Level 3	Level 3	Level 3	N/A.	N/A.
	Increased number of registered profession-als	Number of candidates attained the professional status	9	28	10	11	+1	The over-achievement is due to focused support and mentorship provided to the candidates
Responsive and citizen centric Public Works and Infrastructure	User satis-faction sur-vey recom-mendation implement-ed	Number of interventions of user satisfaction survey implemented	New indicator	1	1	1	N/A.	N/A.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Resilient and capacitated Public Works and Infrastructure	Gender, youth and people with disabilities main-streamed and empow-ered	% achievement of employment equity targets for women at SMS level	46%	56%	50%	57%	+7%	The overachievement is due to targeted recruitment in the implementation of approved ARP informed by the Employment Equity plan.
		% achievement of employment equity targets for youth	31%	19,8%	31%	55%	+24%	The over-achievement is due to recruitment made through the departmental development programmes.
		% achievement of employment equity targets for people with disabilities	1.4%	1.3%	2%	1.9%	-0.1%	The under-achievement is due to one resignation in February 2024.

Summary of Programme Performance

The Programme contributes towards resilient and capacitated Public Works, this includes the improvement of the operating efficiencies in the Districts. A District Operating Model was developed with a phased approach implementation plan, focusing on four (4) interventions and the Programme managed to achieve three (3) out of the planned interventions.

The Programme continued to support Local Economic Development, and to this end, 89% of infrastructure capital expenditure was awarded to local suppliers prioritizing designated groups (Women, Youth, People with Disability). To develop the skills required for the Built Environment, the Programme facilitated 11 professional registration of candidates.

Employment Equity remains the priority of the Department and during the period under review, the Programme reported 57% Women in SMS, 55% Youth and 1.9% People with disabilities in the employ of the Department.

During the 2023/24 financial year, the Office of the MEC had achieved 33 outreach programmes as an oversight function for departmental programmes. Amongst these outreach programmes, the Department managed to hold the Women in Construction Summit and Indaba, where the Department was able to engage with women in the construction industry.

The following challenges were reported during the implementation of programmes to address the prioritized designated groups:

- Lack of traction in contractor development programmes within the DPWI and other public sector bodies;
- Projects were not unbundled for emerging Women and Youth owned companies.
- Lack of projects for lower grade contractors;
- Programmes being focused on outsourcing rather than empowering smaller contractors especially those that are owned by Women and Youth.

Proposed solutions and corrective measures to address the challenges faced by the Department in the delivery of initiatives targeting the designated groups are as follows:

- Required collaboration between the Black Business Council in the Built Environment (BBCBE) and the DPWI to ensure that the Contractors Development Programme (CDP) opportunities, especially in grades three to seven, were taken up by Companies owned by women and Youth;
- DPWI must increase its capacity in order to implement the CDP effectively and efficiently.

Linking performance with budgets

Sub-Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4. Office of the MEC	10 947	10 947	-	9 532	9 532	-
5. Management of the Department	28 449	28 449	-	21 687	21 687	-
6. Corporate Support	514 209	512 973	1 236	485 731	485 553	178
Total	**553 605**	**552 369**	**1 236**	**516 950**	**516 772**	**178**

The Programme recorded a total expenditure of 100% of its allocated budget, which contributed to 86% achievement of performance targets.

Strategy to overcome areas of under performance

The Department will improve 1,9% under-achievement on the performance of persons with disabilities in the recruitment processes. The Department will continue working on mitigation plans to fast track achievement on the implementation of EXCO Resolutions. To address under-performance for refurbishment of depots, the following strategies will be implemented:

- Conceptualization of a short, medium and long-term plan to ensure that minor maintenance of the depots in all districts is attended to within the limitations of the budget; and
- The Department will also ensure that the District Support Programme Steering Committee is active to be able to monitor all work-streams inclusive of the depots intervention.

The Department will ring-fence projects and unbundle big projects into smaller projects in the procurement plan to accommodate ICDP contractors for infrastructure budget set-aside.

The Department intends to hold engagements where industry experts that could handhold the appointed Developers and share their knowledge and expertise as well as provide mentorship to address revenue generation challenges. The Department is currently reinforcing collaborations with local government to influence planning for provision of services and encourages developers where possible to provide for onsite services.

To mitigate the risk experienced in the implementation of ICT initiatives, the department will ensure:

- Respective units (especially ICT Systems) are fully capacitated;
- Introduce Job rotation to ensure continuity;
- Improve collaboration with SCM to avoid any delays in procurement processes;
- Ensure adherence to Project Methodology as adopted by the Department; and
- Collaboration among key stakeholders i.e. Provincial Treasury, SITA, Microsoft, and Mimecast) in implementing ICT initiatives.

2.4.2 Programme 2: Public Works and 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.

The Programme consists of the following Sub-Programmes:

2.1 Programme Support

Purpose: To manage the activities of the professional components strategically as well as to render an administrative support services to the professional components with regard to finance matters and supply chain management.

2.2 Planning

Purpose: Manage the demand for infrastructure, development, monitoring and enforcement of the built sector as well as property management norms and standards.

2.3 Design

Purpose: Design new and upgrade building infrastructure with the intention to ensure that plans are ready for funding and will include only 4 of the 6 stages (namely, project inception, concept design, design development and projects documentation).

2.4 Construction

Purpose: Responsible for new construction, upgrading and refurbishment and it entail 2 of the stages (namely, stage 5: construction period and contract administration and stage 6: project close out and debriefing).

2.5 Maintenance

Purpose: Responsible mainly for four maintenance activities, namely: routine maintenance, scheduled maintenance, alterations and conditions assessment of all buildings.

2.6 Immovable Asset Management

Purpose: Manages the property portfolio of the province by establishing and managing the provincial strategic and infrastructure plan, to provide accommodation for all provincial departments and other institutions as well as acquire and dispose of accommodation in terms of the plans.

2.7 Facility Operations

Purpose: Manages the operations of buildings (including facilities management, cleaning, greening, beautification, interior decoration and designs and day to day preventative maintenance of electronic, electrical and mechanical equipment) and all services related to managing a building.

List of Outcomes

- Sustainable Infrastructure Investment;
- Productive Assets;
- Transformed Built Environment;
- Dignified User Experience; and
- Integrated planning and co-ordination.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme/Sub-Programme

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Perfor-mance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024 Until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation	Reasons for revisions to the Output indicator/ Annual Targets
EDUCATION PORTFOLIO									
Sustainable infrastructure investment	Approved designs	Number of infrastructure designs ready for tender	New indicator	New indicator	25	1	-24	A decrease in budget by DoE led to delayed start with procurement of projects that were on planning.	DOE reduced the DPWI budget which in turn hindered the progress of projects under planning. DoE provided a reprioritized project list to be implemented. The priority list was only received in February 2024.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Perfor-mance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024 Until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation	Reasons for revisions to the Output indicator/ Annual Targets
DPWI & OTHER PORTFOLIO									
Sustainable Infrastructure Investment	Sustain-able Infra-structure through mainte-nance	Number of planned maintenance (refurbished / renovated) completed	New indicator	New indicator	13	2	-11	Four projects got delayed due to cash-flow challenges from SMMEs contractors that were appointed as main contactors, which also affected the sub-contractors to perform their packages namely: (Fort Beaufort Museum, Uitenhage Museum, Butterworth Service Offices; and Molteno Service Office)	The Directive by Provincial Trea-sury on Cost Containment measures re-sulted in the re-duction of proj-ects that were already planned to be implement-ed.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Perfor-mance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024 Until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation	Reasons for revisions to the Output indicator/ Annual Targets
Sustainable Infrastructure Investment	Project reports	Number of capital infrastructure projects under construction	New indicator	New indicator	44	21	-23	Contractors got delayed due to works permit from Department of Employ-ment and Labour whilst other projects were can-celled at BAC and recom-mended for retender.	

The Department re-tabled the amended Annual Performance Plan on the 19 February 2024

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements_Programme/Sub-Programme

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE								
PROGRAMME SUPPORT-TRANSVERSAL INFRASTRUCTURE COORDINATION								
Integrated planning and co-ordination	Transversal infrastructure co-ordination (planning, delivery, operations and maintenance capability)	Level of adherence to approved Terms of Reference (ToR) by DPWI convened infrastructure governance structures	Level 3	Level 3	Level 3	Level 3	N/A.	N/A.
		Level of Transversal Coordination Capability Maturity Assessment Score attained	New indicator	Level 2	Level 2	Level 2	N/A.	N/A.
PROGRAMME 2: DPWI & OTHER DEPARTMENTS INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
PLANNING								
Resilient and capacitated Public Works and Infrastructure	Optimal use of DPWI professional services	Ratio on utilization of internal vs external professional services for DPWI /Public_ Infrastructure projects	New indicator	New indicator	30/70	84/16	+54/-54	The over-achievement is as a result of the Department taking a strategic decision to assign new projects to DPWI professional teams. The nature of the projects that were implemented during the financial year were within the capacity of the internal professionals available in the Department.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
Dignified user experience	Improved user experience	Number of state-owned facilities adhering to access norms and standards for people with disabilities	New indicator	New indicator	11	11	N/A.	N/A.
PROGRAMME 2: DPWI & OTHER DEPARTMENTS INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
DESIGN								
Sustainable Infrastructure Investment	Approved designs	Number of infrastructure designs ready for tender	New indicator	New indicator	20	21	+1	The over-achievement is due to an additional request by the client department to prioritize Fingo Library as this project is one of the grant funded projects.
PROGRAMME 2: DPWI & OTHER DEPARTMENTS INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
CONSTRUCTION								
Sustainable Infrastructure Investment	Project reports	Number of capital infrastructure projects under construction	New indicator	New indicator	36	17	*-10	The under-achievement is due to the following projects: • Three (3) projects from CoGTA i.e. Mvumelwano, Mqhekezweni and Lusikisiki Kings House, were requested to be put on hold for tendering and be advertised in 2024/25 financial year due to internal challenges by the Client Department; • One (1) project, Refurbishment of Maluti Depot, had to be cancelled due to the non-responsiveness of bidders. Project will be re-advertised and implemented in the next financial year;

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
								• Five (5) projects i.e. Pearston Library, Ugie Library, Somerset East Museum, Sterkstroom Museum and Mission KWT Museum were recalled from the list by the client department DSRAC. These projects were at different stages when the client recalled them but were planned to be under construction within the current financial year. • One (1) project, i.e. Mt Frere Social Cluster offices Solar installation, was derailed by the construction mafias. Tender briefing could not be done due to the closure of the briefing venue by the business forum. • One (1) project i.e. Ntabankulu Library was recalled by DSRAC. • One (1) project i.e. Fort Beaufort Museum was terminated
	Sustainable Infrastructure Delivered	Number of new construction projects completed	New indicator	New indicator	6	3	-3	The under-achievement is due to: • Makanda Phase 3 was delayed due to the late start of the contractor due to work permit; • Emalahleni Service office was delayed due to community unrests; • Phase 1 Emaxesibeni (Civil Works) was delayed due to community unrest as well as the environmental authorization penalty.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
PROGRAMME 2: DPWI & OTHER DEPARTMENTS INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
MAINTENANCE								
Sustainable Infrastructure Investment	Sustainable Infrastructure through maintenance	Number of planned maintenance (refurbished/ renovated) completed	New indicator	New indicator	12	4	-8	The under-achievement of eight (8) projects is due to the following: • Three (3) projects Fort Beaufort Museum, Butterworth Service office and Mthatha Airport Fire Station had to be terminated due to the non-performance of contractors. • Uitenhage Museum got delayed due to SMME unrests; • Two (2) projects- Installation of solar to Maluti and Old Ford house delayed due to the financial capability of the appointed contractor. • Fencing of Prestige Portfolio delayed due to the conflict between the main contractor and the supplier of fence material. • Lusikisiki King House-the client could not confirm availability of budget but later on requested that it be put on hold to be implemented in the next financial year.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
PROGRAMME 2: EDUCATION INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
PLANNING								
Resilient and capacitated DPWI	Optimal use of DPWI professional services	Ratio on utilization of internal vs external professional services for DPWI /Public Infrastructure projects	New indicator	New indicator	30/70	50/50	+20/-20	The over-achievement is as a result of the Department taking a strategic decision to terminate the consultant in some projects and assign DPWI Professional teams.
Dignified user experience	Improved user experience	Number of state-owned facilities adhering to access norms and standards for people with disabilities	New indicator	New indicator	16	16	N/A.	N/A.
PROGRAMME 2: EDUCATION INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
DESIGN								
Sustainable infrastructure investment	Approved designs	Number of infrastructure designs ready for tender	New indicator	New indicator	7	5	-2	The under-achievement of Nkwezana PS & Acardia SS is due to the termination of consultants in order to make use of In-House Professionals. However, due to resignation of a Quantity Surveyor, the Department had to revert to outsourcing.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
PROGRAMME 2: EDUCATION INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
CONSTRUCTION								
Sustainable infrastructure investment	Project reports	Number of capital infrastructure projects under construction	New indicator	New indicator	20	12	-10	The other achievement is as a result of eight (8) projects that were completed at the end of the financial year and the completion of two (2) projects that were originally planned as maintenance projects and were later categorized as new construction due to the scope of work done.
	Sustainable infrastructure delivered	Number of new construction projects completed	New indicator	New indicator	10	10	N/A.	N/A.
PROGRAMME 2: EDUCATION INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
MAINTENANCE								
Sustainable infrastructure investment	Sustainable infrastructure through maintenance	Number of planned maintenance (refurbished/ renovated) completed	New indicator	New indicator	6	6	N/A.	N/A.
PROGRAMME 2: HEALTH INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
PLANNING								
Resilient and capacitated Public Works and Infrastructure	Optimal use of DPWI professional services	Ratio on utilization of internal vs external professional services for DPWI /public infrastructure projects	New indicator	New indicator	30/70	81/19	-+51/51	The over-achievement is due to the Department allocating all the projects estimated below R6 million to the internal professionals.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
Dignified user experience	Improved user experience	Number of state-owned facilities adhering to access norms and standard for people with disabilities	New indicator	New indicator	10	9	- 1	The under-achievement is due to the following: • Molteno Hospital X-Ray Unit -Ablutions & other external works were omitted from the current scope. Phase 2 of this facility will include ablutions and external works.
PROGRAMME 2: HEALTH INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
DESIGN								
Sustainable infrastructure investment	Approved designs	Number of infrastructure designs ready for tender	New indicator	New indicator	25	20	-5	The under- achievement is due to non-inclusion of these projects on the 2023/24 initial procurement plan of the Department. The Department was unable to source consultants to complete the planning documents. The projects were included on the adjusted procurement plan in Q4. The following are the projects: • Rodana Clinic • Hewu Hospital • Fort Beaufort Hospital • Philani Clinic • St Lucy's Hospital

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
PROGRAMME 2: HEALTH INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
CONSTRUCTION								
Sustainable infrastructure investment	Project reports	Number of capital infrastructure projects under construction	New indicator	New indicator	20	15	-5	The under-achievement is due to the following projects: • Taylor Bequest Hospital (Staff accommodation) – contractor was appointed in October 2023, subsequent to signing of contract, one unsuccessful bidder is contesting appointment. • Tafalofefe Hospital (Water & Sanitation) – Bid was cancelled due to non-responsiveness of the bidders. Bid has since been re-advertised. • Madwaleni Hospital – Client delayed confirmation of funds, resulting for the appointed contractor to start the project in April 2024. In addition, two (2) projects namely: Molteno Hospital X-Ray Unit and repairs & Renovations at Sir Henry Hospital were completed ahead of schedule.
	Sustainable infrastructure delivered	Number of new construction projects completed	New indicator	New indicator	N/A.	N/A.	N/A.	N/A.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
PROGRAMME 2: HEALTH INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO								
MAINTENANCE								
Sustainable infrastructure investment	Sustainable infrastructure though maintenance	Number of planned maintenance (refurbished/ renovated) completed	New indicator	New indicator	10	9	-1	The under-achievement is due to non-payment of the contractor for Taylor Bequest Hospital – Project was scheduled to be completed by end February 2024. The revised completion date is April 2024.
PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE								
IMMOVABLE ASSET MANAGEMENT								
Productive assets	Facilities provided	Number of facilities provided	296	350	250	250	N/A.	N/A.
	Approved diagrams by Surveyor-General	Number of State Land surveyed	463	450	150	150	N/A.	N/A.
Sustainable infrastructure investment	Investment initiatives implemented	Number of revenue enhancement strategy initiatives implemented	New indicator	3	3	3	N/A.	N/A.
Transformed built environment	Optimized entrepreneurship opportunities through lease portfolio	% of leases concluded with Black Developers	59%	72%	65%	67%	+2%	The over-achievement is due to three (3) awards on development projects and two (2) of the awards were in favour of Black Developers in an open tender process.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE								
FACILITY OPERATIONS								
Productive Assets	Inspections conducted for optimal utilisation	Number of utilization inspections conducted for office accommodation	295	150	50	50	N/A.	N/A.
	Condition Assessment rating on state-owned buildings	Number of condition assessments conducted on state-owned buildings	300	343	300	312	+12	The over-achievement was due to additional facilities that were raised in the Public Protector's report and the Department had to ensure that condition assessments are conducted on those facilities.
Dignified user experience	Productive management of State-Owned facilities	Number of facilities management initiatives implemented	New indicator	New indicator	6	6	N/A.	N/A.
Sustainable infrastruc-ture invest-ment	Optimised energy efficient DPWI buildings	Number of energy efficient DPWI buildings	54	43	50	48	-2	The under-achievement is due to non-availability of access to some of the sites and late billing from municipality that led in delays in achieving the savings.

Note: Audited actual performance for 2021/22 and 2022/23 refers to Buildings Infrastructure. The split into three (3) Portfolios was effected in 2023/24.

*The deviation also includes seven (7) projects that were completed and reported under maintenance and new construction performance indicators.

Summary of Programme Performance

The Programme consists of six (6) Chief Directorates and below is their performances:

Chief Directorates	Percentage Performance
Transversal Infrastructure Coordination	100%
Education Portfolio	89%
Health Portfolio	87%
DPWI & Other	72%
IAM	100%
Facilities & Security Management	99%

The Department of Public Works and Infrastructure is tasked with the delivery of infrastructure projects in an efficient and effective manner resulting in value for money to contribute towards sustainable infrastructure investment. This service is provided for DPWI and on behalf of client departments as an implementing agent.

The Department has improved the capacity to deliver infrastructure services, in that, more than 50% of infrastructure projects are delivered utilizing internal professional services. To this end, the Programme completed thirteen (13) new capital infrastructure projects and nineteen (19) major maintenance projects, for the Department of Education, Department of Health and DPWI & Other to meet their service delivery objectives. The Programme has contributed to the designated groups through procurement strategy where certain packages were awarded to SMMEs and the creation of jobs.

The Programme is responsible for providing facilities that are safe and fit for purpose to enable the clients to fulfil their mandate and ensure a dignified client experience. During the period under review, the Programme conducted 312 condition assessments in line with GIAMMA across the Province. The results of these assessments inform the maintenance plan of the Department to ensure that our facilities are in a habitable state and compliant with all regulatory requirements.

The Department continued to implement strategies to utilize the property portfolio for revenue generation and investment. To this end, long-term, short-term and residential and commercial leases were concluded with potential investors. Over and above, the Programme awarded three (3) long term leases to Developers, of which two (2) were awarded to Black Developers to transform the property sector.

Linking performance with budgets

Sub-Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Programme Support	61 525	61 525	-	136 819	136 819	-
2.2 Planning	14 845	14 845	-	2 559	2 559	-
2.3 Design	-	-	-	-	-	-
2.4 Construction	268 691	222 574	46 117	196 649	196 649	-
2.5 Maintenance	209 271	209 271	-	212 046	212 046	-
2.6 Immovable Asset Management	946 783	941 538	5 245	1 164 154	1 164 147	7
2.7 Facility Operation	314 061	314 061	-	320 663	320 663	-
Total	**1 815 176**	**1 763 814**	**51 362**	**2 032 890**	**2 032 883**	**7**

The Programme recorded a total expenditure of 97% of its allocated budget, which contributed to 91% achievement of performance targets.

Strategy to overcome areas of under performance

The Department will strengthen IGR structures between the spheres of government and this will enable the smooth running of projects as there will be information sharing in different inter-spherical platforms.

All projects that pose negative political or social dynamic risks will be allocated social facilitators as this will help improve the management of these social dynamics i.e. land claims as well as community protests.

With the assistance of the Innovation Directorate within EPWP, the Department will be able to implement some of the strategies to empower SMMEs that get allocated work within the Department.

The Department will strengthen functionality as part of the bid conditions for specialized projects.

The Department will ensure that performance of the service provider is monitored closely and any challenges that arise will be attended timeously.

2.4.3 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 coordination of the Expanded Public Works Programme.

The Programme consists of the following Sub-Programmes:

3.1 Programme Support

Purpose: Overall management and support of the branch including provision of back office technical administration provision of built sector knowledge, management services, finance, built sector supply chain management and management of stores telecommunications as well as serving as the coordination division of the branch.

3.2 Community Development

Purpose: Programmes to bring about the development and empowerment of impoverished communities

3.3 Innovation & Empowerment

Purpose: To facilitate contractor development, empowerment and training including Learnerships

3.4 Coordination & Compliance Monitoring

Purpose: To manage and coordinate the implementation of EPWP projects and programmes and monitor compliance to EPWP guidelines by all sectors.

List of Outcomes

- Optimized Job Opportunities; and
- Transformed Built Environment.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme/Sub-Programme

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
PROGRAMME 3 : EXPANDED PUBLIC WORKS PROGRAMME								
PROGRAMME SUPPORT								
Optimised job opportunities	Participation of Public Bodies in EPWP	Number of interventions implemented to support Public Bodies	7	6	7	7	N/A.	N/A.
COMMUNITY DEVELOPMENT								
Optimised job opportunities	Paid work opportunities created	Number of work opportunities created by Provincial Public Works and Infrastructure	5560	4067	5000	5212	+212	The over-achievement is as a result of replacement of EPWP Maintenance, NYS and APTCoD Programmes participants as they exited the programme during the reporting period.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
INNOVATION AND EMPOWERMENT								
Transformed built environment	Enterprise Development	Number of ICDP contractors supported	160	164	160	173	+13	The over-achievement is as a result of more trainings that were provided to ICDP Contractors during quarter 3 and 4.
		Number of emerging contractors supported	166	106	100	216	+116	The over-achievement is as a result of more trainings that were provided to SMME Contractors during quarter 3.
		Number of ICDP contractors upgraded in Construction Industry Development Board (CIDB) grading	52	55	20	80	+60	The over-achievement is as a result of improved CIDB turnaround times for the upgrading of contractors.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
	Artisan Skills Development	Number of participants in the APTCoD programme	1216	1123	1060	1199	+139	The over-achievement is as a result of replacement of APTCoD Programmes that were done in Quarters 2, 3 and 4. * Replacement means the person who is replaced continues to be counted in addition to the one replacing.
		Number of APTCoD learners passed trade test	72	100	100	136	+36	The over-achievement is as a result of APTCoD learners that had trade test dates in October and November 2023.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
		Number of NYS learners trained	242	221	150	171	+21	The over-achievement is as a result of replacement of NYS Programmes that were done in Quarters 2, 3 and 4. * Replacement means the person who is replaced continues to be counted in addition to the one replacing.
		Number of NYS learners passed RPL	63	35	50	52	+2	The overachieve-ment is as a result of two (2) more NYS learners that were ready for RPL during the 3rd and 4th quarter.
CO-ORDINATION AND COMPLIANCE MONITORING								
Optimised job opportunities	Participation of Public Bodies in EPWP	Number of Public Bodies reporting on EPWP targets in the Province	50	40	50	54	+4	The over-achievement is as result of National Departments that implemented projects in Province during the year under review.

Summary of Programme Performance

The Department continues to drive socio-economic transformation through optimizing the creation of work opportunities in the province, thus contributing to the reduction of poverty and unemployment. This was realized through the creation of 111 674 work opportunities for the Province of which 5 212 was created by the Department. In addition, the Department recruited 1 199 APTCoD and 171 NYS learners to enhance the skills needed by the market targeting the disadvantaged young people to be self-sufficient and economically active.

Significant progress has been made to transform the construction sector in the Province. The Department under the year under review, supported ICDP Contractors by awarding projects and resulting to 80 ICDP Contractors upgrading to the higher levels of CIDB Register of Contractors. The Provincial Medium Small and Micro Enterprises (PMSME) Strategy was endorsed by EXCO for implementation.

The Programme contributed to designated groups through work opportunities created and contractors supported prioritizing youth and women. To address the persistent under-achievement of the youth targets, the Programme will continue to implement the recommendations of the Youth Evaluation Study.

Linking performance with budgets

Sub-Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Programme Support	19 636	19 631	5	23 704	23 704	-
4.2 Community Development	32 989	32 989	-	20 638	20 638	-
4.3 Innovation and Empowerment	69 544	67 381	2 163	64 045	64 045	-
4.4 Co-ordinatin and Compliance Month	24 903	24 903	-	22 246	22 246	-
Total	**147 072**	**144 904**	**2 168**	**130 633**	**130 633**	**-**

The Programme recorded a total expenditure of 98% of its allocated budget, which contributed to 100% achievement of performance targets.

Strategy to overcome areas of under performance

N/A.

Performance in relation to standardized outputs and Outputs indicators for Sectors and Concurrent functions

N/A.

2.5 Transfer Payments

2.5.1 Transfer payments to Public Entities

N/A.

2.5.2 Transfer payments to all organisations other than public entities

Name of the Transferee	Purpose for which the funds were used	Compliance with s 38(1)(j) of the PFMA	Amount received	Amount spent by entity	Reasons for the funds unspent by entity
DPWI	Payment of rates and taxes for the government owned buildings	N/A	544 608	540 005	Due to the delayed process of ownership verification for properties in Makana that were billed by the municipality but not in the Asset register.

2.6 Conditional Grants

2.6.1 Conditional grants and earmarked funds paid

N/A.

2.6.2 Conditional grants and earmarked funds received

Gant name	Final Appopriation	Actual Expenditure	Variance
	R'000		
Expanded Public Works Incentive to Provinces	9 463	9 463	-
Total	**9 463**	**9 463**	**-**

EPWP INCENTIVE GRANT	
Department who transferred the grant	National Department of Public Works
Purpose of the grant	To incentivise provincial department to expand work creation efforts through the use of labour intensive delivery methods.
Expected outputs of the grant	Number of people employed and receiving income through EPWP
	Increased average duration of work opportunities created
Actual outputs achieved	Number of people employed and receiving income through EPWP were **1 793**
	Increased average duration of work opportunities created was **468.94**
Amounts per amended DORA R'000	9 463
Amount Transferred R'000	All funds transfered
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department R'000	9 463
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	N/A

2.7 Donor Funds

2.7.1 Donor Funds Received

N/A.

2.8 Capital Investments

2.8.1 Capital Investment, Maintenance and Asset Management Plan

a) **Progress made on implementing the capital investment and asset management plan**

The Departments submitted their User and Custodian Asset Management Plans as per the GIAMA legislation. The plan includes a strategic needs assessment of the infrastructure requirements of the Departments, an acquisition plan, operations plan as well as a surrender plan. The Custodian Asset Management Plan includes the provincial infrastructure needs and requirements. The budget required to address maintenance backlog is projected at R165 million.

As a part contribution towards the investment management plan, the Department is implementing its Revenue Management Strategy. The strategy comprises all properties with investment potential which can be developed to generate revenue. In the year under review, the Department targeted to contribute towards radical enhancement through leases concluded with Black Developers. At year, end the Department achieved 67%.

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

No	Maintenance Projects refurbished	
1.	Repairs, renovation and addition at Ntabankulu CHC	Department of Health
2.	Emergency Refurbishment to Fort Beaufort and Winterberg Hospital	Department of Health
3.	Molteno Hospital X-Ray Unit	Department of Health
4.	Repairs and Renovations at Sir Henry Elliot Hospital	Department of Health
5.	S.S. Gida Hospital	Department of Health
6.	Ntsimba Clinic	Department of Health
7.	Torha Clinic	Department of Health
8.	Shiloh Clinic	Department of Health
9.	Construction of Guardhouse, Fencing and related site works at Maclear Hospital	Department of Health
10.	Caiphus Khoapa PS	Department of Education
11.	Dedelo JSS	Department of Education
12.	Emdeni JSS	Department of Education
13.	Mhleleni JSS	Department of Education
14.	Ntsintsana JSS	Department of Education
15.	Kwa Nikiwe High School in Winnie Madikizela Local Municipality	Department of Education
16.	Molteno Service Centre	Department of Social Development
17.	Refurbishment to Lusikisiki College Phase 2	Department of Education (Offices)

No	Maintenance Projects refurbished	
18.	Upgrade of Sewerage System in Ex-Butterworth College	Department of Education (Offices)
19.	Middledrift Service Office	Department of Social Development
	New construction projects	
1.	Construction of Cookhouse Public Library	Department of DSRAC
2.	Amagqunukhwebe Traditional Council	Department of CoGTA
3.	Ngubengcuka SSS	Department of Education
4.	Louis Rex primary School-sectional completion	Department of Education
5.	Bulelani SSS Phase 1	Department of Education
6.	Bulelani SSS Phase 2	Department of Education
7.	Arcadia SSS- sectional completion	Department of Education
8.	Sterkspruit	Department of Education
9.	Msintsana ECD	Department of Education
10.	Phahameng SSS	Department of Education
11.	Gcuma SPS	Department of Education
12.	Phakamani SPS	Department of Education
13	Makanda Phase 2	Department of Public Works & Infrastructure

The following projects were not completed as planned

No	Projects	% Progress	Reasons
1.	Taylor Beaquest Hospital	95%	Late payment of the contractor.
2.	Phambili Mzontsundu	90%	• Change in Principal Agents & Quantity Surveyor; • Delays in preparation of Variation Orders; and • Contactors suspending the works and stoppages due strikes by SMMEs.
3	David Livingston	93%	
4.	Lusikisiki King House	0%	Budget not confirmed by the Client Department
5.	Fencing of Prestige Portfolio	70%	Conflict between the main contractor and the supplier of fence material.
6.	Installation of solar to Maluti	10%	Financial affordability of the appointed contractor.
7.	Installation of solar to Ford house	0%	
8.	Uitenhage Museum	95%	SMME unrests.
9.	Fort Beaufort Museum	95%	Terminated due to the non-performance of contractors.
10.	Butterworth Service office	90%	
11.	Mthatha Airport Fire Station	5%	
12.	Makanda Phase 3	50%	Delayed due to the late start of the contractor for issues related to the work permit to be issued by the Department of Labour and Employment.
13.	Phase 1 Maxesibeni (Civil Works)	80%	Delayed due to community unrest as well as the environmental authorization penalty.
14.	Emalahleni Service Office	75%	Delayed due to community unrest.

Provide reasons for material variances (2% variance)

The Department completed 32 out of 46 projects planned for (new and refurbished) with 14 projects not achieved. The following are the reasons for variances:

- Poor performance by the contractors;
- Late payment of service providers; and
- SMMEs and Community unrests.

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

Health Portfolio

No	Project Name	District	Project Status	Project Start date	Nature of Investment	Original end date	Project end date	Total project Cost
1.	Matubeni Clinic	Alfred Nzo	Under Construction (95%)	11 May 2023	Renovations & Refurbishment	11 May 2023	30 Sept 2024	R8, 4 million
2.	Butterworth Hospital (Fencing)	Amathole	Under construction (15%)	27 Nov 2023	Upgrades & additions	27 Nov 2023	16 May 2024	R 4, 9 million
3.	Balfour Clinic	Amathole	Under construction (25%)	27 Mar 2023	Repairs & Renovations	27 Mar 2023	27 March 2025	R 52 million
4.	Completion of BCM fencing on various Clinics	BCM	Under construction (50%)	04 Jul 2023	Repairs & Renovations	04 Jul 2023	31 Jan 2025	R21,5 million
5.	Bedford Orthopedic Hospital – Urgent repairs, renovation and alterations including staff accommodation	OR Tambo	Under construction (65%)	15 Jan 2024	Repairs and renovations	15 Jan 2024	15 Oct 2024	R 7, 4 million
6.	Nelson Mandela Hospital	OR Tambo	Under construction (75%)	21 Nov 2021	New	21 Nov 2021	31 Oct 2024	R 46, 9 million
7.	St Barnabas Hospital	OR Tambo	Under construction (0%)	12 Dec 2023	Upgrades & Repairs	12 Dec 2023	Terminated	R 15, 8 million
8.	Tembisa Clinic	Joe Gqabi	Under construction (5%)	01 Nov 2023	Renovations & Refurbishment	01 Nov 2023	01 Jun 2024	R5, 8 million
9.	All Saints Hospital (Water & Sanitation)	Chris Hani	Under construction (35%)	16 Mar 2022	Refurbished & Repairs	16 Mar 2022	30 Nov 2023	R5, 4 million
10.	All Saints Hospital (Staff Accommodation)	Chris Hani	Under construction (39%)	04 Aug 2023	Renovations & Refurbishment	04 Aug 2023	04 Mar 2025	R43 million

No	Project Name	District	Project Status	Project Start date	Nature of Investment	Original end date	Project end date	Total project Cost
11.	Upgrade at Taylor Bequest Hospital	Joe Gqabi	Under construction (95%)	28 Oct 2022	Repairs & Renovations	28 Oct 2022	16 May 2024	R28 million
12.	Renovations to Nessie Knight Hospital	OR Tambo	Under construction (20%)	12 Jun 2023	Renovations & Upgrading	12 Jun 2023	11 Mar 2026	R 103 million
13.	Repairs & Renovations to Sir Henry Elliot Hospital	OR Tambo	Under construction (95%)	14 Sept 2021	Repairs & Renovations	14 Sept 2023	30 June 2024	R28, 9 million

DPWI & Other Portfolio

No.	Project Name	Region	Project Status	Project Start Date	Nature of Investment	Original End Date	Projected End Date	Total Project Cost
1	Construction of Mqanduli	OR Tambo	Under construction (Progress – 50%)	01/08/2022	New	01/08/2022	30/07/2025	R 155 million
2	Renovations and Upgrades to Prestige Houses	BCM	Under construction (Progress – 5%)	21/11/2023	Repairs and renovation	5/12/2023	16/12/2024	R 20 million
3	Construction of Mt Ayliff Cluster offices (Civil Works)	Alfred Nzo	Under construction (Progress – 80%)	01/12/2021	Repairs and renovations	30/08/2022	30/07/2024	R 48 million
4	Chungwa building- partitioning into offices for user Department	BCM	Under construction (Progress – 95%)	20/10/2021	Repairs and renovations	30/10/2022	30/06/2024	R 15 million
5	Supply and Install standby Generator/Solar system at Ford House Building in Sarah Baartman -	NMM	Under construction (0%)	07/03/2019	Repairs and renovations	04/02/2024	20/07/2024	R 9 Million
6	Construction of Emaxesibeni Block A	Alfred Nzo	Under Construction (Progress – 10%)	02/02/2024	New	15/02/2024	31/08/2026	R 95 million
7	Upgrades of water reticulation system, sewerage system and structural repairs at Tyamzashe	BCM	Under construction (Progress – 97%)	20/07/2021	Upgrade & additions	20/07/2023	20/05/2024	R 29 million

No.	Project Name	Region	Project Status	Project Start Date	Nature of Investment	Original End Date	Projected End Date	Total Project Cost
8	Butterworth Service Office	Amathole	Under construction (progress -90%	29/09/2021	New	29/09/2022	20/08/2024	R 12 million
9	Emalahleni Service office	Chris Hani	Under construction (progress – 75%)	15/03/2021	New	15/03/2023	30/06/2024	R14 million
10	Mthatha Airport Fire Station	OR Tambo	Under construction (progress – 5%)	28/06/2021	New	28/06/2023	28/11/2024	R 34 million
11	Installation of Fencing to Prestige Portfolio	BCMM	Under construction (progress – 70%)	01/11/2022	New	30/06/2023	30/06/2024	R 10 million
12	Construction of Artisan Academy in Makanda – phase 3	Sarah Baartman	Under construction (progress – 50%)	01/03/22	New	30/11/2023	30/08/2024	R 27 million
13	Supply and Install standby Generator/ Solar System in Maluti Office Complex at Alfred Nzo	Alfred Nzo	Under construction (progress – 10%)	15/11/2023	Upgrade & additions	12/2/2024	31/08/2024	R 7 million
14	KD Matanzima Building: External & Internal Renovations and Upgrade	OR Tambo	Under construction (progress – 25%)	05/09/2023	Upgrade & additions	20/06/2025	20/06/2025	R 43 million
15	Upgrade and additions for DRDAR in Ngqamakhwe	Amathole	Under construction (progress – 25%)	05/09/2023	Upgrade & additions	04/09/2024	04/09/2024	R 22 million
16	Fingo Public Library	Sarah Baartman	Under construction (progress – 0%)	27/03/2024	New	27/09/2025	27/09/2025	R 12 million
17	Refurbishment to Uitenhage Museum	Nelson Mandela	Under Construction (Progress – 95%)	11/09/2019	Refurbishment	31/03/2021	30/06/2024	R 17 million

Education Portfolio

No	Project Name	District	Project Status	Project Start date	Nature of Investment	Original end date	Project end date	Total project Cost
1	Phambili Mzontsundu SSS	Joe Gqabi	Under Construction 90%	09/01/2017	Capital	10/07/2018	31/05/2024	R 34 million
2	Lingcom PS	Sarah Baartman	Under Construction 98%	06/12/2017	Capital	07/10/2019	31/05/2024	R 78 million
3	Asherville SS	Sarah Baartman	Under Construction 95%	27/03/2018	Capital	07/04/2020	12/06/2024	R 78 million
4	Bethelsdorp	Nelson Mandela	Under Construction (90%)	02/02/2017	Capital	04/02/2019	19/06/2024	R 165 million
5	Hanker Document Management Centre	BCM	Under Construction (90%)	05/06/2018	Capital	06/08/2020	30/08/2024	R 97.8 million
6	Khayalethu Special School	BCM	Under Construction (42%)	21/03/2018	Capital	31/05/2024	25/09/2025	R 142 million
7	Willo Comprehensive HS	OR. Tambo	Under Construction (90%)	05/09/2019	Capital	30/11/2023	31/05/2024	R 50 million
8	David Livingstone SSS	Sarah Baartman	Under Construction (93%)	28/06/2017	Capital	07/08/2019	30/06/2024	R 71 million
9	Addo PS	Sarah Baartman	Under Construction (12%)	13/10/2023	Capital	13/10/2025	N/A.	R 57 million
10.	Mhlontlo JPS	Joe Gqabi	Under Construction (85%)	22/08/2017	Capital	21/02/2019	30/09/2024	R 22 million
11	Masizakhe JPS	Chris Hani	Under Construction (95%)	25/01/2018	Capital	24/01/2020	27/09/2024	R 49 million
12.	Khiba JSS	Joe Gqabi	Under Construction (90%)	01/02/2017	Capital	04/05/2018	31/03/2025	R 21 million

d) Plans to close down or down-grade any current facilities

DPWI has received a list of 1142 closed schools from the Department of Education. An Expression of Interest (EOI) for the utilization of closed schools for revenue generation has also been drawn and advertised for interested parties to submit their interest. The EOI will close on 07 May 2024.

e) Progress made on the maintenance of infrastructure

- DPWI & Other Portfolio completed four (4) projects out of twelve (12) targeted to be completed;
- Health Portfolio completed nine (9) projects out of ten (10) targeted to be completed; and
- Education Portfolio completed all six (6) projects targeted to be completed.

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

Infrastructure projects	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	127 017	101 509	25 508	111 812	111812	-
Existing Infrastructure	-	-	-	-	-	-
Upgrade and Additions	84 989	63 272	21 717	80 223	80 223	-
Rehabilitation, renovations and refurbishments	80 489	60 935	-	-	-	-
Maintenance and Repairs	22 416	22 416	-	59 119	59 119	-
Total	**314 911**	**248 132**	**47 225**	**251 154**	**251 154**	**-**

Recorded under expendicture is due to delayed delivery of project milestones for construction projects on the ground pertaining to various reasons, which are as follows:

- Mqanduli Cluster Offices – Poor contractor performance;
- KD Matanzima Building – Production challenges experienced by the manufacturer;
- Mt Ayliff Cluster Offices (Civil works) – Community unrest;
- Makanda Artisan Development Centre – Inclement weather conditions;
- Ngqamakwe Cluster Offices – Inclement weather conditions;
- Fencing to Prestige Portfolio – Contractual disputes between main contractor and sub-contractor;
- Botha Sigcau Generator –Finalization of cession agreement; and
- Solar system at Old Ford House building – Finalization of the cession agreement.

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

The Directorate: Property Holdings included Acquisitions and Disposals. Since the approval of the new Organogram, a new Directorate: Acquisitions and Disposals has been established. The advantages of having the two Directorates enables the Department to focus more on its streamlined functions. In as much as the target for disposals for the year under review was 20, the Immovable Asset Management Chief Directorate managed to process an additional 95 properties for disposals which are awaiting approval from the Office of the Premier.

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

The Immovable Asset Register is maintained monthly. The DPWI is implementing a Provincial Land Audit where all state-owned properties are verified and recorded in the IAR. The Land Audit contributes to the enhancement of the IAR with value added information (confirmation of property ownership, spatial location of properties and land usage).

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

Condition assessments were conducted on buildings during the year under review. The following results were obtained:

Condition rating	Number	Percentage
C1 and C2 (Very poor condition)	C1=73 C2 = 63	*44%
C3 (Fair condition	C3 = 106	34%
C4 (Good condition)	C4 = 64	20%
C5 (Excellent condition)	C5 = 6	2%

*The main challenge with this huge backlog is budget constraints, the Department is committed to address these through:

- Upgrades and refurbishments;
- Short term measures through term contracts for both electrical and mechanical; and
- Long term approach is in the development of Depot centres

j) Major maintenance projects that have been undertaken and completed during the period under review

1.	Caiphus Khoapa PS
2.	Dedelo JSS
3.	Emdeni JSS
4.	Mhleleni JSS
5.	Ntsintsana JSS
6.	Kwa Nikiwe High School in Winnie Madikizela Local Municipality
7.	Butterworth Sewerline
8.	PC Lusikisiki Phase 2
9.	Middledrift Service Office
10.	Molteno Service Office
11.	Ntabankulu CHC
12.	Fort Beaufort Hospital
13.	Molteno Hospital X- Ray Unit
14.	Repairs & Renovations at Sir Henry Hospital
15.	SS Gida Hospital
16.	Ntsimba Clinic
17.	Torha Clinic
18.	Construction of Guardhouse, Fencing & Related site works
19	Shiloh Clinic

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

Health Portfolio

In an effort to reduce the poor state of Health facilities, the Department of Health has tasked DPWI to at least assess 80 facilities for minor renovations. The intention of the programme is to allocate approximately R 700 000 per facility as a clean-up programme to deal mainly with the welfare of health officials and their clients.

The scope covers renovations of ablutions, construction of ramps where necessary, painting, sealing of roofs, etc. This programme is executed utilizing small contractors. The 80 facilities are situated across the province (10 facilities per District).

DPWI & Other

Repairs and maintenance of state buildings continues to be a challenge due to budget constraints and historical backlogs in all categories disclosed below. This is informed by the condition assessments that are being conducted by the facilities Department. Below are the categories of assets maintained within the allocated maintenance budget:

- Prestige and Residential houses in various regions;
- Maintenance of plant – This includes elevators, electrical transformers, air conditioners, fire detection systems, back-up generators, etc and
- Office Accommodation – occupied by various Client Departments within the Province.

In trying to resolve the maintenance backlogs, which will be undertaken over a period of time, the Department will continue to implement the decisions of the PISC 10 (Committee number) of rolling-out preventative repairs and maintenance to curb extended damages to the buildings. The backlog gradually reduces through the completion of these major maintenance as well as refurbishment projects.

Some of these projects can be classified as upgrades and refurbishments that will be catered for in the capital works to reduce the backlog. The short-term measure for preventative maintenance is currently done through the appointment of the building contractors as well as term contractors for both Electrical and Mechanical Works. The long-term approach is in the development of depot centres. This will ensure the utililization of internal resources that will be sourced from the equipped depots. This may also include the existing APTCOD and NYS EPWP participants.

Education Portfolio

The DPWI as an Implementing Agent for DoE contributes to the maintenance backlog by planning and executing both disaster projects as well as refurbishment and upgrades which are a form of maintenance. For the 2023/24 financial year, the Department spent R76, 258 million towards the construction of new classroom blocks, ablution facilities as well as minor renovations to schools that were affected by the 2020/21 to 2021/22 disasters. This comprises a total of 16 schools. These projects incorporate the latest norms and standards for people with disabilities and those required for a functional teaching and learning environment.

Governance

Part C

3. PART C: GOVERNANCE

3.1. Introduction

During the 2023/2024 financial year, the Accounting Officer re-committed the DPWI to a process of risk management that is aligned to the principles of good corporate governance, as supported by legislation and leading practices. The commitment emphasized the need to focus on service delivery related risks. As such, the core functional risk areas were prioritized to ensure client satisfaction with the services provided.

3.2 Risk Management

The Department reviewed and approved Risk Management Policy and Strategy for 2023/24 that articulated the DPWI's risk management philosophy, and the integrated approach in the management of risk. The Risk Management Policy was aligned to the Risk Management Strategy and the departmental business strategy in an effort to adopt a common language, process and methodology. In institutionalizing risk management, the Department continued its work in improving its risk maturity level as outlined in its APP.

The target set for DPWI risk maturity was to maintain level four (4) and it was achieved. This was achieved through maintaining a standard approach to risk management that ensured that all risks that could affect people, reputation, business processes and systems, financial and environmental performance were identified, assessed and treated. In the period under review, the Department continued to enhance its practices and application of risk management principles by working hand in hand with Strategic Planning in the preparation of the APP and integrating risk management process.

The risk management system at DPWI is a robust Combined Assurance one which is underlined by the risk-oriented approach to planning. Risks, potential risks and required risk controls are consequently the foundation of Strategy, Performance and Operational Plans. Since the Risk Management Policy acts as the primary internal risk governance mechanism, it provides the guidance required for the broader Department to practice sound risk management. This enables the successful drafting of a risk management plan to implement risk management that has full spectrum of risks that included the following:

Key Strategic Risks: The key strategic risk of DPWI for the 2023/24 financial year were linked to strategic outcomes as listed with the key action plans to improve the management of risks.

Possibility of a variance in the outcome of decisions and choices made in the setting of strategic goals from what is expected to be achieved.

Operational Risks: Possibility of a variance between the expected and actual performance, reliability, quality and efficiencies of internal operations.

Different activities and processes in the organization were implemented at different levels, from ad-hoc practices to formally defined steps as guided by the approved methodology, to ensure response to risk and to actively making the most effective use of the processes and capabilities. The Department identified and assessed the risks and also considered emerging risks during the 2023/2024 financial year as risks are evolving and create changes in the departmental processes.

This process was performed because as some risks materialize, they trigger other risks as they materialize.

These risks therefore were managed in an integrated manner by continuously identifying emerging factors and risks that could ensure appropriate level of risk response and strategies are in place. The risk profile of the Department was also used to direct the internal audit plan as required by the internal audit standards.

The risk management implementation plan was also developed for the Department of Public Works and Infrastructure wherein it gave effect to the implementation of the risk management policy and strategy and set out all risk management activities planned including those with effect on the improvement of risk

maturity of the Department for the year under assessment.

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

The Department continued to utilize the services of an Independent Executive to chair the departmental Risk & Ethics Management Committee. During the year of assessment, the Department also appointed departmental executives in the form of Chief Directors, Regional Directors as Risk and Ethics Management Committee members, the Head of Internal Audit, Director Information and Communication Technology as Ex- Officio members as per approved Risk and Ethics Management Committee Terms of Reference. The Committee's roles and responsibilities were clearly outlined in an approved Risk & Ethics Management Committee Terms of Reference. The committee provides assurance to the Head of Department (HOD) and the Audit Committee of the Department on the posture of risk management and its effectiveness in mitigating unacceptable risks as outlined in the DPWI Risk Appetite and Tolerance Statement. One key responsibility of the independent Chairperson is being a standing invitee to the Audit Committee meetings.

During the year under review, the Audit Committee provided oversight on Risk Management in the Department. This was implemented through having Risk Management as a standing item on Audit Committee meetings. Risk Management policies and plans developed and reviewed were endorsed by the Audit Committee prior approval by the Head of the Department. Risk Management reported progress on the implementation of risk management activities to the Audit Committee on a quarterly basis. The Internal Audit Unit performed audit on the Risk Management to assess effectiveness of the processes implemented and there were no adverse findings identified.

The Department demonstrated a mature risk management capability to pursue opportunities that improved the delivery of services to its stakeholders. The reviewed risk management policy currently enforced alignment in the risk management process and the departmental performance. The alignment impacted on the changes in the risk profile mirroring on departmental performance. These changes were expected to further influence a positive correlation between improvements in the system of risk management and the organizational performance.

3.3. Fraud and Corruption

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

These include, conducting proactive investigation arising from effective fraud risk management, reactive investigation arising from internal and external reporting mechanisms, and harsh actions against officials and service providers involved in unethical conduct, fraud and corruption activities. Fraud Risk Assessment was performed and the fraud risk profile was monitored during the year under review.

During the 2023/24 financial year, the Department conducted an ethics opportunity and risk assessment. The purpose of the Ethics Risk Assessment was to obtain the current ethics opportunity and risk profile for the DPWI. This profile informed the contents of an Ethics Management Strategy and determines the scope and contents of subsequent ethics management interventions for the organization.

A considerable drive of anti-fraud and ethics awareness campaigns was made throughout the Department during 2023/24, with particular focus on district and sub-district levels as a way of alerting officials about the risks of fraud and corruption. Apart from the challenges, DPWI was able to achieve 100% in implementing its output indicator on % of effective implementation of Ethics and Anti-Corruption Strategy as per its Annual Performance Plan. This was a great achievement and a contributing factor towards the improvement of Governance within the Organization. Moreover, the management of fraud risk from a high to more moderate and low risks by DPWI management demonstrates great progress in the strides taken to effectively deal with a risk of fraud and corruption within DPWI.

Internally, the Department finalized six (6) investigations for the period under review and consequence management was taken against those found to have committed acts of corruption, maladministration and unethical conduct. This significant feat shows the seriousness of the Department's fight against corruption and its commitment to a clean and corrupt free public service. Other mechanisms put in place by the Department to detect fraud and corruption include but not limited to, an approved Whistle Blowing, Fraud & Anti-Corruption that directs employees on how to report allegations of corruption, maladministration and unethical conduct. Employees are advised to always remain anonymous in order to protect themselves against any possible occupational detriment. The cases reported are investigations as per the approved Investigation Policy that guides the Department on how to investigate acts of fraud and corruption.

3.4. Minimizing Conflict of interest

In order to effectively manage conflict of interest, DPWI approved an Ethics & Anti-Corruption Management Strategy, which articulates the following activities to management of conflict of interest amongst employees:

Financial Disclosure of SMS and Other designated employees

During the 2023/24 financial year, the DPWI achieved a 100% compliance on SMS Financial Disclosure; 100% on MMS SR 11&12 (OSD equivalent); 99% on SCM/Finance. Moreover, the analysis of financial disclosure performed revealed that no SMS members had direct conflict of interest and potential conflict of interest detected was disclosed and explained accordingly.

Management of Other Remunerative Work

There were six (6) Other Remunerated Work (ORW) applications received in the 2023/24 financial year and the Department approved five applications and rejected one as there was a high likelihood that the applicant will conduct the work during working hours. The approved applications included amongst others; provision of accommodation to students, lecturing, research and valuation, security and protection training, book seller (author) and lastly baking and cooking which was not approved. No approval was granted for any employee doing business with an organ of state or any employee that conducts business that is in conflict with the primary mode of services offered by the Department. During 2023/24 financial year, all approved applications for outside work were monitored according to the guidelines outlined in the DPWI Guide on Managing ORW.

Management of other Conflict of Interest process

The Department approved Ethics and Conflict of Interest Policy which outlined a stance on managing conflict of interest within DPWI. The policy outlines provisions that direct the declaration process for non-designated employees. Other mechanisms include the proactive management of Provincial Treasury conflict of interest search results. As a result, the Department had zero actual conflict of Interests cases identified and reported by both the Auditor General and Provincial Treasury. All potential conflict of interest cases reported were dealt with by ensuring that employees who are directors of companies listed as per the Centralized Supplier Database deactivate their supplier numbers, resign as directors and declare their potential conflict of interest in the prescribed form.

The functions outlined above ensured that the Department contributed positively towards the nine (9) priorities of provincial government that include a commitment that there must be no officials who are doing business with organs of state. Furthermore, the approved Gift Policy and its guide enabled employees to understand the departmental stance on gift and when necessary, declare any gifts received or declined in the Departmental Gift Register. Lastly, the approved Conflict of Interest policy guides the declaration process of non-designated employees and the process the employees should follow in matters where they are conflicted during recruitment processes.

Lifestyle Investigations

As part of implementing Public Administration Management Regulations, and DPSA Guide on Lifestyle Audit in the Public Service, lifestyle reviews were conducted on all SMS members of the Department including other designated employees. There were no material findings that were identified through the process of the Lifestyle review that was conducted.

3.5. Code of Conduct

As part of advocacy on the Code of Conduct, an Ethics & Anti-Corruption Strategy was approved to drive the awareness programmes on communicating the message of ethical behaviour. Activities performed to advocate the Code of Conduct include various awareness programmes from both the district and Head Office levels through collaborated efforts by Corporate Services and Risk, Anti-Corruption & Integrity Management (RAIM) within the Department. The Approved Service Delivery Charter, Anti-Corruption Pledge and Departmental Values that are placed in visible areas within the Department, ensure that stakeholders and the public understand the DPWI messages on its intent to adhere to professional ethical values and principles of good governance as enshrined in Section 195(1) of the Constitution. All officials who breach the code of conduct are dealt with within the Departmental Disciplinary Code and Procedures. All new employees are required to sign the Code pf Conduct and awareness workshops are conducted to update old employees on the developments and changes in the Code of Conduct.

3.6. Health Safety and Environmental Issues

The Department of Public Works & Infrastructure continued to provide and promote a healthy and safe work environment for its employees and clients utilizing its services. This was done by assessing and controlling risks through the enforcement of the Occupational Health and Safety Act, [No. 85 of 1993] in all its worksites and by assessing risks and ensuring the implementation of the Occupational Health and Safety Act [No. 85 of 1993]. As a result, a Hazard Identification and Risk Assessment (HIRA) was conducted at Head Office (Bisho), with an aim to roll it out throughout the other regions and depots to ensure that all the departmental worksites are fully compliant with safety regulations and that working conditions remain conducive.

The Department managed to appoint 17 designated Directors as 16.2 of OHS to champion SHERQ programmes in the workplace. That was followed by the establishment of Health & Safety Committees. Although the majority of OHS meetings planned were held, there were some that lagged behind which still require assistance and management buy-in to be fully operational and yield the desired results; as it is in those meetings that the results of safety audits were conducted, related findings are tabled, recommendations on corrective actions to improve working conditions are made. The formal training of health and safety representatives took place only in one district due to budget constraints and cost containment measures. However, the wellness unit staff continued to provide the on-the-job training where required to bridge the gap. The Department managed to conduct emergency evacuation drills on the two (2) buildings that were identified as non-compliant. Two (2) policies were updated and four (4) SOPS were developed to ensure consistency and clear guidance on wellness matters.

The Department also conducted wellness days in eight (8) districts as emotional and social wellbeing is critical to minimize fatigue and hazards resulting from human error. The Department also promoted participation in various sports codes and partaken in a number of tournaments to promote physical health.

Over and above, the internal counselling services provided by registered social workers, the Department has embarked on the process of sourcing a 24 hour counseling service provider to expand the scope of accessibility. Eleven (11) sessions/ activities aimed at dealing with Gender, Youth and Disability issues were coordinated in partnership with SPU. Educational programs tackling pyscho-social issues such as financial wellness, substance abuse, retirement planning and disease management were provided to ensure the holistic wellbeing of employees.

Although the wellness programme has gained momentum over the years and is making visible impact, there is still room for improvement as there are small pockets of areas where OHS management is not prioritized by leadership and that could have negative unintended consequences which could see the employer being liable for medical costs due to injury, damage to property or having the department closed due to non- compliance.

3.7. Portfolio Committee

The Portfolio Committee exercises oversight over the service delivery performance of the Department. In the period under review, the Portfolio Committee convened sittings to consider the Department's 2022/23 Annual Report as well as the 2023/24 Financial Overview Report.

At the time of reporting, the Department had not received the House Resolutions following the Portfolio Committee submission of the 2022/23 Annual Report presentations. Furthermore, due to the issuing of the Provincial Treasury Instruction No 1 of 2023/24, related to Cost Containment, the Department had to revise its 2023/24 Annual Performance Plan. The revised APP was tabled before the Portfolio Committee on the 19th February 2024. On the 08th May 2023, the Portfolio Committee further considered the House Resolutions in respect of the 2021/22 Annual Report and 2022 Financial Oversight Report which were presented to the Portfolio Committee on the 15th November 2022 and 18th November 2022 respectively.

The following are the dates of the meetings.

Date	Presentation
02 May 2023	Presentation of Political, Administrative and Financial Overviews by MEC, HOD and CFO – Budget Vote 2023/24 financial year
04 May 2023	Presentation of Programmes (1-3) – Budget Vote 2023/24 financial year
31 October 2023	Presentation of MEC Political Overview (2022/23 Annual Report)
02 November 2023	Presentation of Administrative and Financial Overviews (2022/23 Annual Report)
09 November 2023	Presentation of supplementary information covering questions raised by the Portfolio Committee on the HOD and CFO Overviews – 2022/23 Annual Report
09 November 2023	Presentation by Programmes (2022/23 Annual Report) House Resolutions on the 2022/23 are awaited from the Legislature.
23 November 2023	Presentation of CFO Financial Overview (01 April-30 September 2023)
19 February 2024	Presentation of revised 2023/24 APP

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

Having presented the 2023/24 financial year Budget Vote (on the 2nd and 4th May 2023), the Department received findings and recommendations from the Portfolio Committee and these were responded to and submitted to the Portfolio Committee.

FINDINGS AND DEPARTMENT'S COMMITMENTS – 2023/24 FINANCIAL YEAR BUDGET VOTE

Programme 1: Administration

Findings	Recommendations	Departmental Response
The persistent irregular expenditure by the Department in the previous financial years on property leases makes the attainment of a 'clean' audit outcomes elusive for the Department.	With this budget, the Department must implement efficient and effective financial management systems. Furthermore, the Department must ensure that internal controls are strengthened, particularly in the management of lease agreements.	The lease portfolio has now been regularized through the NT Circular which gives delegations to the Accounting Officer. No further irregularities are anticipated. (PFMA SCM Instruction No. 03 OF 2021/22 – Signed by the Acting Chief Procurement Officer on the 31 March 2022)
The Department fails to meet the prescribed target for the employment of persons with disabilities, both at lower levels and at Senior Management Service (SMS).	The Department must provide the Committee with a clear plan indicating the timelines on how it intends to recruit people with disabilities.	The Department has approved an Employment Equity Plan 2023/24 with EE targets. The Plan is aligned with the 2023/24 Annual Recruitment Plan and has specifically identified positions earmarked for filling by people with disabilities.
The Department has started the process of populating its newly approved organogram. The process is stalled at the placement of non-SMS positions due to delicate consultations with organised labour.	The Department must continue with the process of populating and migrating from the old to the new organogram. The consultations with organised labour must be fast-tracked.	The process is continuing with no major disruptions. The person-to-post-matching process for employees from levels 2-12 was concluded on the 15th June 2023. Feedback letters were issued on the 10th July 2023. The Department Task Team will sit to consider representations provide feedback by end September 2023. Organized labour is part of the processes.
The Committee commends the Department for attaining 56 percent employment of women at SMS level, thus exceeding the prescribed employment equity targets.	The Department must ensure that more than 50 percent women at SMS level is sustained and must further ensure that measures are put in place to prevent regression.	The Department's Employment Equity Plan has identified further posts targeted for women at both MMS and SMS levels.
The Committee welcomes the departmental re-engineering that is geared towards enhancing its infrastructural development role.	The Department must ensure that the appointment of the three Chief Directors brings efficiency, improvement and better coordination in the delivery of infrastructure projects.	The implementation of the new organizational structure is contributing to the expediting of the efforts to address capacity issues in Programme 2. Positions in these directorates have been prioritized.

Programme 2: Public Works Infrastructure

Findings	Recommendations	Departmental Response
The Department continues to co-source professional services while in the past two years it has been engaged in a programme to enhance its internal capacity.	The Department must develop its internal capacity for professional services with a view to drastically reduce the utilisation of consultants by the end of this financial year (2023/24).	The Department has terminated appointment of consultants as Principal Agents and has, assigned internal Professionals as Project Managers. The Department has also developed a manual for Project Managers. However, where there is limited capacity in the districts, the Department considers the use of external service providers. This is reflected in the APP as the target of 70 external and 30 internal. This will improve with time when the Department is able to provide the full staff compliment.
The delayed transfers of project funds by client departments to the Department as the implementing agent causes delays in the completion of projects and in some instances compels the Department to use its own funds.	The Department must expedite the proposal to Presidential Infrastructure Coordinating Committee (PICC) regarding the standardisation of the Service Level Agreement (SLA) to all departments and must propose a system of tranche payments as a way of curbing delays in projects caused by late or non-payment by client departments.	The establishment of the PICC by the Hon Premier will result in better oversight and coordination of infrastructure and improve spending capability, timeous delivery and value for money.
After receiving a project to be implemented from a client department, the Department does not conduct its own independent assessment of the feasibility of the project before implementation, thus, resulting in implementation of outdated and redundant projects.	The Department must assess the feasibility of the project before implementation to avoid implementing redundant projects due to change in social conditions and the passage of time.	Before starting construction, the Department conducts the assessment of the scope against the norms and standards for educational facilities. On new projects, before DoE hands over the project to DPWI, there will be a joint assessment to confirm the current condition of the school and to align the scope to the new enrolment numbers and thereafter confirm the design.
The Departments' revenue collection initiatives and programmes are not yielding good results.	The Department must utilize the mechanisms that will ensure that the target of R79.1 million revenue is collected. Quarterly reports of the revenue collected must be submitted to the Committee.	In 2016, the DPWI approved a Revenue Management Strategy at the instruction of the EXCO, to identify superfluous properties from the state-owned property portfolio which must be used for revenue generation purposes. Three revenue generation streams were then identified comprising of long-term leases, short-term leases and leasing of the residential portfolio. The Department created a provincial Bid Book from its Immovable Asset Register which comprises 195 strategically located properties for development in partnership with the private sector. The long-term leasing process has experienced a number of challenges which have led to the Department to focus more on the other two streams (short-term leases and leasing of the residential portfolio) in the current financial year going forward. The Department is availing properties for installation of communication infrastructure and billboards, and these could generate an income of approximately R194 million over a period of 9 years 11 months. The Department has commenced the process of disposing its superfluous residential portfolio and eviction of illegal occupiers is also underway. Total collected as at end Q1 amounts to R4,525 million which exceeded the Q1 target.

Findings	Recommendations	Departmental Response
The land surveys and land audits planned for the period under review are likely to contribute to the improvement of the Departments' asset register and the enhancement of revenue collection.	The Department must expedite the roll-out of the land audits and land surveys. The Department must also ensure that the budget allocated for this purpose is utilised for it.	The target for 2023/24 financial year will be conducting 150 land surveys with R9 million budget allocated. The Department is conducting land audits across the province with R6 million budget allocated.
There is no clear plan or coherent strategy to prevent illegal occupation of state properties, illegal invasion of land as well as vacant buildings that are being vandalised.	The Department must develop a clear plan on how it intends to protect and safeguard state properties from illegal occupation, illegal invasion of land and buildings that are vandalised. This plan must be provided to the Committee.	The Department is currently conducting land audits across the Province to establish amongst others the existing tenure conditions in its portfolio.
The Department has obtained 57 eviction court orders in Mthatha. However, the eviction orders are not yet executed.	The Department must expedite the execution of the eviction orders so as to ensure that state properties are occupied by legal and lawful occupiers.	From the total of 57 orders, 36 are straight evictions. The Department has already issued eviction notices to 18 illegal tenants and the plan is to execute at least 5 evictions per month and this process is anticipated to be concluded by February 2024.
The Department has received a total of 1142 schools that are closing down as part of the Department of Education rationalisation process. It has since emerged that some of these schools have challenges relating to the ownership of the land they are built on. This has resulted in the stalling of the process aimed at finding alternative use for these facilities.	The Department, working together with the Department of Education and other critical stakeholders, must find ways to expedite the process of finding alternative uses of these facilities. Quarterly reports must be provided to the Committee on the progress realised on this matter.	Some Closed Schools have been visited by the Regions and conditional assessments were done. By September 2023 DPWI will be advertising RFI (Request for Information on the Expression of Interest) to invite the interested parties. The DPWI has identified 24 Schools with a fair condition. This will be the first batch to be advertised by end October 2023.
The Department has no alternative energy solution to mitigate the effects of load-shedding in government buildings/facilities. However, for buildings that are being refurbished and those that are at design stage, there are alternative energy solutions that the Department is exploring.	The Department must consider installing alternative energy solutions in all government buildings to mitigate against the effects of load-shedding.	The Department is exploring the possibility of moving off the grid and the Legislature and seven other state owned- buildings will be used to pilot this project. The project is still at concept stage. Also, the Department is currently in the process of appointing a service provider for the assessment of Energy Efficiency of DPWI Buildings. The draft tender document is in place and was submitted to the Bid Specification in July 2023. The document was sent back for more information that needed to be populated and it will be resubmitted end of September 2023.
The Department has no Facilities Maintenance Plan.	The Department must devise a coherent facilities maintenance plan to cater for both short and long-term maintenance.	The Department has 3-year Infrastructure Programme Improvement Plan (IPMP) and Infrastructure Programme Implementation Plan (IPIP) for the renovations, upgrades and refurbishments for DoE, DoH and other State facilities. The Department has also assessing the condition of the facilities through condition assessment reports which caters for the maintenance plan for the next 3 years. However, the Department is unable to fully implement the maintenance plan due to insufficient budget.

Findings	Recommendations	Departmental Response
The Prestige portfolio houses are not properly maintained and when work is carried out there is no proper supervision at the houses, it is often of poor quality. As a response, the Department is launching a call centre for reporting of complaints on this portfolio.	The Committee notes the development of a call tracking logging system that will enable it to monitor all faults logged by prestige clients. However, the Department must ensure that the Prestige Portfolio houses are properly maintained, supervised and any maintenance work done is of high standard.	The Department completed the upgrading of 8 houses in the Ministerial Complex in the 2022/23 financial years and these were of satisfactory workmanship. In the current budget, the Department has planned to upgrade 12 prestige portfolio houses, of these houses, 3 are outside the ministerial complex. The project is at award stages and appointment is expected before the end of September. Through the call tracking logging system, the Department is able to attend to day–to-day maintenance issues that are being logged by the Prestige clients.
The Committee is concerned about the Bhisho Office Precinct project that has long been in the pipeline; the Committee was informed that the matter is still at procurement stage with Interim Bid Adjudication Committee. It is clear that the Bhisho Office Precinct will not be delivered in this sixth term of government.	The Department must, as a matter urgency, follow-up with the Provincial Treasury Interim Bid Adjudication Committee (IBAC) to ascertain the causes of delays in the finalization of the procurement processes relating to the Bhisho Office Precinct. The Department must provide a written comprehensive report on the obstacles and a plan to overcome them in delivering this project.	The Department and the Transaction Advisor is in the process of finalizing a progress report on the outcome of the bid process to National Treasury for Treasury Approval IIB (TA IIB). It is envisaged that this report will be submitted in the 2nd week of August 2023 to National Treasury.

Programme 3: Expanded Public Works Programme

Findings	Recommendations	Departmental Response
In 2021/22 and 2022/23 financial years the Department reached its target on the number of work opportunities created. However, it did not reach the target for Full Time Equivalent (FTE) that would have made it to qualify for an increase, the grant is instead reduced.	The Department must implement programmes that will make it qualify for an increase in grant funding. A detailed plan on how it will implement these programmes must be submitted to the Committee.	The Department has a plan to increase the number of days worked by participants and the number of participants reported in our EPWP-Reporting System. Furthermore, the Department will explore other job creation initiatives with the view to increase the EPWP Grant.
The Expanded Public Works Programme (EPWP) participants are employed on temporary basis and are working for three days a week. This system of work promotes casualisation of workers.	The Department must explore the feasibility of budgeting for permanent employment of EPWP participants and increasing the working days from three to five days a week. A detailed report in this regard must be furnished to the Committee.	The Department is emphatic on the training and development of the EPWP participants as part of enhancing their chances of employability after they exit the programmes. Furthermore, there is a clear exit plan for the participants in each programme. In areas where there are available Departmental positions for employment, the Department will follow processes to ensure that EPWP participants are appointed on a permanent basis.

General Findings

Findings	Recommendations	Departmental Response
The communications' function in the Office of the MEC is not adequately executed to ensure that departmental messaging reaches far and wide.	The Office of the MEC must devise a Communication Strategy that will encompass utilization of print media and social media platforms to enhance departmental messaging.	OMECs Communication Strategy that is encompassing the utilization of print, radio, electronic and social media platforms to enhance Departmental programmes was drafted by the Department Communications Services Unit as per the house previous findings and recommendations. The Department Communication Strategy together with Communications Plan for the financial year was drafted in line with the Government Communications Information Systems (GCIS). The Communication Strategy and is still awaiting approval. Communications Services Unit had no Director and no one is appointed to act in the position hence the delay in approval of the Strategy. It is worth reporting that the MEC together with Communication Services Unit function is adequately executed and has made strides in ensuring that the Departmental programmes reached far and wide, and this is measured by the growth of followers and following in our Social Media platforms both of the Department, the MEC's official page and enquiries through the Dpartment Customer Business line.
The Committee welcomes the establishment of the Premier's Infrastructure Coordinating Council (PICC) as an overarching provincial structure to coordinate infrastructure development initiatives in the province.	The Department, together with all other Departments forming part of the PICC, must ensure that the structure is effectively utilised to solidify provincial response to infrastructure development driven with the new establishment of Department of Public Works & Infrastructure (DPWI).	The T-PICC has been activated and convened in June leading to close monitoring of the performance of the targeted departments. Intervention and recovery plans with time-frames have been developed and will be monitored monthly on identified areas of underperformance. A report was presented to the first PICC meeting which sat on the 28 June 2023.

Subsequent to the presentation of the 2022/23 Annual Report and Financial Oversight Report for 2023/24, the Portfolio Committee requested further information. The information was submitted as Supplementary reports. The reports were adopted by the Portfolio Committee and presented to the House. As at end March 2024, the Department has not received final House Resolutions to enable departmental responses.

3.8 SCOPA Resolutions

There were no meetings held for SCOPA in the year under review, however, request for information were made as follows:

- 12 June 2023 – This date indicates the date for the request for information. There was no formal sitting of the Committee and the Department. The Committee requested the submission as information as it was conducting oversight visits to Ex-Mary Theresa Hospital offices and Mqanduli Offices. The visits were conducted on the 19th and 20th October 2023 respectively;
- 11 July 2023 – The Committee requested further information on infrastructure projects and these were submitted. There was no meeting;
- 14 September 2023 – The Committee requested written submission on the 2022/23 Audit Report. Submission was made, and the meeting to consider the submission sat on the 15th February 2024;
- 22 September 2023 – On this date, the Committee sent a letter requesting information on rented office accommodation and it was submitted; and
- 15 February 2024 – The Committee sat to consider the 2022/23 Audit Report for the financial year ending 31 March 2023.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/ No)
1	Request for written submission.	Enquiry on: Ex-Mary Theresa Hospital Offices Construction of Mqanduli Office Accommodation	Response provided to SCOPA	Yes
2	Request for written submission.	Enquiry on: SCOPA report on infrastructure projects oversight	Response provided to SCOPA	Yes
3	Response to SCOPA questions.	Request for responses on the 2022/23 Audit Report	Response provided to SCOPA	Yes
4	Request for written submission.	Enquiry on: Rented Office Accommodation	Response provided to SCOPA	Yes
5	Request for written submission	Enquiry on: AG findings – Vote 5- for financial year ended 31 March 2023	Response provided to SCOPA	Yes

QUESTIONS BY THE STANDING COMMITTEE ON PUBLIC ACCOUNTS TO THE ACCOUNTING OFFICER FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2023

Department of Public Works - Unqualified with Findings audit Outcome

Date issued to the Department for response: 14 September 2023

Question 1 – Material Impairments – Accrued departmental revenue	
Audit Report/finding Paragraph 7	Accrued departmental revenue of R211, 2 million (2021/22: R184, 7 million) is disclosed in note 20 to the financial statements. This amount is impaired by R137 million (2021/22: R132, 5 million), as disclosed in note 20.3 to the financial statements. This is a recurring finding.
Question by the Committee	**1.1 The Department committed to amending the current policy to be work shopped and implemented by November 2022. How far is the Department with this process?** Response: The Department started by drafting and approving a Debt settlement incentive scheme (25 March 2021). The current revenue and debt policy was presented, workshopped and adopted on 7 July 2021. Please note there were no further amendments made.
	1.2. Have the changes to the policy yielded any results? If not what are the reasons? Response: The adopted policy has ensured that accrued revenue and impairment are accurately disclosed but has not assisted in reducing the debt balance. The Department is now embarking on the following to further reduce the impairment: a. Validity of prescribing debt (legal process) b. Residential portfolio disposal.

Question 1 – Material Impairments – Accrued departmental revenue	
	The following weakness were identified by the Auditor General in the interventions proposed by the Department to address this problem in the previous year and the Department committed to reviewing them: - No Business case was in place to determine how the system will fully work and assist the department. - Data migration from old system (Data/information) to new system was not possible or agreed. - The New system in place does not cater or have all revenue information for accuracy, reliability and completeness. - Lease register not agreeing with number of debtors in the system. - Interest configuration not applied or captured on the system (Department relies on Manual calculation). - Recalculation of revenue on the system is not possible (Department relies on Manual calculation). You are requested to advise this committee how each of the interventions were revised and rectified? Response: a. No Business case was in place to determine how the system will fully work and assist the Department. The Department communicated to the National Department of Public Works to participate in their contract where the business case has been developed. b. Data migration from old system (Data/information) to new system was not possible or agreed. Data migration will be managed and monitored by the Information and Communication Technology directorate when the National Department's system is implemented. c. The New system in place does not cater or have all revenue information for accuracy, reliability and completeness. The observation is agreed with, the new system (Pastel) is not a tenant-specific system. The Auditor-General did express an unqualified opinion on the completeness and accuracy of debtor and impairment disclosures. The Department is anticipating that the National Department of Public Works system will cater for all revenue information. d. Lease register not agreeing with number of debtors in the system. The lease register is a database of properties leased out and will not be equal to the number of debtors on the system. The system includes former tenants who no longer occupy state properties but still reflect unpaid debt. e. Interest configuration not applied or captured on the system (Department relies on Manual calculation). The current system does require a manual input of interest per debtor. The National Department system calculates interest automatically. Please note that the Auditor-General expressed their comfort around the accuracy of the manual calculation. f. Recalculation of revenue on the system is not possible (Department relies on Manual calculation). The observation is agreed with, the new system (Pastel) is not a tenant-specific system. The Auditor-General did express an unqualified opinion on the completeness and accuracy of revenue, debtor and impairment disclosures.

<table>
<tr><th colspan="3">Question 1 – Material Impairments – Accrued departmental revenue</th></tr>
<tr><td></td><td colspan="2">1.3 The Department had in the previous year commissioned a Debt collection company to trace and collect unpaid debts. Please appraise this committee on the extent to which this service has assisted.

Response:

The debt collector service provider did assist the Department in collecting debt but the results in terms of the total debt book were minimal and immaterial. The tenants continued to dispute outstanding debt and interest. The total debt collected by the service provider is R746 188.61 (total rental debt book R155.4m).</td></tr>
<tr><td></td><td colspan="2">1.4 Has the Department started with the process of evictions as previously committed? If not please provide reasons.

Response:

The process of evictions has commenced in the O.R. Tambo District. There are currently 18 eviction orders in place. The Department took an approach to source a new tenant before eviction is affected, to avoid additional security costs. The Department has recruited 3 new tenants and those 3 eviction orders can be executed.</td></tr>
<tr><td rowspan="4">Response from Department</td><td>Response</td><td>Please refer above.</td></tr>
<tr><td>Root Cause</td><td>What is the underlying cause of the occurrence?

Response:
The Information and Communication Technology Directorate were not part of the procurement of the current system which resulted in the Department incurring control findings (including non-compliance to ICT policy) from the Auditor-General.</td></tr>
<tr><td>Corrective actions</td><td>What actions has the department taken to rectify the matter as well as the underlying root cause?

Response:
- The acquisition of the National Department system is to be concluded by 31 January 2024 which means the Department will still utilize the current system for the current year audit.
- Further debt write-offs for untraceable and uneconomical debtors which will reduce the impairment.
- The Department is also working with the legal department to implement prescription of debt procedures.
- The Department has initiated the disposal of the residential portfolio.</td></tr>
<tr><td>Time line:</td><td>When will the corrective action be implemented?

Response: 31 January 2024.</td></tr>
<tr><td>Comments by Internal Audit and Audit Committee</td><td colspan="2">Internal Audit reviewed the responses for validity and verified the portfolio of evidence.</td></tr>
<tr><td>AGSA Evaluation of response from department</td><td colspan="2"></td></tr>
</table>

QUESTIONS BY THE STANDING COMMITTEE ON PUBLIC ACCOUNTS TO THE ACCOUNTING OFFICER FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2023

Department of Public Works	
Question 2 – Irregular Expenditure	
Audit Report/finding Paragraph 8 & 31	Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R142, 5 million as disclosed in note 21 to the financial statements, as required by section 38 (1) (c) (ii) of the PFMA and Treasury regulation 9.1.1. The majority of the irregular expenditure disclosed in the financial statement was caused by non-compliance with the supply chain management regulations, extensions of leases without following procurement processes, variation orders not approved, payment of expired contracts and awarded bidder that did not declare on SBD4 form. This is a recurring finding.
Question by the Committee	2.1 The Department committed in the previous year to making the following interventions to manage recurrence of this finding and strengthen the control environment. - Appointment of project managers; - Constant monitoring of the procurement plan; and - Set a standard number of bids to be evaluated per day to relieve pressure from committee members **Please provide this committee with reasons why the commitments were not implemented and action taken?** Response: - The Department appointed 4 Project Managers and now has 13 project managers in total to manage Public Works and client Department projects. The additional project managers have improved the control environment as no irregular expenditure was incurred to date in the current financial year. - The procurement plan is now monitored at Departmental Executive Management level and also Sub Cabinet Budget Committee level. The Department has not incurred irregular expenditure as a result of implementing the procurement plan. - The compliance unit is reviewing on an ad-hoc basis quotations before the Director: Supply Chain Management approves. In addition, internal audit reviews all bids before the Accounting Officer approves.
	2.2 The Committee must be provided with proof of consequence management taken against all officials responsible for non-compliance with SCM regulations - Extension of leases without following procurement processes; - Variation orders not approved; and - Payment of expired contracts and awarded bidder that did not declare on SBD4 form. **Response:** Through the Labour Relations Unit, implicated officials were processed with various sanctions.
	2.3 Why did the Compliance Unit not assess all procurement transactions before approval? What action has the Department taken against officials who have failed to reach targets in their area of performance Response: The Compliance Unit only has two officials and cannot review all transactions prior to procurement. The Department incurred one incident (out of 7 864 transactions) of irregular expenditure directly relating to Supply Chain Management.

Department of Public Works		
Question 2 – Irregular Expenditure		
Response from Department	Response	Please refer above.
	Root Cause	**What is the underlying cause of the occurrence?** Response: - Extension of leases without proper delegations; and - Variation orders not approved before payment.
	Corrective actions	**What actions has the department taken to rectify the matter as well as the underlying root cause?** Response: - The Provincial Treasury issued the delegation to the Accounting Officer to extend leases. The Department will not incur any irregular expenditure on the lease portfolio. The Department does not process a variation order payment unless the Variation Order Committee, Chief Fnancial Officer and Accounting Officer approves the variation.
	Time line:	**When will the corrective action be implemented?** Response: - Delegation implemented; and - Variation Order Committee is active.
Comments by Internal Audit and Audit Committee	Internal audit reviewed the responses for validity and verified the portfolio of evidence.	
AGSA Evaluation of response from department		

QUESTIONS BY THE STANDING COMMITTEE ON PUBLIC ACCOUNTS TO THE ACCOUNTING OFFICER FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2023

Department of Public Works

Question 3 - Procurement and contract management	
Audit Report/finding Paragraph 32 and 33	Some of the deviations and procurement by other means are not provided for in the SCM policy and /or are not in line with the circumstances stated in the SCM policy and /or are not in line with the circumstances stated in the SCM policy under which the procurement can occur, as required by PFMA instructions note 3 of 2021-22 paragraph 4.3 and 4.4© Some of the deviation process followed in respect of identifying prospective suppliers are not in line with the process prescribed in the departments SCM policy, as required by PFMA instruction note 3 of 2021-22 paragraph 4.4(d)
Question by the Committee	**3.1 Could you please explain why there were instances where procurement happened differently from what's stated in the SCM policy?** Response: The Department incurred two SCM policy transgressions: a. Urgent procurement of working tools for the EPWP prestige maintenance teams. The Department could not provide evidence of a market analysis performed (phone calls to hardware stores). The Auditor-General did not accept the Department representation letter. b. Sole supplier procurement (Risk directorate conference) performed without obtaining a confirmation letter from the service provider that they are indeed the sole supplier. The Auditor-General did not accept the Department representation letter. **What measures does the department have in place to ensure that deviations in procurement processes are properly recorded and justified as required by PFMA instructions?** Response: The Department has developed a template to guide the approval process of all types of deviations. This will assist officials in ensuring that the steps for the approval process are followed to the end.
	3.2 How does the department intend to change this organisational culture and maximise accountability? Response: The Department has developed a deviation template to enforce compliance to all types of deviations. This template will be communicated to all affected officials. Subsequently, all future transgressions relating to deviations will be dealt with through consequence management.
	3.3 Can you give us information about any steps taken by the department to address deviations, from procurement procedures to ensure compliance with policies and regulations? Response: The Department has developed a template to guide the approval process of all types of deviations. This will assist officials in ensuring that the steps for the approval process is followed to the end. The Committee must be furnished with a proof of consequence management instigated against officials who failed to comply with Supply Chain Management legislations? Response: Consequence management against the affected officials have not been finalised. The Committee will be provided with evidence when the consequence management has been concluded.

<table>
<tr><th colspan="3">Question 3 - Procurement and contract management</th></tr>
<tr><td></td><td colspan="2">2.4. Are there any plans to review or update the SCM policy considering the deviations? If yes, what actions are being taken to align it with the requirements outlined in PFMA instruction note 3 of 2021 22?

Response:

Yes, the policy is under review and all instruction notes are considered. However, as deviations are an emerging SCM risk to the Department, we have now designed the deviation template.</td></tr>
<tr><td rowspan="4">Response from Department</td><td>Response</td><td>Please refer above.</td></tr>
<tr><td>Root Cause</td><td>What is the underlying cause of the occurrence?

Response:

a. Weaknesses in the process of managing and recording the approval process for deviations.</td></tr>
<tr><td>Corrective actions</td><td>What actions has the department taken to rectify the matter as well as the underlying root cause?

Response:

a. The Department has developed a template to guide the approval process of all types of deviations;

b. The Department is reviewing the SCM policy to cater for deviation recording; and.

c. Training of SCM officials on implementing and utilising the deviation template.</td></tr>
<tr><td>Time line:</td><td>When will the corrective action be implemented?

Response:

31 October 2023.</td></tr>
<tr><td>Comments by Internal Audit and Audit Committee</td><td colspan="2">Internal audit reviewed the responses for validity and verified the portfolio of evidence.</td></tr>
<tr><td>AGSA Evaluation of response from department</td><td colspan="2"></td></tr>
</table>

QUESTIONS BY THE STANDING COMMITTEE ON PUBLIC ACCOUNTS TO THE ACCOUNTING OFFICER FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2023

Department of Public Works

Question 4 – Internal Control deficiencies	
Audit Report/finding Paragraph 40 - 41	Management did not prepare accurate and complete financial and performance reports that are supported and evidenced by reliable information due daily and monthly financial disciplines not adhered to and a lack of coordination between directorates involved in collating and reporting on performance.
Question by the Committee	**4.1. Can the department provide a timeline for implementing corrective actions and improvements to prevent similar issues in the future, and how will progress be monitored and reported to the oversight committee?** Response: The Department has developed an Audit Improvement Plan (AIP) as a mechanism to implement actions that will address the Auditor-General's findings. The AIP is monitored by the Internal Control Unit and is presented monthly to the In-Year-Monitoring Committee, the Executive Management Committee (EXMA), reviewed by the Internal Audit Unit and submitted to Provincial Treasury.
	4.2. What measures or controls does the department have in place to verify the accuracy and completeness of financial and performance data before it is reported? Response: The Department has revived Operation Qwalasela to monitor progress on the implementation of infrastructure projects. The Monitoring and Evaluation Directorate (M&E) provides a level of assurance on the performance data and gives regular feedback to Programmes. However, the assurance provided by the M&E Directorate needs to be strengthened through the development of a Standard Operation Procedure (SOP) so as to align the accuracy and completeness of performance information between Head Office and Districts.
	4.3. Can the department explain the nature and extent of the lack of coordination between directorates involved in collating and reporting on performance that was identified in the audit? Response: The nature and extent of lack of coordination between directorates relates to the understatement of reported contractors that were supported under the Integrated Contractor Development Programme (ICDP). The Auditor-General detected nine (9) contractors that were not included in the listing that supports the Annual Performance Report for Programme 3. Also, the lack of coordination between directorates was seen in the understatement of new construction projects completed under the Department of Education Portfolio as four projects were not included in the listing that supports the Annual Performance Report for Programme 2. Lastly, there was an understatement of the number of facilities provided. The Auditor-General found that selected allocation letters from the 350 facilities could not be traced back to the listing provided. This amounted to four facilities provided. The Department will perform the following functions to strengthen the performance information control environment: Convene quarterly sessions to ensure that all contractors awarded projects under ICDP are reported. - Report all project renovations done even if they are not planned in the financial year under review. This will be done through a reconciliation of contract registers and the listing of projects completed. - Coordinate submission of variation orders through districts. Variation orders revising the completion dates of projects will be approved in district offices. The contract register will be updated to align with the revised completion dates.

Question 4 – Internal Control deficiencies		
	4.4. Are there any resource constraints or organizational challenges that may have contributed to the issues identified in the audit, and how does the department plan to address these challenges? Response: Yes, the Department will prioriitize posts to augment capacity challenges. The process of implementing the new organisational structure is currently being done through the Annual Recruitment Plan (ARP).	
Response from Department	Response	Please refer above.
	Root Cause	- Lack of coordination between programmes; - Inaccurate and incomplete performance report submitted; - Misstatements of the reported performance; - Inaccurate reporting on status of projects; and - Lack of reconciliation of information at hand with listings used for reporting purposes.
	Corrective actions	The corrective actions are contained in the departmental Audit Improvement Plan.
	Time line:	When will the corrective action be implemented? During 2023/24 financial year and overall completed by 31 March 2024.
Comments by Internal Audit and Audit Committee	Internal audit reviewed the responses for validity and verified the portfolio of evidence.	
AGSA Evaluation of response from department		

QUESTIONS BY THE STANDING COMMITTEE ON PUBLIC ACCOUNTS TO THE ACCOUNTING OFFICER FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2023

Department of Public Works	
Question 5 - Infrastructure projects	
Audit Report/finding Paragraph	A few key projects were sampled and audited and significant findings were identified on some of the key projects, the following two key projects and two buildings for condition of assessment were selected for audit:
Question by the Committee	Ex-Mary Theresa Hospital Offices: Renovations, Alteration & Additions **5.1.1 Why was the project undertaken with no feasibility study conducted?** **5.1.2 Why was the project not monitored for quality assurance? How will the Department address the quality issues relating to quality be rectified?** **5.1.3 Please provide this committee with evidence of consequence management against officials of the Department who failed to maintain proper records and were responsible for the poor management and monitoring of the project?** Response: **5.1.1 Why was the project undertaken with no feasibility study conducted?** The project was based on renovating an existing building (old hospital building) and be repurposed for office accommodation. A detailed feasibility study could not be produced at the time of the audit. At the time of the audit, only the client needs analysis was submitted. By the time (28 September 2023) the Department is sourcing the feasibility from the appointed consultants. **5.1.2 Why was the project not monitored for quality assurance? How will the Department address the quality issues relating to quality be rectified?** This project was initiated in 2016 and practical completion was issued in July 2020. It is then when the defective liability period started. Final completion was issued in October 2021. The project was monitored throughout the construction and defects liability (retention) period. The workmanship was certified by the professional service provider through technical site visits and issued technical reports to this effect. However, by year 2023 (when the Auditor-General visited the site), the Department has not implemented the preventative maintenance plan. This implementation would have avoided the defects detected by the Auditor-General verification. The Department's new district organisational structure now makes provision for a technical directorate which plays the quality control role in all projects. **5.1.3 Please provide this committee with evidence of consequence management against officials of the Department who failed to maintain proper records and were responsible for the poor management and monitoring of the project?** Response: This project was initiated on 29 August 2016 and was completed on 20 October 2021. The Department has not instituted consequence management as disciplinary action; however, the Department is in the process of implementing an Electronic Document Management System (EDRMS). This system will be information repository system to interface with the Infrastructure Project Management System (IPMS).

Question 5 - Infrastructure projects		
Response from Department	Response	Please refer above.
	Root Cause	Response: - Absence of a project management electronic system and an electronic document and record system - Not implementing a preventative maintenance plan.
	Corrective actions	Response: - The Department is developing an IPMS that will be utilized by all Project Managers to ensure that project files are recorded electronically in the electronic document and records management system (EDRMS).
	Time line:	When will the corrective action be implemented. Response: 1 April 2024.
Comments by Internal Audit and Audit Committee	Internal audit reviewed the responses for validity and verified the portfolio of evidence.	
AGSA Evaluation of response from department		

3.9 Prior modifications to audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter*
Unqualified with matters of emphasis on: • Opening balance: Irregular expenditure to an amount of R1, 120 billion.	Before 2015/16	• Irregular expenditure cases have been investigated and consequence management has been applied to transgressors. This resulted to an amount of R575 million to be condoned by Provincial Treasury and the Accounting Officer. • Movements during the year: Invalid R14.8 million and Additions R5.2 million. Closing balance R535 million.
• Material impairment- accrued departmental revenue	2019/20	• Monthly reconciliations are performed to address the matter.

3.10 Internal Control Unit

3.10.1 Oversight and Assurance

Managed 2022/23 external audit for the Department and sister Departments, with a total of 147 RFIs and 62 COAFs as follows:

Number	Department	No. of RFIs	No. of COAFs
1	Public Works & Infrastructure	106	49
2	Health	26	8
3	Education	12	5
4	Social Development	3	0
Total		**147**	**62**

Facilitated the development and monitored implementation of the 2022/23 external audit improvement plan on a monthly basis.

3.10.2 Governance

Twenty-four (24) policies have been facilitated for review, of which fourteen (14) of them have been approved and ten (10) still on-route for HoD's approval.

Approved Policies

Number	Policy Description	Approval Date
1	External Bursary Policy	29-Feb-24
2	Internal Bursary Policy	29-Feb-24
3	PMDS Policy	29-Feb-24
4	Recruitment and Selection Policy	29-Feb-24
5	Sexual / Workplace Harassment Policy	22-May-23
6	Data Breach Management Policy	06-Mar-24
7	ICT Management Framework	11-Mar-24
8	Records Management Policy	10-Aug-23
9	Whistle Blowing Policy	01-Jul-23
10	Gift Policy	01-Jul-23
11	Ethics and Conflict of Interest	01-Jul-23
12	Investigation Policy	01-Jul-23
13	APTCoD Policy	06-Mar-24
14	Anti- Fraud & Corruption	01-Jul-23

Policies awaiting for approval as at 31 March 2024

Number	Policy Description	Status	
		Awaiting HOD's Approval	Reverse for Further refinement
1	Mobile Communication Service Policy	a	
2	Policy on Fixed line Telephone	a	
3	Departmental Policy on Overtime	a	
4	Substance Abuse Policy	a	
5	Budget Policy	a	
6	Financial Delegations	a	
7	Internal Control Policy	a	
8	Integrated Contractor Development Programme (ICDP) Policy		a
9	Parking Policy	a	
10	Outdoor advertising on state owned	a	

3.10.3 Pre-Audit

2023/24 Number of pre-audited documents at Head Office only

Number	Description	Total Number
1	Pre-Audited Orders	1 795
2	Pre-Audited Payments	4 820
3	Irregular, Fruitless and Wasteful Expenditure Detected	62
4	Rejected documents with errors	154

3.10.4 Loss Control

Asset Losses Investigations

Office		Number of Investigated cases	Value	Status		
				Under Investigation	Awaiting Loss Control Committee sitting / HOD Approval	Finalised
Head Office	Laptops	10	41,541	3	4	3
	Vehicle	1	Awaiting Government Garage	1	0	0
Amathole Region	Laptop	1	24,569	0	0	1
Joe Gqabi	Vehicle	3	105,224	0	0	3
Chris Hani Region	Vehicle	8	32,297	6	2	0
	Laptop	2	15,829	0	0	2
	Other	3	15,079	2	1	0
Sarah Baarman	Vehicle	1	6,291	0	1	0
Total			**240 828**			

Status of Investigations: Irregular Expenditure

Irregular Expenditure Balance

Irregular expenditure	Amount	No of cases
Opening balance 1 April 2023	1,120,011,000	3,073
Additions - 2023/24 financial year	5,201,272	10
Less: Condonations (R451,263,072+R124,138,743)	(530,124,535)	(1194)
Less: Invalidated transactions (R6,005,062+R5,017,447+R3,753,621)	(14,776,130)	(30)
Balance as at 31 March 2024	**580,311,607**	**1,859**

Application for Condonation

Application for condonation was made to Provincial Treasury for R419 million and R124 million to the Accounting Officer after investigations and effecting consequence management.

Breakdown

Application	Amount	Status
Leases	297 017 838	Approved in March 2024
Non-compliance with SCM	13 397 213	Still with PT
Roads	22 769 158	Approved in October 2023
Single source and overpayments	76 662 672	Still with PT
Security services	9 535 924	Still with PT
Total applications submitted to PT	**419 382 805**	
Less: Condonation approval by PT	(405 985 592)	
Still with PT	**13 397 213**	
Impracticability approval by Accounting Officer	124 138 743	
Total Condonations	**530 124 535**	

Fruitless and Wasteful expenditure

Fruitless and Wasteful expenditure Balance

Fruitless and wasteful expenditure	
Amount as per AFS on 1 April 2023	288,000
Additions	621,923
Less - Movements (recoveries, write offs and transfers to receivables etc.)	(607,639)
Balance as at 31 March 2024	302,284

Movements

Description/ classification	Number of cases	Amount
Written Off	1	497 270
Recoveries	1	5 141
Invalid	2	105 029
Total	4	607 639

3.11 Internal Audit and Audit Committees

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

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

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

Implementation of the approved operational and annual internal audit coverage plans.

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

Summary of internal audit work done during 2023/24 financial year is as follows:

Audit Assignments Completed Per Programme		
Programme	**Nature**	**Centres covered**
Corporate Management	Follow-up audit – 2022 Issues	Amathole, Buffalo City Metro, Joe Gqabi and OR Tambo
	Risk based audit	Alfred Nzo, Chris Hani, and Nelson Mandela Metro and Sarah Baartman,
Expanded Public Works Programme	Follow-up audit – 2022 Issues	Head Office, Alfred Nzo, and Sarah Baartman
	Risk based audit	Conditional Grant – Expanded Public Works Incentive Grant – Head Office, Alfred Nzo, and Joe Gqabi
	Risk based audit	Head Office; Amathole, Buffalo City Metro, Chris Hani, and OR Tambo
Facilities and Security Management	Consulting	Head Office – Prestige Portfolio
	Risk based audit	Head Office, Alfred Nzo, Chris Hani, Joe Gqabi, OR Tambo,
Financial Services / Office of the Chief Financial Officer	Risk based audit	Head Office, Chris Hani, Joe Gqabi, OR Tambo, and Sarah Baartman

Audit Assignments Completed Per Programme		
Programme	**Nature**	**Centres covered**
Immovable Assets Management	Consulting	Review of the immovable assets register – Head Office
	Risk based audit	Head Office
Strategy and Systems	Risk based audit	Head Office
Public Works Infrastructure – Health Portfolio	Risk based audit	Head Office, Chris Hani, Joe Gqabi, and OR Tambo
Public Works Infrastructure – Public Works and Other	Risk based audit	Head Office, Amathole, Buffalo City Metro, Chris Hani, Joe Gqabi, Nelson Mandela Metro, OR Tambo, Sarah Baartman
Other Completed Internal Audit Assignments		
Audit Improvement Plan, and Lease Revenue and Property Maintenance		
• Review of the Draft Audit Improvement Plan		• Quarterly Reviews of Lease Revenue and Property Maintenance - Controls Review 1st Quarter - Controls Review 3rd Quarter
Periodical Supply Chain Management Controls Reviews and Irregular Expenditure		
• Classification of Irregular Expenditure • Applications to relevant bodies for Condonement of Irregular Expenditure		• Quarterly SCM Controls Reviews - SCM Controls Reviews 1st Quarter - SCM Controls Reviews 3rd Quarter
Periodical Financial and Performance Reporting		
• Draft annual financial statements for the 2022/23 financial year • Review of interim financial statements before submission to Provincial Treasury - 2023/24 2nd quarter interim financial statements - 2023/24 3rd quarter interim financial statements • Draft annual report for the 2022/23 financial year • Draft annual performance plan for the 2024/25 financial year		• Review of periodical performance reports before submission to the Department of Planning, Monitoring, and Evaluation - 2022/23 4th Quarter Performance Report - 2023/24 1st Quarter Performance Report - 2023/24 2nd Quarter Performance Report - 2023/24 3rd Quarter Performance Report
Information and Communications Technology		
• ICT Risk Assessment in line with the adoption of the DPSA Determination Directive on Cloud Computing		• Review of the ICT Security Policy in line / to align with the 2023 DPSA ICT Policy Governance Framework • Network Vulnerability Testing
Other		
• Office of the Head of the Department Governance • Risk, Anti-Corruption and Integrity Management		• Transfer payments and leave gratuities • Certification of the Documents Disposal Process – Five (5) assignments at three (3) districts

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

Quality Assurance and Improvement Programme

The Internal Audit activity of the Department has and maintains a quality assurance and improvement programme, in line with the International Standards for the Professional Practice of Internal Auditing.

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

An external quality assurance review was completed in March 2022. The Department obtained a “General Conformance” rating.

The Internal Audit activity reports to the Audit Committee on the status of implementation of quality improvement actions that were identified by both the external and internal quality reviews.

Interaction with the Audit Committee

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

The Audit Committee reviewed and approved the Internal Audit Charter, Internal Audit Methodology, and the Internal Audit three-year rolling plan, and the annual operational and coverage plan for the 2023/24 financial year.

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

The Chief Audit Executive, who is also the Head of the Audit Committee secretarial services, attended all meetings of the Audit Committee as a standing invitee. All minutes and resolutions of the Audit Committee were drafted and presented for approval and subsequently monitored for implementation.

Key activities and objectives of the Audit Committee

The objective of the Audit Committee is to oversee and advise management and the Member of the Executive Council on, and oversee the following:

- Audit matters (both internal and external audit);
- Financial and performance planning, monitoring and reporting;
- Management of overall internal control environment;
- Management of risk and ethics;
- Information and Communication Technology Governance arrangements; and
- The Department’s process of monitoring compliance with laws and regulations.

The Audit Committee has overseen all matters listed above and has held two (2) meetings with the Member of the Executive Council to report their observations in executing their responsibilities. The meetings with the Member of the Executive Council were, as far as possible, preceded by closed meetings with the Chief Audit Executive, the Head of the Department and the Auditor General.

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

Name	Qualifications	Initially appointed	Appointment renewed	Appointment terminated	Meetings attended
Ms. P. Ntisana (Chairperson) ****	Chartered Accountant	May 2021	Not applicable	Not applicable	07 / 08
Mr. S. Dibate (Member) *	Master of the Built Environment (MBE) Postgraduate Diploma in Property Development and Management B Tech degree in Quantity Surveying National Diploma in Buildings	February 2017	February 2020	30 September 2023	04 / 08*
Mr. M. Mbambisa (Member) ****	Post Graduate Diploma in Business Management Certificate of Management Studies Executive Leadership Development Programme Certificate Programme in Management Development – Municipal Finance Bachelor of Science in Civil Engineering Bachelor of Science 0majoring in Chemistry and Zoology	May 2021	Not applicable	Not applicable	08 / 08
Ms. V. S. L. Ntsodo-Boyce (Member)	Chartered Accountant	October 2023	Not applicable	Not applicable	00 / 03**
Mr. D. Padayachy (Member) ***	Information Technology Management for Government Executive Development Programme Post Graduate Diploma in Education Bachelor of Science	July 2019	August 2022	Not applicable	08 / 08
Advocate S. G. Poswa (Member)	B Iuris and LLB Certificate in Advanced Labour Law	October 2023	Not applicable	Not applicable	01 /03**

* The members' eligibility for DPWI Audit Committee service expired on 30 September 2023.

** The member was appointed in October 2023.

*** The member is also the Chairperson of the Information and Communications Technology Governance Committee and was appointed on 27 August 2024 to be the Acting Chairperson of the Audit Committee

**** The members' eligibility for DPWI Audit Committee service expired on 31 May 2024.

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

Risk Management

The Department has established a Risk and Ethics Management Committee (REMC) which is chaired by an independent Chairperson who attends and reports in all Audit Committee meetings. This has had a positive impact on the monitoring of risk management by the Audit Committee. The Audit Committee endorsed the approval of the REMC Charter which is reviewed annually. The Charter guided and assisted the REMC in fulfilling their responsibility. The REMC reviewed and recommended the relevant Risk Anti-corruption and Integrity Management (RAIM) policies, plans, and risk registers for approval.

3.12 Audit Committee Report

The Audit Committee is pleased to present its report for the financial year ended 31 March 2024. The Audit 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.

Effectiveness of internal control systems

Our opinion on the effectiveness of internal control systems; based on management, internal audit, and risk management reports; is that the internal control systems of the Department are improving. However, these internal control systems have not yet fully matured, and thus not fully effective.

The Audit Committee has made recommendations to management regarding further improvements to drive these internal control systems to better maturity levels.

Internal audit

The risk based internal audit annual coverage plan, that was reviewed and approved by the Audit Committee at the beginning of the financial year, was comprehensively implemented. Progress on the implementation of the approved audit plan and the results of the audits performed were presented to the Audit Committee.

Audits of the following areas were completed:

- Corporate Management, Expanded Public Works Programme, Facilities and Security Management, Financial Management (including Irregular Expenditure Management, Governance and Risk Management, Lease Revenue, Supply Chain Management), Immovable Asset Management, Public Works Infrastructure; and
- Reviews of quarterly interim financial statements and performance reports, draft annual financial statements and annual performance reports.

Internal control weaknesses were identified in some of the auditable areas listed above, and recommendations for improvement were presented to, and discussed with programme managers and also reported to the Audit Committee.

In-year management and quarterly reports

The Department reported financial and performance information quarterly to the Provincial Treasury, Office of the Premier, and the Department of Planning, Monitoring and Evaluation. The Department has improved the quality of reporting in the current financial year. However, there were instances where the portfolio of evidence submitted to support reported performance was not adequate.

Evaluation of the unaudited annual financial statements and performance report

The Audit Committee reviewed the Annual Financial Statements (AFS) and the Annual Report on Predetermined Objectives (PDO) for the year ended 31 March 2024. The review took the following matters into consideration:

- The unaudited annual financial statements and the unaudited annual performance report that will be included in the unaudited annual report;
- The quality and timeliness of the financial and performance information availed to the Audit Committee for the purposes of oversight purposes during the year;
- The Department's compliance with legal and regulatory provisions; and
- Any changes in accounting policies and practices;

The Audit Committee recommended that the unaudited Annual Financial Statements and the Annual Performance Report that is included in the unaudited Annual Report for the year ended 31 March 2024 should be submitted to the Auditor General for auditing.

The Auditor General's audit report

The Auditor General completed the audit of the financial statements and the annual performance report of the department. No unresolved matters were reported to the Audit Committee by either the Auditor General or the management of the department.

The Audit Committee accepts and concurs with the results of the audit and the overall audit conclusion of the Auditor General on the annual financial statements and the annual performance report of the department, for the year ended 31 March 2024.

The Audit Committee advises the readers of the audited annual financial statements and the audited annual performance report to read these reports together with the report of the Auditor General.

Appreciation

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

Mr D. Padayachy
Chairperson of the Audit Committee (Acting)
30 August 2024

3.13 B-BBEE Compliance Performance Information

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response** **Yes / No**	**Discussion** **(include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	DPWI is not mandated to issue licences, concessions or other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	Yes	The Procurement Preferential Regulations (PPR) were included in the SCM policy as a requirement. The Department developed its own PPR 2022 policy as guided by NT after the ruling against the implementation of the PPR 2017 by the Supreme Court of Appeal.
Determining qualification criteria for the sale of state-owned enterprises?	No	DPWI does not have any state owned enterprise and did not sell any state owned enterprise in the 2023/24 financial year.
Developing criteria for entering into partnerships with the private sector?	No	N/A.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	DPWI was involved in employee skills development, supplier and enterprise development. The Department participated in: • Learnership programmes for black employees; • Training programmes for unemployed black people. Some black people were absorbed by the Department and industry at the end of learnership and training programmes.

Human Resource Management

Part D

4. PART D: HUMAN RESOURCE MANAGEMENT

4.1 Introduction

Section 31 (1) of Public Service Regulations 2016 provide that the Head of Department shall include in the annual report, referred to in section 40(1) (d) of Public Finance Management act, such information pertaining to the public service and in the format that the Minister may direct.

The status of human resources in the Department

At the beginning of 2023/24 the Department continued with the project of the implementation of the 2022 DPWI organogram. Accordingly, the focus was mainly on the process of matching and placing staff from salary levels two to twelve (2-12).

During this phase, different placement committees as determined by the approved Migration Guidelines were established. These placement committees prepared their placement recommendations for presentation to the approved Departmental Task Team (DTT).

After the placement of the staff, the process of identification of critical and funded vacancies was undertaken in order to capacitate the Department where there were serious areas that experienced capacity constraints.

A total of 249 posts were prioritized for filling and vacant posts were advertised and normal recruitment processes started during quarter 3. By the end of March 2024, 160 posts were filled and these posts included but not limited to these critical positions:

- One (1) District Director Nelson Mandela Bay Metro;
- One (1) Director Property Investment;
- One (1) post Director Provincial Coordination under Expanded Public Works Programme;
- Four (4) posts for Heads of Building Infrastructure for Nelson Mandela Bay Metro, Sarah Baartman, Buffalo City Metro and Amatole District;
- Four (4) posts Deputy Directors property Management at district level namely Alfred Nzo, Nelson Mandela Bay Metro, OR Tambo and Chris Hani;
- Four (4) posts of Construction Project Managers for Joe Gqabi (1), Alfred Nzo (2) and Chris Hani District (1); and
- 34 posts for Artisans Production, two (2) Artisan Foreman and five (5) Chief Artisan in different trades.

Lastly, focus was on management of discipline which saw a growth in the number of disciplinary cases that were administered at different levels of staff including the aspects that were investigated by the Department. Fifty-eight (58) disciplinary cases were recorded from the beginning of the financial and, thirty five (35) disciplinary cases were finalized with different sanctions being imposed.

Human Resource Management &Development priorities within the Department

During year three of the MTEF Human Resource Plan (2023/24), the following were the Human Resources priorities.

- Organizational development and HR planning.
- Implementation of the approved DPWI revised organogram;
- Well-defined business architecture;
- Development and implementation of departmental change management plan; and
- Full implementation HR Effectiveness Implementation strategies.

- Human Resource Practices and Administration
- Migration of staff into the newly approved 2022 structure;
- Attraction of technical and professional staff through the implementation of approved; Annual Recruitment Plan for 2023/24;
- Compliance with equity targets for all Designated Groups;
- Implementation of conditions of service to qualifying staff;and
- Pledge to process payment of exit benefit to exiting staff.

- Human Resource Utilization and Capacity Development
- Implementation of professional development as a talent management strategy;
- Management of external and internal bursaries; and
- Coordination performance management and development system to support organisational performance.

- Employment Relations
- Management of discipline within the Department;
- Management of grievances and disputes against the Department; and
- Analysis of trends for unethical behaviour and conduct awareness on identified gaps.

- Employee Health and Wellness
- Drawing of lessons from the pandemic and ensuring that productivity is enhancing; and
- Partnerships with external service providers to enhance wellness programmes especiallycounselling during and post pandemic.

Workforce planning and key strategies

Attraction and Retention on critical staff

The Department had its first Annual Recruitment Plan 2023/24 (ARP) after migration of staff into the new organogram with a total of 249 posts. This Recruitment Plan was implemented from the second quarter as a result of the delays in the finalization of matching and placement of staff. Emanating from these strategies, the Department managed to attract and retain its professional and technical capacity through appointment of 160 posts across all programmes. Focus was on capacitating core programmes and targeted the newly created units within the structure namely, Transversal Infrastructure Coordination, Facilities Management (in particular Customer Business Management Unit), Property Development and Investment. Also at district level, posts for District Programme Managers were part of this recruitment. At depot level, five (5) vacant Chief Artisan posts were identified and filled including 34 posts of production artisans in different trades.

Human Resource Development

The Department through the HRD Directorate managed consistently to implement its Annual Training Plan. As a result of placement of staff into the new structure, the Department identified 100 staff that required to upgrade their qualifications in line with the job profiles of the posts and fifty nine (59) were trained as per training plan. Due to limited budget, 35 internal and permanent staff were awarded bursaries to study for qualifications in different institutions of higher learning.

The Department managed to place 235 youth in development programmes in the different internship programmes. The internship programmes provided appropriate and relevant work experience that is commensurate with their qualification.

As part of contributing towards one of the key priorities of government and the National Development Plan, "**building the capacity of the state",** the Department continued to manage its existing bursary programme for 77 external candidates. There were no new bursary awards for external candidates due to financial constraints.

Employee Performance Management

The employee performance management system was implemented in all levels and the Department achieved 100% contracting at SMS level and 93% for non-SMS against a target of 85%. The Department also validated SMS performance contracts by ensuring that they are in line with and include the indicators both from the Annual Performance Plan and Operational Plans of the Department. Compliance to performance reviews and assessments was well monitored with Senior Management Services and non-SMS employees. Annual assessments were concluded on time with the incentives paid to the deserving employees at salary levels 2-12 by the end of the financial year, in line with DPSA set timelines.

Highlights on achievements and challenges faced

Achievements

- The Department successfully implemented the migration process through placement of staff both at SMS and non-SMS levels;
- A total of 160 critical and funded posts were filled;
- The Department has 57% Women at SMS level;
- The Department continues to build technical and professional capacity through its professional development programme. Eleven (11) candidates had attained their professional status in different built environment disciplines;
- The online recruitment system assisted in the finalization of recruitment and had encouraged many job seekers to apply;
- Obtained targeted score of level three (3) for the implementation of Operations Management Framework as required by DPSA; and
- Ensured the placement of 235 youth in development programmes.

Challenges

- The Department did not meet the target of 2% for persons with disabilities;
- There were challenges with employees that were additional to the establishment after the placement of staff;
- Insufficient funding resulted in 35 officials being awarded bursaries;
- Delays in the implementation of the change management plan; and
- Finalization of disciplinary cases within 90 days;

Human Resource Oversight Statistics

4.2 Personnel Related Expenditure

Table 4.2.1. Personnel expenditure by programme for the period 1 April 2023 and 31 March 2024

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services expenditure (R'000)	Personnel expenditure as a percent of total expenditure	Average personnel Cost per Employee (R'000)	Employment (Including Periodical - and Abnormal Appointments)
Administration	552,369	318,923	1,733	0	57.74%	412	775
Public Works Infrastructure	1,763,814	380,947	0	0	21.60%	414	920
Expanded Public Works Programme	144,904	55,258	2,073	0	38.13%	547	101
Total	**2,461,087**	**755,128**	**3,806**	**0**	**30.68%**	420	**1,796**

Table 4.2.2. Personnel costs by salary bands for the period 1 April 2023 and 31 March 2024

Salary Bands	Personnel expenditure (R'000)	% of total personnel cost	Number of Employees	Total Personnel Cost for Department including Goods and Services (C.O.E., Households, G&S & Liabilities) (R'000)	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	48,791	6,00	229	806,663	213,061
Skilled (Levels 3-5)	115,222	14,30	400	806,663	288,055
Highly skilled production (Levels 6-8)	262,565	32,50	564	806,663	465,541
Highly skilled supervision (Levels 9-12)	242,619	30,10	301	806,663	806,043
Senior and Top management (Levels 13-16)	63,815	7,90	51	806,663	1,251,275
10 Contract (Levels 1-2)	191	0,00	1	806,663	191,000
11 Contract (Levels 3-5)	974	0,10	4	806,663	243,500
12 Contract (Levels 6-8)	2,794	0,30	4	806,663	698,500
13 Contract (Levels 9-12)	19,047	2,40	14	806,663	1,360,500
14 Contract (Level >=13)	3,632	0,50	2	806,663	1,816,000
18 Contract Other	9,099	1,10	219	806,663	41,548
Total	**768,749**	**95,30**	**1,789**	**806,663**	**428,034**

Table 4.2.3 Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme for the period 1 April 2023 and 31 March 2024

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		
	Amount (R'000)	Salaries as % of Personnel Costs	Amount (R'000)	Overtime as % of Personnel Costs	Amount (R'000)	HOA as % of Personnel Costs	Amount (R'000)	Medical aid as % of Personnel Costs	Total Personnel Cost per Programme (R'000)
Administration	318,923	74,70	125	0	9 698	2,80	19 902	5,70	348 526
Public Works Infrastructure	380,947	69.50	0	0	15 568	4	23 645	6,00	393 547
Expanded Public Works Programme	55,258	78.20	0	0	1 658	2,60	3 425	5,30	64 590
Total	**755,128**	**76**	**125**	**0**	**26 924**	**3,30**	**46 972**	**5,80**	**806 663**

Table 4.2.4 Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary band for the period 1 April 2023 and 31 March 2024

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical Aid			
	Amount (R'000)	Salaries as % of Personnel Costs	Amount (R'000)	Overtime as % of Personnel Costs	Amount (R'000)	HOA as % of Personnel Costs	Amount (R'000)	Medical aid as % of Personnel Costs	Total Personnel Cost per Salary Band (R'000)	Ratio
Skilled (Levels 1-2)	33 364	66.40	0	0	4472	8.90	6909	13.70	50,265	33 364
Skilled (Levels 3-5)	83 088	69.80	125	0	7710	6.50	12115	10,20	118,996	83 088
Highly skilled production (Levels 6-8)	201 791	73.70	0	0	10651	3.90	20439	7,50	273,927	201 791
Highly skilled supervision (Levels 9-12)	204109	79.10	0	0	3977	1.50	7 584	2,90	258,087	204109
Senior management (Levels 13-16)	56 943	84	0	0	114	0.20	353	0,50	67,821	56 943
Contract (Levels 1-2)	191	97	0	0	0	0	0	0	197	191
Contract (Level 3-5)	972	97	0	0	0	0	0	0	1,003	972
Contract (Level 6-8)	2 586	88.30	0	0	0	0	0	0	2,930	2 586
Contract (9-12)	17 954	88.50	0	0	0	0	0	0	20,285	17 954
Contract (Level 13-16)	3 338	89.10	0	0	0	0	0	0	3,748	3 338
Contract Other	8 634	91.80	0	0	0	0	0	0	9,404	8 634
Total	**612 971**	**76.00**	**125**	0	**26924**	**3.30**	**46 972**	**5,80**	**806,663**	**612 971**

4.3 Employment and vacancies

Table 4.3.1. Employment and vacancies by programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration,	1056	780	26,10	281
Public Works Infrastructure	1551	915	41	206
Expanded Public Works Programme	249	101	59,40	14
Total	**2856**	**1796**	**37,10**	**501**

The Department was in the process of restructuring and whilst still busy with the placement process there was a moratorium by National Treasury whereby all vacant posts that are Non-OSD were frozen.

Table 4.3.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	325,	229	29,50	60
Skilled (3-5)	760	400	47,40	78
Highly skilled production (6-8)	981	564	42,50	65
Highly skilled supervision (9-12)	478	301	37	55
Senior management (13-16)	61	51	16,40	4
09 Other, Permanent	226	226	0	221
10 Contract (Levels 1-2), Permanent	1	1	0	0
11 Contract (Levels 3-5), Permanent	4	4	0	3
12 Contract (Levels 6-8), Permanent	4	4	0	4
13 Contract (Levels 9-12), Permanent	14	14	0	11
14 Contract (Levels >= 13)	2	2	0	0
Total	**2 856**	**1 796**	**37,10**	**501**

Table 4.3.3 Employment and vacancies by critical occupations as on 31 March 2024

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	1	1	0	0
All artisans in the building metal machinery etc., Permanent	302	302	0	128
Appraisers - valuers and related professionals, Permanent	266	266	0	49
Architects town and traffic planners, Permanent	20	20	0	12
Artisan project and related superintendents, Permanent	76	76	0	58
Auxiliary and related workers, Permanent	1	1	0	1
Building and other property caretakers, Permanent	1	1	0	1
Bus and heavy vehicle drivers, Permanent	7	7	0	3
Cleaners in offices workshops hospitals etc., Permanent	143	143	0	6
Clerical Supplementary Workers Not Elsewhere Classified, Permanent	48	48	0	48
Communication and information related, Permanent	23	23	0	3
Engineering sciences related, Permanent	28	28	0	19
Engineers and related professionals, Permanent	20	20	0	11
Finance and economics related, Permanent	10	10	0	2
Financial and related professionals, Permanent	87	87	0	17
Financial clerks and credit controllers, Permanent	45	45	0	9
Food Services Aids and Waiters, Permanent	2	2	0	1
Head of Department/ Chief Executive Officer, Permanent	1	1	0	0
Human Resource Clerk, Permanent	1	1	0	0
Human Resources & Organizational Development & Related Professionals, Permanent	31	31	0	1
Human Resources Clerks, Permanent	41	41	0	2
Human Resources Related, Permanent	48	48	0	2
Information Technology Related, Permanent	18	18	0	0
Inspectors Of Apprentices Works and Vehicles, Permanent	73	73	0	7
Legal Related, Permanent	4	4	0	1
Library Mail and Related Clerks, Permanent	8	8	0	2
Light Vehicle Drivers, Permanent	13	13	0	3
Logistical Support Personnel, Permanent	86	86	0	10
Managers Not Elsewhere Classified, Permanent	1	1	0	0
Messengers Porters And Deliverers, Permanent	14	14	0	2

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Middle Manager: Human Resource & Organizational Development Related, Permanent	1	1	0	0
Middle Manager: Administrative Related, Permanent	2	2	0	0
Not Available, Permanent	1 067	7	99,30	4
Other Administration & Related Clerks and Organizers, Permanent	119	119	0	43
Other Occupations, Permanent	1	1	0	0
Production Advisers: Factories, Permanent	1	1	0	1
Quantity Surveyors & Related Professionals Not Classified Elsewhere, Permanent	15	15	0	9
Risk Management and Security Services, Permanent	5	5	0	0
Safety health and quality inspectors, Permanent	2	2	0	0
Secretaries & other keyboard operating clerks, Permanent	1	1	0	1
Security guards, Permanent	93	93	0	5
Security officers, Permanent	7	7	0	4
Senior managers, Permanent	53	53	0	4
Trade labourers, Permanent	27	27	0	27
Trade quality controllers, Permanent	1	1	0	1
Trade related, Permanent	2	2	0	2
Total	**2 856**	**1 796**	**37,10**	**501**

4.4 Filling of SMS Posts

Table 4.4.1 SMS post information as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General /Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	0	0	0	0	0
Salary Level 14	11	11	100%	0	0%
Salary Level 13	48	40	83,3%	8	16,6%
Total	**61**	**53**	**87%**	**8**	**13%**

Table 4.4.2 SMS post information as on 30 September 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General /Head of Department	1	1	100%	0	0
Salary Level 16	1	1	100%	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	11	11	100%	0	0
Salary Level 13	48	39	81,25%	9	18,75
Total	**61**	**52**	**85,24%**	**9**	**14,75%**

Table 4.4.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but in 12 months
Director-General/ Head of Department	0	0	0
Salary level 16	0	0	0
Salary level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	19	10	9
Total	**19**	**10**	**9**

Table 4.4.5 Reasons for not having complied with the filling of funded vacant SMS- Advertised within twelve months and filled within 12 months after becoming vacant for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
N/A.

Reasons for vacancies not filled within twelve months
The position of Director: Provincial Asset Systems Management Planning was re-advertised twice and no suitable candidate was found. The Department is in the process of finalizing headhunting.

Table 4.4.6 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
N/A.

Reasons for vacancies not advertised within six months
N/A.

4.5 Job evaluation

Table 4.5.1 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	325	0	0	0	0	0	0
Skilled (Levels 3-5)	760	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	981	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	478	0	0	0	0	0	0
Senior Management Service Band A	49	0	0	0	0	0	0
Senior Management Service Band B	11	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
09 Other	226	0	0	0	0	0	0
10 Contract (Levels 1-2)	1	0	0	0	0	0	0
11 Contract (Levels 3-5)	4	0	0	0	0	0	0
12 Contract (Levels 6-8)	4	0	0	0	0	0	0
13 Contract (Levels 9-12)	14	0	0	0	0	0	0
14 Contract Band A	1	0	0	0	0	0	0
17 Contract Band D	1	0	0	0	0	0	0
Total	**2 856**	0	0	0	0	0	0

Due to the non-availability of the Job Evaluation system as well as the job evaluated results were still valid by the time of restructuring.

Table 4.5.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024

N/A.

Table 4.5.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 and 31 March 2024

N/A.

Table 4.5.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024

N/A.

4.6 Employment Changes

Table 4.6.1. Annual turnover rates by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	Number of Employees at Beginning of period April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Lower skilled (Levels 1-2)	458	10	4	0,90
Skilled (Levels 3-5)	802	27	25	3,10
Highly skilled production (Levels 6-8)	1 130	31	38	3,40
Highly skilled supervision (Levels 9-12)	590	27	27	4,60
Senior Management Service Bands A	68	11	2	2,90
Senior Management Service Bands B	22	0	0	0
Senior Management Service Bands D	2	0	0	0
Other Permanent	140	224	79	56,40
Contract (Levels 1-2) Permanent	2	0	0	0
Contract (Levels 3-5) Permanent	8	0	0	0
Contract (Levels 6-8) Permanent	12	1	3	25
Contract (Levels 9-12) Permanent	60	6	22	36,70
Contract Band A Permanent	2	0	0	0
Contract Band D Permanent	2	0	0	0
Total	**3 298**	**337**	**200**	**6,10**

Table 4.6.2 Annual turnover rates by critical occupation for the period 1 April 2023 and 31 March 2024

Critical Occupation	Number of employees at beginning of period April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Administration Clerks Permanent	0	2	0	0
Administration Officer Permanent	0	1	0	0
Administrative Related Permanent	420	120	39	9,30
Admission Clerk Permanent	0	1	0	0
All Artisans in The Building Metal Machinery Etc. Permanent	548	0	12	2,20
Appraisers - Valuers and Related Professionals Permanent	72	7	2	2,80
Architects Town and Traffic Planners Permanent	36	2	1	2,80
Artisan Project and Related Superintendents Permanent	154	0	1	0,60
Auxiliary and Related Workers Permanent	2	0	0	0
Builder Permanent	0	5	0	0
Building And Other Property Caretakers Permanent	2	0	1	50
Bus And Heavy Vehicle Drivers Permanent	18	0	1	5,60
Carpenter Permanent	0	1	0	0
Cleaners In Offices Workshops Hospitals Etc. Permanent	284	10	5	1,80
Clerical Supplementary .Workers not Elsewhere Classified Permanent	0	53	0	0
Communication And Information Related Permanent	28	10	0	0
Computer Network Technician Permanent	0	1	0	0
Construction Project Manager Permanent	0	2	0	0
Contract Manager Permanent	0	1	0	0
Electrician Permanent	0	1	0	0
Engineering Sciences Related Permanent	82	2	17	20,70
Engineers and Related Professionals Permanent	44	0	5	11,40
Facilities Manager Permanent	0	2	0	0
Filing And Registry Clerk Permanent	0	1	0	0
Finance And Economics Related Permanent	22	1	1	4,50
Financial Accountant Permanent	0	1	0	0
Financial And Related Professionals Permanent	170	0	3	1,80
Financial Clerks and Credit Controllers Permanent	88	1	3	3,40
Food Services Aids and Waiters Permanent	4	0	0	0
General Accountant Permanent	0	1	0	0
Head Of Department/Chief Executive Officer Permanent	2	0	0	0

Critical Occupation	Number of employees at beginning of period April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Human Resource Clerk Permanent	0	2	0	0
Human Resources & Organizational Development & Related Professional Permanent	58	1	3	5,20
Human Resources Clerks Permanent	86	1	3	3,50
Human Resources Related Permanent	108	3	8	7,40
Information Technology Related Permanent	30	4	1	3,30
Inspectors of Apprentices Works and Vehicles Permanent	152	1	3	2
Legal Related Permanent	8	0	0	0
Library Mail and Related Clerks Permanent	14	1	1	7,10
Light Vehicle Driver Permanent	0	1	0	0
Light Vehicle Drivers Permanent	28	0	1	3,60
Logistical Support Personnel Permanent	186	1	8	4,30
Managers Not Elsewhere Classified Permanent	0	1	0	0
Messengers Porters And Deliverers Permanent	26	0	0	0
Middle Manager: Human Resource & Organizational Development Related Permanent	0	1	0	0
Middle Manager: Administrative Related Permanent	0	1	0	0
Middle Manager: Engineering Sciences Related Permanent	0	1	0	0
Middle Manager: Information Technology Related Permanent	0	1	0	0
Middle Manager: Communication & Information Related Permanent	0	1	0	0
Motor Vehicle Drivers Permanent	0	0	1	0
Other Administration & Related Clerks and Organizers Permanent	220	34	36	16,40
Other Administrative Policy and Related Officers Permanent	0	1	2	0
Other Clerical Support Workers Permanent	0	1	0	0
Other Occupations Permanent	2	0	0	0
Plumber Permanent	0	4	0	0
Production Advisers: Factories Permanent	2	0	9	450
Quantity Surveyors & Related Professionals Not Classified Elsewhere Permanent	38	3	7	18,40
Risk Management and Security Services Permanent	6	3	1	16,70
Road Workers Permanent	0	0	1	0
Safety Health and Quality Inspectors Permanent	2	0	0	0
Safety Inspector Permanent	0	1	0	0

Critical Occupation	Number of employees at beginning of period April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Secretaries & Other Keyboard Operating Clerks Permanent	6	0	1	16,70
Secretary (General) Permanent	0	4	0	0
Security Guards Permanent	186	2	0	0
Security Officer Permanent	0	1	0	0
Security Officers Permanent	16	0	4	25
Senior Managers Permanent	98	9	2	2
Systems Administrator Permanent	0	1	0	0
Technical & Associate Technical, Occupations Not Classified Permanent	0	1	0	0
Town Planning Technician Permanent	0	1	0	0
Trade Labourers Permanent	46	21	16	34,80
Trade Quality Controllers Permanent	2	0	0	0
Trade/Industry Advisers & Other Related Profession Permanent	2	1	0	0
Training And Development Professional Permanent	0	1	0	0
Water Plant and Related Operators Permanent	0	0	1	0
Welder Permanent	0	1	0	0
Total	**3 298**	**337**	**200**	**6,10**

Table 4.6.3 Reasons why staff left the department for the period 1 April 2023 and 31 March 2024

Termination Type	Number	% of total resignation	% of Total Employment	Total	Total Employment
01 Death, Permanent	14	7	0,80	200	1 796
02 Resignation, Permanent	60	30	3,30	200	1 796
03 Expiry of contract, Permanent	87	43,50	4,80	200	1 796
07 Dismissal-misconduct, Permanent	1	0,50	0,10	200	1 796
09 Retirement, Permanent	38	19	2,10	200	1 796
Total	**200**	**100**	**11,10**	**200**	**1 796**
Total number of employees who left as a % of total employment	**0**	**0**	**0**	**0**	**0**

The high number of resignations is due to the fact that employees who get promotion to higher level post resign so as to claim their pension benefit and are re-appointed as if they are new employees.

Table 4.6.4 Promotions by critical occupation for the period 1 April 2023 and 31 March 2024

Occupation	Employees as at 1 April 2023	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Administrative Related	420	3	0,70	114	27,10
All Artisans in the Building Metal Machinery Etc.	548	2	0,40	170	31
Appraisers -Valuers and Related Professionals	72	1	1,40	25	34,70
Architects Town and Traffic Planners	36	0	0	3	8,30
Artisan Project and Related Superintendents	154	0	0	17	11
Auxiliary And Related Workers	2	0	0	1	50
Building And Other Property Caretakers	2	0	0	2	100
Bus And Heavy Vehicle Drivers	18	0	0	8	44,40
Cartographic Surveying and Related Technicians	0	0	0	1	0
Cleaners In Offices Workshops Hospitals Etc.	284	1	0,40	132	46,50
Clerical Supplementary Workers Not Elsewhere Classified	0	1	0	0	0
Client Inform Clerks (Switchboard Reception Information Clerks)	0	0	0	3	0
Communication And Information Related	28	1	3,60	9	32,10
Engineering Sciences Related	82	2	2,40	20	24,40
Engineers and related Professionals	44	0	0	9	20,50
Finance and Economics Related	22	0	0	13	59,10
Financial and Related Professionals	170	1	0,60	44	25,90
Financial Clerks and Credit Controllers	88	0	0	75	85,20
Fire Fighting and Related Workers	0	0	0	2	0
Food Services Aids and Waiters	4	0	0	0	0
General Legal Administration & Related Professionals	0	0	0	1	0

Occupation	Employees as at 1 April 2023	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Head of Department/ Chief Executive Officer	2	0	0	0	0
Health Sciences Related	0	0	0	1	0
Human Resources & Organizational Development & Related Professionals	58	1	1,70	42	72,40
Human Resources Clerks	86	0	0	36	41,90
Human Resources Related	108	2	1,90	28	25,90
Information Technology Related	30	0	0	2	6,70
Inspectors of Apprentices Works and Vehicles	152	2	1,30	41	27
Legal Related	8	0	0	1	12,50
Library Mail and Related Clerks	14	0	0	17	121,40
Light Vehicle Drivers	28	0	0	9	32,10
Logistical Support Personnel	186	0	0	87	46,80
Material-Recording and Transport Clerks	0	0	0	2	0
Messengers Porters And Deliverers	26	0	0	4	15,40
Middle Manager: Administrative Related	0	1	0	0	0
Motor Vehicle Drivers	0	0	0	7	0
Other Administration & Related Clerks and Organizers	220	1	0,50	30	13,60
Other Administrative Policy and Related Officers	0	0	0	13	0
Other Information Technology Personnel.	0	0	0	9	0
Other Occupations	2	0	0	0	0
Policy And Planning Managers	0	1	0	0	0
Production Advisers: Factories	2	0	0	46	2 300
Quantity Surveyors & Related Professionals not classified elsewhere	38	0	0	12	31,60
Risk Management and Security Services	6	0	0	12	200
Road Workers	0	0	0	4	0

Occupation	Employees as at 1 April 2023	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Safety Health and Quality Inspectors	2	0	0	3	150
Secretaries & Other Keyboard Operating Clerks	6	0	0	25	416,70
Security Guards	186	0	0	6	3,20
Security Officers	16	2	12,50	69	431,30
Senior Managers	98	1	1	2	2
Trade Labourers	46	0	0	1	2,20
Trade Quality Controllers	2	0	0	0,00	0
Trade Related	0	0	0	2	0
Trade/ Industry Advisers & Other related Profession	2	0	0	0	0
Total	**298**	**23**	**0,70**	**1 160**	**35,20**

Table 4.6.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	Employees 1 April 2023	Promotions to another Salary Level	Salary bands Promotions as a % of Employees by salary level	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by salary band
Lower skilled (Levels 1-2)	458	0	0	206	45
Skilled (Levels 3-5)	802	2	0,20	309	38,50
Highly skilled production (Levels 6-8)	1 130	4	0,40	433	38,30
Highly skilled supervision (Levels 9-12)	590	16	2,70	210	35,60
Senior Management (Levels 13-16)	92	1	1,10	2	2,20
09 Other, Permanent	140	0	0	0	0
10 Contract (Levels 1-2), Permanent	2	0	0	0	0
11 Contract (Levels 3-5), Permanent	8	0	0	0	0
12 Contract (Levels 6-8), Permanent	12	0	0	0	0
13 Contract (Levels 9-12), Permanent	60	0	0	0	0
14 Contract (Levels >= 13), Permanent	4	0	0	0	0
Total	**3 298**	**23**	**0,70**	**1 160,00**	**35,20**

4.7 Employment Equity

Table 4.7.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2024

Occupational Categories		Male				Female				Total
	African	Coloured	Indian	Male Total Black	White	African	Coloured	Indian	Female, Total blacks	White
Senior Officials and Managers	19	1	1	21	1	28	0	0	28	0
Professionals	116	6	0	122	6	144	4	1	149	3
Technicians And Associate Professionals	119	2	1	122	2	275	6	0	281	3
Clerks	63	2	0	65	1	162	3	1	166	2
Service Shop and Market Sales Workers	65	2	0	67	0	52	0	0	52	0
Craft And Related Trade Workers	284	4	0	288	4	94	0	0	94	0
Plant And Machine Operators and Assemblers	23	0	0	23	0	2	0	0	2	0
Labourers And Related Workers	69	1	0	70	0	122	2	0	124	0
Clerical Support Workers	16	0	0	16	0	47	1	0	48	0
Managers	5	0	0	5	0	6	0	0	6	0
Plant & Machine Operators & Assemblers	1	0	0	1	0	0	0	0	0	0
Professionals	2	0	0	2	1	3	0	0	3	0
Protect Rescue Social Health Science Support Personnel	0	0	0	0	0	1	0	0	1	0
Skill Agriculture Forestry Fish Craft Related Trades Workers	8	0	0	8	0	4	0	0	4	0
Technicians & Associate Technical Occupations	3	0	0	3	0	2	0	0	2	0
Total	793	18	2	813	15	942	16	2	960	8
Employees with disabilities	19	0	0	19	2	13	0	0	13	0

Table 4.7.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	1	0	0	0	1
Senior Management, Permanent	18	1	1	18	29	0	0	0	50
Professionally qualified and experienced specialists and mid-management, Permanent	153	9	1	153	125	2	1	3	301
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	230	6	0	230	311	7	1	5	564
Semi-skilled and discretionary decision making, Permanent	215	1	0	215	180	2	0	0	400
Unskilled and defined decision making, Permanent	104	0	0	104	123	2	0	0	229
Not Available, Permanent	65	1	0	65	156	3	0	0	226
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	1
Contract (Professionally Qualified), Permanent	3	0	0	3	11	0	0	0	14
Contract (Skilled Technical), Permanent	2	0	0	2	2	0	0	0	4
Contract (Semi-Skilled), Permanent	1	0	0	1	3	0	0	0	4
Contract (Unskilled), Permanent	0	0	0	0	1	0	0	0	1
Total	**793**	**18**	**2**	**793**	**942**	**16**	**2**	**8**	**1 796**

Table 4.7.3 Recruitment for the period 1 April 2023 and 31 March 2024

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	5	0	0	0	6	0	0	0	11
03 Professionally qualified and experienced specialists and mid-management, Permanent	12	0	0	0	14	1	0	0	27
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	11	0	0	0	19	1	0	0	31
05 Semi-skilled and discretionary decision making, Permanent	11	0	0	0	16	0	0	0	27
06 Unskilled and defined decision making, Permanent	2	0	0	0	8	0	0	0	10
07 Not Available, Permanent	64	1	0	0	154	4	1	0	224
10 Contract (Professionally qualified), Permanent	1	0	0	0	5	0	0	0	6
11 Contract (Skilled technical), Permanent	0	0	0	0	1	0	0	0	1
Total	**106**	**1**	**0**	**0**	**223**	**6**	**1**	0	**337**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4.7.4 Promotions for the period 1 April 2023 to 31 March 2024

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	117	6	0	1	100	0	0	2	226
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	167	6	0	1	253	5	0	4	437
Semi-skilled and discretionary decision making, Permanent	143	1	0	3	163	1	1	0	311
Unskilled and defined decision making, Permanent	92	0	0	0	112	2	0	0	206
Total	**520**	**13**	**0**	**5**	**630**	**8**	**1**	**6**	**1 183**
Employees with disabilities	**10**	**0**	**0**	**10**	**0**	**8**	**0**	**0**	**19**

Table 4.7.5 Terminations for the period 1 April 2023 to 31 March 2024

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	White		African	Coloured	Indian	White		
Senior Management, Permanent	2	0	0	2		0	0	0	0		0
Professionally qualified and experienced specialists and mid-management, Permanent	14	0	0	14		1	12	0	0		12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	17	0	0	170		1	19	1	0		20
Semi-skilled and discretionary decision making, Permanent	17	1	0	18		1	6	0	0		6
Unskilled and defined decision making, Permanent	2	0	0	2		0	2	0	0		2
Not Available, Permanent	28	0	0	28	0	49	1	1	51	0	79
Contract (Professionally qualified), Permanent	10	0	0	10	0	12	0	0	12	0	22
Contract (Skilled technical), Permanent	2	0	0	2	0	1	0	0	1	0	3
Total	**92**	**1**	**0**	**93**	**3**	**101**	**2**	**1**	**104**	**0**	**200**
Employees with disabilities	**2**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**2**

Table 4.7.6 Disciplinary action for the period 1 April 2023 to 31 March 2024

Disciplinary action	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Dismissals	1								1
Suspension without pay	6								6
Demotion									
Final Written Warning	7		1		6				14
Written Warning	4	1			4				9
Verbal Warning	1								1
Case withdrawn					1				1
Discharged Sec. 17(3)(i)(a) of PSA					2				2
Resigned while case in process									0
Not guilty					1				1
Pending cases	14	4		1	3	1			23
Total									**58**

Table 4.7.7 Skills development for the period 1 April 2023 to 31 March 2024

Occupational categories	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, Senior Officials and Managers	24	1	1	1	34	0	0	0	61
Professionals	118	6	0	7	147	4	1	3	286
Technicians and Associate Professionals	122	2	1	2	277	6	0	3	413
Clerks	79	2	0	0	52	0	0	0	119
Service and Sales Workers	65	2	0	0	52	0	0	0	119
Skilled Agriculture and Fishery Workers	8	0	0	0	4	0	0	0	12
Craft and related Trades Workers	284	4	0	4	94	0	0	0	386
Plant and Machine Operators and Assemblers	24	0	0	0	2	0	0	0	26
Elementary Occupations	69	1	0	0	123	2	0	0	195
Total	**793**	**18**	**2**	**15**	**942**	**16**	**2**	**8**	**1796**
Employees with disabilities	**19**	**0**	**0**	**2**	**13**	**0**	**0**	**0**	**34**

4.8 Signing of Performance Agreements by SMS Members

Table 4.8.1 Signing of Performance Agreements by SMS members as on 31 May 2023

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General /Head of department	1	1	1	100 %
Salary Level 16	1	1	1	100 %
Salary Level 15	0	0	0	0 %
Salary Level 14	11	11	11	100 %
Salary Level 13	40	40	40	100 %
Total	**53**	**53**	**53**	**100 %**

Table 4.8.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
None

Table 4.8.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons
None

4.9 Performance rewards

Table 4.9.1 Performance Rewards by race, gender, and disability for the period 1 April 2023 to 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average Cost per employee
African, Female	0	929	0	0	0
African, Male	1	774	0,10	12	12 000
Asian, Female	0	2	0	0	0
Asian, Male	0	2	0	0	0
Coloured, Male	0	18	0	0	0
Coloured, Female	0	16	0	0	0
Total Blacks, Female	0	947	0	0	0
Total Blacks, Male	1	794	0,10	12	12 000
White, Female	0	8	0	0	0
White, Male	0	13	0	0	0
Employees with disability	**0**	**34**	**0**	**0**	**0**
Total	**1**	**1796**	**0,10**	**12**	**12 000**

Table 4.9.2 Performance Rewards by salary bands for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary Bands	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)	0	229	0	0	0	0
Skilled (Levels 3-5)	0	400	0	0	0	0
Highly skilled production (Levels 6-8)	1	564	0,20	12	12	100
Highly skilled supervision (Levels 9-12)	0	301	0	0	0	0
09 Other	0	226	0	0	0	0
10 Contract (Levels 1-2)	0	1	0	0	0	0
11 Contract (Levels 3-5)	0	4	0	0	0	0
12 Contract (Levels 6-8)	0	4	0	0	0	0
13 Contract (Levels 9-12)	0	14	0	0	0	0
Total	**1**	**1 743**	**0,10**	**12**	**12**	**100**

Table 4.9.3 Performance Rewards by critical occupations for the period 1 April 2023 to 31 March 2024

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	0	45	0	0	0
Production Advisers: Factories	0	1	0	0	0
Human Resources Clerks	0	41	0	0	0
Security Officers	1	7	14,30	R12	R12 000
Messengers Porters and Deliverers	0	15	0	0	0
All Artisans in the Building Metal Machinery Etc.	0	266	0	0	0
Human Resources & Organizational Development & Related Professionals	0	31	0	0	0
Managers Not Elsewhere Classified	0	1	0	0	0
Risk Management and Security Services	0	5	0	0	0
Safety Health and Quality Inspectors	0	2	0	0	0
Logistical Support Personnel	0	86	0	0	0
Finance And Economics Related	0	10	0	0	0
Other Administration & Related Clerks and Organizers	0	119	0	0	0
Appraisers - Valuers and Related Professionals	0	40	0	0	0
Auxiliary And Related Workers	0	1	0	0	0
Other Occupations	0	1	0	R0	R0
Legal Related	0	4	0	0	0
Financial And Related Professionals	0	87	0	0	0
Building And Other Property Caretakers	0	1	0	0	0
Not Available	0	7	0	0	0
Architects Town and Traffic Planners	0	20	0	0	0
Administrative Related	0	302	0	0	0
Communication And Information Related	0	23	0	0	0
Middle Manager: Human Resource & Organizational Development Related	0	0	0	0	0
Secretaries & Other Keyboard Operating Clerks	0	1	0	0	0
Cleaners In Offices Workshops Hospitals Etc.	0	143	0	0	0
Library Mail and Related Clerks	0	8	0	0	0
Human Resources Related	0	48	0	0	0

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Trade/Industry Advisers & Other Related Profession	0	2	0	0	0
Head of Department/Chief Executive Officer	0	1	0	0	0
Trade Labourers	0	27	0	0	0
Middle Manager: Administrative Related	0	2	0	0	0
Artisan Project and Related Superintendents	0	76	0	0	0
Inspectors Of Apprentices Works and Vehicles	0	73	0	0	0
Bus And Heavy Vehicle Drivers	0	7	0	0	0
Senior Managers	0	53	0	0	0
Human Resource Clerk	0	1	0	0	0
Engineers And Related Professionals	0	20	00	0	0
Trade Quality Controllers	0	1	0	R0	R0
Light Vehicle Drivers	0	13	0	0	0
Engineering Sciences Related	0	28	0	0	0
Administration Officer	0	1	0	0	0
Security Guards	0	93	0	0	0
Food Services Aids and Waiters	0	2	0	0	0
Clerical Supplement Workers Not Elsewhere Classified	0	48	0	0	0
Quantity Surveyors & Related Professionals not Class Elsewhere	0	15	0	0	0
Information Technology Related	0	18	0	0	0
Total	**1**	**1 796**	**0,10**	**R12**	**R12 000**

Table 4.9.4 Performance related rewards (cash bonus), by salary band, for Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary Band	Beneficiary Profile			Cost			
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure	Personnel Cost SMS (R'000)
Band A	0	40	0	0	0	0	0
Band B	0	11	0	0	0	0	0
Band D	0	2	0	0	0	0	0
Total	**0**	**53**	**0**	**0**	**0**	0	**0**

4.10 Foreign Workers

Table 4.10.1 Foreign Worker by salary band for the period 1 April 2023 and 31 March 2024

N/A.

Table 4.10.1 Foreign Worker by major occupation for the period 1 April 2023 and 31 March 2024

N/A.

4.11 Leave utilisation

Table 4.11.1 Sick leave for the period 1 January 2023 to 31 December 2023

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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Contract (Levels 6-8)	23	82,60	4	0,40	6	38	1 117	19
Contract (Levels 9-12)	40	75	9	0,80	4	100	1 117	30
Contract Other	152	48	66	5,90	2	58	1 117	73
Highly skilled production (Levels 6-8)	3 319	79,20	401	35,90	8	5 643	1 117	2 630
Highly skilled supervision (Levels 9-12)	1 503	84	191	17,10	8	4 588	1 117	1 262
Lower skilled (Levels 1-2)	1 580	89,30	162	14,50	10	1 046	1 117	1 411
Senior management (Levels 13-16)	202	93,60	19	1,70	11	1 007	1 117	189
Skilled (Levels 3-5)	2 374	80,90	265	23,70	9	2 310	1 117	1 920
Total	**9 193**	**82**	**1 117**	**100**	**8**	**14 789**	**1 117**	**7 534**

Table 4.11.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Highly skilled production (Levels 6-8)	1 003	100	15	28,30	67	1 618	1 003	53
Highly skilled supervision (Levels 9-12)	171	100	6	11,30	29	488	171	53
Lower skilled (Levels 1-2)	470	100	12	22,60	39	322	470	53
Senior management (Levels 13-16)	97	100	2	3,80	49	473	97	53
Skilled (Levels 3-5)	802	100	18	34	45	782	802	53
Total	**2 543**	**100**	**53**	**100**	**48**	**3 683**	**2 543**	**53**

Table 4.11.3 Annual Leave for the period 1 January 2023 to 31 December 2023

Salary Band	Total Days Taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	22	22	1
Contract (Levels 3-5)	17	17	1
Contract (Levels 6-8)	202	11	19
Contract (Levels 9-12)	569	13	43
Contract Other	1 733	7	249
Highly skilled production (Levels 6-8)	13 931	24	579
Highly skilled supervision (Levels 9-12)	7 336	23	316
Lower skilled (Levels 1-2)	5 200,25	22	238
Senior management (Levels 13-16)	848	18	47
Skilled (Levels 3-5)	9 513	23	415
Total	**39 371,25**	**21**	**1 908**

Table 4.11.4 Capped leave for the period 1 January 2023 to 31 December 2023

Salary Band	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at End of Period	Number of Employees using Capped Leave	Total Number of Capped Leave Available at End of Period	Number of Employees as at End of Period
Contract (Levels 1-2)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract Other	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	15	4	95	4	8 966,65	94
Highly skilled supervision (Levels 9-12)	0	0	91	0	3 903,13	43
Lower skilled (Levels 1-2)	0	0	81	0	161,85	2
Senior management (Levels 13-16)	0	0	78	0	543,50	7
Skilled (Levels 3-5)	42	7	102	6	7 930,31	78
Total	**57**	**6**	**96**	**10**	**21 505,44**	**224**

Table 4.11.5 Leave pay-outs for the period 1 January 2023 to 31 December 2024

Reason	Total Estimated Amount (R'000)	Number of Employees	Estimated Average per Employee (R)
Annual - Discounting with Resignation (Work Days)	1 495	141	10 603
Annual - Discounting: Contract Expiry (Work days)	394	44	8 955
Annual - Gratuity: Death/Retirement /Medical Retirement (Work)	2 648	89	29 753
Capped - Gratuity: Death/ Retirement/Medical Retirement (Work)	6 745	47	143 511
Total	**11 282**		
Leave Payouts (Actual) Allowance Codes - 0060, 0168, 0625, 0422, 0567, 0698, 0699, 0701	**11 018**	**275**	

4.12 HIV and AIDS & Health promotion programmes

Table 4.12.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Youth	Awareness sessions on key drivers of HIV infection targeting Interns

Table 4.12.2 Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms Siviwe Sekalo - Director
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		11 officials Budget – R1,211 000
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		• Physical Wellness • Financial Wellness • Health education • Pre-retirement • Counselling and referrals
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.		No	

Question	Yes	No	Details, if yes
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
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		Conducted awareness programmes on stigma and discrimination
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		746 employees voluntary tested and know their HIV and TB status.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		No	

4.13 Labour relations

Table 4.13.1 Collective agreements for the period 1 April 2023 and 31 March 2024

Subject matter	Date
N/A.	

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

Total number of collective agreements	None

Table 4.13.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 and 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	1	2,86
Written warning	9	25,71
Final written warning	14	40,00
Suspended without pay	6	17,14
Fine	0	0
Demotion	0	0
Dismissal	1	2,86
Not guilty	1	2,86
Case withdrawn	1	2,86
Abscondment	2	5,71
Total	**35**	**100**

Total number of Disciplinary hearings finalised	**35**

Table 4.13.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024

Type of misconduct	Number	% of total
Abuse of sick leave	1	1,72
Dishonesty	1	1,72
Late coming	0	0
Sexual Harassment	3	5,17
Gross insubordination	0	0
Insolence	0	0
Intentional or negligent damage to the employ or client of the employer, co-worker	0	0
Intoxication	0	0
Gross absenteeism/ Abscondment	2	3,45
Insubordination	0	0
Abuse of government vehicle	9	15,52
Gross dishonesty	1	1,72
Dereliction of duties	1	1,72
Fraud	0	0
Remunerative Work Outside the Public Service (RWOPS)	1	1,72
Misrepresentation	3	5,17
Negligence	0	0
Abuse of State Property	0	0
Bringing the name of the department into disrepute	1	1,72
Absenteeism	7	12,07
Fight	0	0
Theft	0	0
Failure to adhere to the Code of Conduct	0	0
Defamation of character	0	0
Irregular and wasteful expenditure	28	48,28
Total	**58**	**100**

Table 4.13.4 Grievances lodged for the period 1 April 2023 and 31 March 2024

Type of misconduct	Number	% of Total
Number of grievances resolved	9	82
Number of grievances not resolved	0	0
Number of grievances pending	2	18
Total number of grievances lodged	11	100

Table 4.13.5 Disputes lodged with Councils for the period 1 April 2023 and 31 March 2024

Disputes	Number	% of Total
Number of disputes upheld	5	62
Number of disputes dismissed	0	0
Number of disputes pending	3	38
Total number of disputes lodged	8	100

Table 4.13.6 Strike actions for the period 1 April 2023 and 31 March 2024

N/A.

Total number of person working days lost	0
Total cost of working days lost (R'000)	0
Amount recovered as a result of no work no pay (R'000)	0

Table 4.13.7 Precautionary suspensions for the period 1 April 2023 and 31 March 2024

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	90
Cost of suspensions (R'000)	**R681 736.04**

4.14 Skills development

Table 4.14.1 Training needs identified for the period 1 April 2023 and 31 March 2024

Occupational Categories	Gender	Number of employees as at 1 April 2023	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	34	0	5	0	5
	Male	27	0	5	0	5
Professionals	Female	155	0	9	5	14
	Male	131	0	9	5	14
Technicians and associate professionals	Female	286	0	9	5	14
	Male	127	0	9	5	14
Clerks	Female	216	1	0	1	2
	Male	82	1	0	1	2
Service and sales workers	Female	52	0	0	0	0
	Male	67	0	0	0	0
Skilled agriculture and fishery workers	Female	4	0	0	0	0
	Male	8	0	0	0	0
Craft and related trades workers	Female	94	0	11	0	11
	Male	292	0	11	0	11
Plant and machine operators and assemblers	Female	2	0	0	0	0
	Male	24	0	0	0	0

Occupational Categories	Gender	Number of employees as at 1 April 2023	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	125	0	3	1	4
	Male	70	0	3	1	4
Sub Total	Female	968	1	37	12	50
	Male	828	1	37	12	50
Total		**1796**	**2**	**74**	**24**	**100**

Table 4.14.2 Training provided for the period 1 April 2023 and 31 March 2024

Occupational Categories	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	34	0	5	1	6
	Male	27	0	3	2	5
Professionals	Female	155	0	3	0	3
	Male	131	0	3	0	3
Technicians and associate professionals	Female	286	0	4	1	5
	Male	127	0	4	1	5
Clerks	Female	216	1	8	2	11
	Male	82	1	8	2	11
Service and sales workers	Female	52	0	0	0	0
	Male	67	0	0	0	0
Skilled agriculture and fishery workers	Female	4	0	0	0	0
	Male	8	0	0	0	0
Craft and related trades workers	Female	94	0	1	0	1
	Male	292	0	1	0	1
Plant and machine operators and assemblers	Female	2	0	1	0	1
	Male	24	0	1	0	1
Elementary occupations	Female	125	0	3	0	3
	Male	70	0	3	0	3
Sub Total	Female	968	1	25	4	30
	Male	828	1	23	5	29
Total		**1796**	**2**	**48**	**9**	**59**

4.15 Injury on duty

Table 4.15.1 Injury on duty for the period 1 April 2023 and 31 March 2024

N/A.

4.16 Utilisation of Consultants

Table 4.16.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 and 31 March 2024

Project Title	Total number of consultants that worked on the project	Duration : work hours	Contract value in Rand	Total Expenditure 2023/24
			R'000	R'000
Consultancy fees in respect of applications for short and long term incapacity leave and ill-health including any assessments and medical disbursements	N/A.	N/A.	214	214
To provide cancer awareness to DPWI employees	1	9	15	15
Develop and implement an electronic records management system	N/A.	N/A.	18,890	6,337
Hazardous identification risk and ergonomics assessment	N/A.	N/A.	190	190
Provision of proof of educational qualifications	N/A.	N/A.	20	29
To conduct risk assessment for DPWI	N/A.	N/A.	446	446
Various	N/A.	N/A.	1,018	1,018
Total Programme 1			**20,347**	**7,803**
Facilities management to state owned facilities	N/A.		28,199	9,526
Transaction advisor in order to finalise the Bisho precinct office of PPP Treasury approval IIB (TAIIB) application to National Treasury and other related services		336.4	5,930	1,470
Land surveying services for subdivision and consolidation of erven	N/A.	N/A.	1,334	1,334
Implementation of Integrated Shared Services Contracts (ISSC) programme (related to energy, water, rates, taxes and waste management) on facilities owned by ECPG	N/A.	N/A.	75,386	75,386
Provision of debt collection services for the State	N/A.	N/A.	59	59
Programme implementation and management office to provide support in the management of provincial infrastructure delivery	15	15 600	206,753	48,970
Total Programme 2			**317,661**	**136,745**
Grand Total			**338,008**	**144,548**

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand R'000
12	**16**	**15 615**	**338 008**

Table 4.16.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Programme 1			
Consultancy fees in respect of applications for short and long term incapacity leave and ill-health including any assessments and medical disbursements	0%	0%	N/A.
To provide cancer awareness to DPWI employees	77%	77%	1
Develop and implement an electronic records management system	100%	100%	N/A.
Hazardous identification risk and ergonomics assessment	100%	100%	N/A.
Provision of proof of educational qualifications	100%	100%	N/A.
To conduct risk assessment for DPWI	84.62	84.62	N/A.
Various	N/A.	N/A.	N/A.
Programme 2			
Facilities management to state owned facilities	51%	51%	N/A.
Transaction advisor in order to finalize the Bhisho precinct office of PPP Treasury approval IIB (TAIIB)application to National Treasury and other related services	100%	100%	N/A.
Land surveying services for subdivision and consolidation of erven	100%	100%	N/A.
Implementation of integrated shared services contracts (ISSC) programme (related to energy, water, rates, taxes and waste management) on facilities owned by ECPG	51%	51%	N/A.
Provision of debt collection services for the State	51%	51%	N/A.
Programme implementation and management office to provide support in the management of provincial infrastructure delivery	100%	100%	15
			16

Table 4.16.3 Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024

N/A.

Table 4.16.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

N/A.

4.17 Severance Packages

Table 4.17.1 Granting of employee initiated severance packages for the period 1 April 2023 and 31 March 2024

N/A.

PFMA Compliance Report

Part E

PART E: PFMA COMPLIANCE REPORT

5.1 Information on Irregular, Fruitless and Wasteful, Unauthorised and Material Losses

5.1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	1,120,011	977,540
Adjustment to opening balance		
Opening balance as restated	1,120,011	977,540
Add: Irregular expenditure confirmed	5,201	142,471
Less: Irregular expenditure condoned	(530,125)	-
Less: Irregular expenditure not condoned and removed	(14,776)	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	580,311	1,120,011

Reconciling notes	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	71,477
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	-
Irregular expenditure for the current year	5,201	142,471
Total	5,201	213,948

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	-	71,477
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	5,201	142,471
Total	5,201	213,948

c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	(530,125)	-
Total	(530,125)	-

d) Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	(14,776)	-
Total	(14,776)	-

e) Details of irregular expenditure recoverable

N/A.

f) Details of irregular expenditure written off (irrecoverable)

N/A.

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)

N/A.

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

N/A.

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

N/A.

5.1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	288	982
Adjustment to the opening balance	-	-
Opening balance as restated	288	982
Add: Fruitless and wasteful expenditure confirmed	622	46.4
Less: Fruitless and wasteful expenditure recoverable	(5)	-0.2
Less: Amounts written off	(497)	-190.4
Less : Amounts Resolved	(105)	-549.2
Less : Amounts Transferred to receivables	-	-0.5
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**303**	**288**

Reconciling notes

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	-
Fruitless and wasteful expenditure for the current year	622	46.4
Total	622	46.4

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

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	119.5	27.3
Total	119.5	27.3

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure recoverable	-5	-
Total	-5	-

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/24 R'000	2022/23 R'000
Fruitless and Wasteful expenditure written off	-497	-2
Total	-497	-2

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

N/A.

5.1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

N/A.

Reconciling notes

N/A.

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

N/A.

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

1. Details of material losses through criminal conduct

N/A.

2. Details of other material losses

N/A.

3. Other material losses recoverable

N/A.

4. Other material losses not recoverable and written off

N/A.

5.2 Information on late and / or non-payment of suppliers

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	5 904	1 876 436
Total number of invoices paid	5 668	1 808 697
Invoices paid within 30 days	5 325	1 7 89 099
Invoices paid after 30 days	343	19 598
Invoices older than 30 days (unpaid and without dispute)	236	67 739
Invoices older than 30 days (unpaid and in dispute)	-	-

Reason for the 236 (6%) invoices paid after 30 days was due to network challenges in April and May 2023.

5.3 Information on Supply Chain Management

5.3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Provide Civil/ Structural Engineering services towards the design and construction management of the Construction phase 1 (Civils) and block A for the proposed Emaxesibeni cluster office development.	Ayamah Tibaa (PTY) LTD	Single Source	SCMU5-23/24-0103	Rate based

5.3.2 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	Reasons for variation or expansion
				R'000	R'000	R'000	
Scheduled Maintenance to Generators in OR Tambo Region	4RGA Electrical Project Managers & Contracting	Submission No. 1: Contract Price Adjustment Submission No. 2: Additional Emergency Repair work	SCMU5-21/22-0119	R8 500 000,00	R9 156 920,25	R9 846 920,25	Contract Price Adjustment. Additional Emergency Repair work.
Disaster Recovery Cloud Solution	Afrocentric Intel JV Nkqubela	VO No 1 for Additional workload implementation of Disaster Recovery Cloud solutions for a period of 01 September 2023 up to 30 September 2023	SCMU5-22/23-0115	R5 133 149,63	R5 133 149,63	R5 516 290,30	Additional workload implementation of Disaster Recovery Cloud solutions for a period of 01 September 2023 up to 30 September 2023
Implementation of and Management Office to Provide Support in the Management of Provincial Infrastructure Delivery for 3 years	Ayamah Consulting Engineers / Tibbaa Consulting Engineers	VO No 1-3 for Additional of resources and Extension of time	SCMU5-19/20-GS0020	R174 861 454,41	R206 752 944,73	R283 683 083,13	Additional of resources and extension of time of contract duration.
Procurement of professional services for refurbishment of Agriculture offices at Ngqamakhwe: Amathole	FMA Engineers Pty Ltd	VO No 1 - Extension of contract duration	SCMU5-19/20-0013 AMR INF	R679 315,39	R679 315,39	R679 315,39	Extension of contract duration with no cost.

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	Reasons for variation or expansion
Chungwa House Building - Partitioning into offices for user	Imivuzo Trading	VO 2 - Adjustment of provisional amount for SMME Package Submission No. 9- EOT No 1: Due to design changes	SCMU5-21/22-0095	R10 039 835,79	R11 102 621, 29	R11 399 175,13	Adjustment of provisional amount for SMME Package. EOT No 1: Due to design changes.
Refurbishment of Lusikisiki College of Education Coastal Cluster Offices	Mpiyakhe 04 Construction and Traffic Services	Submission No.3 -VO 3 - Removal of existing of gutters and replace with new seamless gutters.	SCMU5-21/22-0183	R22 485 487,00	R22 485 487,00	R23 006 128,80	Removal of existing of gutters and replace with new seamless gutters.
Renewal of Maintenance and Support for Desktop and Laptops Backup Solution for the DPWI for a period of two years	SMS ICT (Pty) Ltd	VO No 's (1-2) for contract extension from 01 July 2023 up to 01 September 2023	SCMU5-20/21-0109	R1 366 127,59	R1 545 027,34	R1 783 560,34	EOT - contract extension from 01 July 2023 up to 01 September 2023.
Refurbishment of Electrical Installation at Sijongengaphi Training Centre Depot for ECDPW&I: WHITTLESEA	WEB Investment	VO 1 - Omission of Contingencies Ceiling for Male and Female Ablutions VO 3: Cable route from DB to DB	SCMU5-22/23-0120	R2 441 935,76	R2 260 042,10	R2 400 299,41	Omission of Contingencies. Ceiling for Male and Female Ablutions. Cable route from DB to DB.

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	Reasons for variation or expansion
Fencing to Prestige portfolio (Ministerial Complex Lillian Dedericks and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 1 Omission of contingencies Submission No. 5 Re-surfacing of Tennis Court Submission No. 7 Electrical Installation	SCMU5-22/23-0099	R10 378 072,48	R9 591 293,54	R9 811 440,92	Omission of contingencies. Re-surfacing of Tennis Court Electrical Installation.
Construction of Mqanduli Cluster Offices	Zibele Contraction	Submission No.1: Omission of Contingencies No.2: EOT	SCMU5-21/22-0132	R155 882 893.50	R145 532 893.50	R145 532 893.50	Omission of Contingencies. EOT – extension of contract duration.
Total					**R414 239 694,77**	**R493 659 107,17**	

Financial Information

Part F

6.1 Report of the auditor-general to Eastern Cape Provincial Legislature on vote no. 5: Department of Public Works and Infrastructure

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Public Works and Infrastructure set out on pages 196 to 253, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works and Infrastructure as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act of South Africa, (Act 5 of 2023) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the Auditor-General for the audit of the financial statements section of my report.

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

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

Other matter

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 254 to 264 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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

9. 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

10. 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.

11. 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

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

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

Programme	Page numbers	Purpose
Public works infrastructure	64-80	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
Expanded public works programme	81-85	To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and coordination of the Expanded public works programme.

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

15. I performed procedures to test whether:

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

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

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

Programme 2: Public Works Infrastructure

Number of facilities provided

18. An achievement of 250 facilities provided was reported against a target of 250. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Number of condition assessments conducted on state-owned buildings

19. An achievement of 312 conditional assessments was reported against a target of 300. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

Various indicators

20. Based on the audit evidence, the actual achievements for six indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially more.

Indicator	Planned target	Reported achievement
Number of capital infrastructure projects under construction: DPWI	36	19
Number of new construction projects completed: DPWI	12	3
Number of capital infrastructure projects under construction: Education	20	20
Number of new construction projects completed: Education	10	8
Number of capital infrastructure projects under construction: Health	20	17
Number of new construction projects completed: Health	0	0

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

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

23. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets measures taken to improve performance are included in the annual performance report on pages 65 to 78

Public Works Infrastructure

Targets achieved: 64% *Budget spent: 97%*		
Key indicators not achieved	**Planned target**	**Reported achievement**
Number of capital infrastructure projects under construction (DPWI)	36	19
Number of new construction projects completed (DPWI)	6	3
Number of planned maintenance (refurbished / renovated) completed (DPWI)	12	4
Number of infrastructure designs ready for tender (Education)	7	5
Number of capital infrastructure projects under construction (Health)	20	17
Number of planned maintenance (refurbished / renovated) completed (Health)	10	9
Number of state-owned facilities adhering to access norms and standards for people with disabilities. (Health)	10	9
Number of infrastructure designs ready for tender (Health)	25	20
Number of energy efficient DPWI buildings	50	48

Material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for public works infrastructure and expanded public work programme. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

25. 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.

26. 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.

27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

28. The material finding on compliance with the selected legislative requirements, presented per compliance theme, is as follows:

Strategic planning and performance management

29. Specific information systems were not implemented properly 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

30. 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.

31. 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.

32. 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.

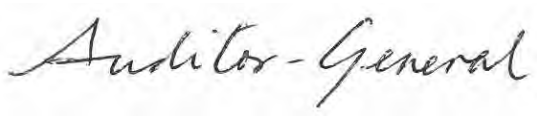
33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information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

34. 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.

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

36. Management did not prepare accurate and complete performance reports that are supported and evidenced by reliable information due to the reported actual achievements which were not in accordance with the technical indicator descriptions. Management did not implement the agreed upon actions to address the previous year's root causes.



East London

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); Section 38(1)(d); 38(1)(h)(iii); 38(1)(j); 39(1)(a); Section 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(1); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.14; 6.3.1(a); 6.3.1(b); Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; Regulation 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; Regulation 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A 6.3(e); 16A6.4; Regulation 16A6.5; 16A6.6; 16A7.1; 16A7.3; Regulation 16A7.6; 16A7.7; 16A8.2(1); 16A8.2(2); Regulation 16A8.3; ; 16A8.4; 16A9.1(b)(ii); Regulation ; 16A 9.1(d); 16A 9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 5 of 2023	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); Section 16(3)(a)(ii)(bb)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Health Act 61 of 2003	Section 13
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1;
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2;
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
State Information Technology Agency Act 88 of 1998	Section 7(3)

Eastern Cape Department of Public Works and Infrastructure

(Vote number Vote 5)

6.2. Annual Financial Statements for the year ended 31 March 2024

6.2.1 Appropriation Statement

Figures in Rand thousand

		2023/2024							2022/2023	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per programme										
Programme										
Administration	1	544,781	-	8,824	553,605	552,369	1,236	99.78 %	516,950	516,772
Public Works Infrastructure	2	1,822,388	-	(7,212)	1,815,176	1,763,814	51,362	97.17 %	2,032,890	2,032,883
Expanded Public Works Programme	3	148,684	-	(1,612)	147,072	144,904	2,168	98.53 %	130,633	130,633
Programme subtotal		**2,515,853**	-	-	**2,515,853**	**2,461,087**	**54,766**	**97.82 %**	**2,680,473**	**2,680,288**
Total		**2,515,853**	-	-	**2,515,853**	**2,461,087**	**54,766**	**97.82 %**	**2,680,473**	**2,680,288**

Reconciliation with statement of financial performance

Add:		
Actual amounts per statement of financial performance (total revenue)	**2,515,853**	**2,680,473**
Actual expenditure	2,461,087	2,680,288
Add:		
Actual amounts per statement of financial performance (total expenditure)	**2,461,087**	**2,680,288**

Eastern Cape Department of Public Works and Infrastructure

(Vote number Vote 5)

Annual Financial Statements for the year ended 31 March 2024

Appropriation Statement

Figures in Rand thousand

	2023/2024							2022/2023	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	664,780	(15,502)	(8,286)	640,992	640,032	960	99.85 %	667,579	667,533
Social contributions	111,080	4,304	-	115,384	115,096	288	99.75 %	111,847	111,847
	775,860	**(11,198)**	**(8,286)**	**756,376**	**755,128**	**1,248**	**99.84 %**	**779,426**	**779,380**
Goods and services									
Administrative fees	25	(25)	-	-	-	-	- %	3	3
Advertising	1,677	359	-	2,036	2,036	-	100.00 %	3,857	3,857
Minor assets	569	1,352	-	1,921	1,921	-	100.00 %	423	423
Audit costs: External	9,771	725	-	10,496	10,496	-	100.00 %	9,939	9,939
Bursaries: Employees	2,709	(33)	-	2,676	2,676	-	100.00 %	1,744	1,744
Catering: Departmental activities	1,821	(108)	-	1,713	1,713	-	100.00 %	1,428	1,428
Communication	10,141	(2,865)	-	7,276	7,276	-	100.00 %	9,890	9,890
Computer services	20,927	4,425	5,833	31,185	31,185	-	100.00 %	41,302	41,302

Eastern Cape Department of Public Works and Infrastructure

(Vote number Vote 5)

Annual Financial Statements for the year ended 31 March 2024

Appropriation Statement

Figures in Rand thousand

	2023/2024							2022/2023	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Consultants: Business and advisory	148,813	(4,279)	-	144,534	144,534	-	100.00 %	116,952	116,952
Services Infrastructure and planning services	6,750	8,877	-	15,627	15,627	-	100.00 %	7,862	7,862
Legal services	14,152	56	-	14,208	14,208	-	100.00 %	3,288	3,288
Contractors	92	11	-	103	103	-	100.00 %	131	131
Agency and support / outsourced	45,446	(339)	-	45,107	45,107	-	100.00 %	40,248	40,248
Services Inventory: Clothing material and	-	673	-	673	673	-	100.00 %	3,249	3,249
Supplies Inventory: Materials and supplies	-	-	-	-	-	-	- %	2,290	2,290
Consumable supplies	10,210	3,238	-	13,448	13,448	-	100.00 %	4,964	4,964
Consumable: Stationery, printing and office supplies	2,915	(528)	-	2,387	2,387	-	100.00 %	2,052	2,052
Operating leases	245,197	(8)	-	245,189	245,189	-	100.00 %	277,678	277,678
Property payments	375,090	(6,845)	-	368,245	368,245	-	100.00 %	423,441	423,441

Eastern Cape Department of Public Works and Infrastructure

(Vote number Vote 5)

Annual Financial Statements for the year ended 31 March 2024

Appropriation Statement

Figures in Rand thousand

	2023/2024							2022/2023	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification (continued)									
Travel and subsistence	29,349	5,034	-	34,383	34,383	-	100.00 %	40,382	40,382
Training and development	6,894	(2,550)	(538)	3,806	3,806	-	100.00 %	5,144	5,144
Operating payments	2,017	533	-	2,550	2,550	-	100.00 %	628	628
Venues and facilities	3,686	(298)	-	3,388	3,388	-	100.00 %	2,347	2,347
Rental and hiring	264	1,068	-	1,332	1,332	-	100.00 %	2,223	2,223
	938,515	**8,473**	**5,295**	**952,283**	**952,283**	**-**	**100.00 %**	**1,001,465**	**1,001,465**
Interest and rent on land	-	599	-	599	599	-	100.00 %	23	23
Compensation of employees	775,860	(11,198)	(8,286)	756,376	755,128	1,248	99.84 %	779,426	779,380
Goods and services	938,515	8,473	5,295	952,283	952,283	-	100.00 %	1,001,465	1,001,465
Interest and rent on land	-	599	-	599	599	-	100.00 %	23	23
Total current payments	**1,714,375**	**(2,126)**	**(2,991)**	**1,709,258**	**1,708,010**	**1,248**	**99.93 %**	**1,780,914**	**1,780,868**

Eastern Cape Department of Public Works and Infrastructure

(Vote number Vote 5)

Annual Financial Statements for the year ended 31 March 2024

Appropriation Statement

Figures in Rand thousand

	2023/2024							2022/2023	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Transfers and Subsidies									
Provinces and Municipalities									
Municipalities									
Municipal bank accounts	544,608	-	-	544,608	540,005	4,603	99.15 %	666,002	665,995
Municipalities	544,608	-	-	544,608	540,005	4,603	99.15 %	666,002	665,995
Households									
Social benefits	8,137	2,126	1,141	11,404	11,404	-	100.00 %	12,764	12,632
Other transfers to households	6,799	-	1,850	8,649	8,649	-	100.00 %	8,672	8,672
	14,936	**2,126**	**2,991**	**20,053**	**20,053**	**-**	**100.00 %**	**21,436**	**21,304**
Provinces and municipalities	544,608	-	-	544,608	540,005	4,603	99.15 %	666,002	665,995
Households	14,936	2,126	2,991	20,053	20,053	-	100.00 %	21,436	21,304
Total transfers and subsidies	**559,544**	**2,126**	**2,991**	**564,661**	**560,058**	**4,603**	**99.18 %**	**687,438**	**687,299**
Payments for capital assets									
Buildings and other fixed Structures									
Buildings	212,007	-	-	212,007	164,782	47,225	77.72 %	192,036	192,036

Eastern Cape Department of Public Works and Infrastructure

(Vote number Vote 5)

Annual Financial Statements for the year ended 31 March 2024

Appropriation Statement

Figures in Rand thousand

	2023/2024							2022/2023	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification (continued)									
Machinery and equipment									
Transport equipment	12,411	(1,876)	-	10,535	9,492	1,043	90.10 %	12,000	12,000
Other machinery and equipment	17,516	1,876	-	19,392	18,745	647	96.66 %	8,085	8,085
	29,927	**-**	**-**	**29,927**	**28,237**	**1,690**	**94.35 %**	**20,085**	**20,085**
Buildings and other fixed Structures	212,007	-	-	212,007	164,782	47,225	77.72 %	192,036	192,036
Machinery and equipment	29,927	-	-	29,927	28,237	1,690	94.35 %	20,085	20,085
Total payments for capital assets	**241,934**	**-**	**-**	**241,934**	**193,019**	**48,915**	**79.78 %**	**212,121**	**212,121**
Total current payments	1,714,375	(2,126)	(2,991)	1,709,258	1,708,010	1,248	99.93 %	1,780,912	1,780,861
Total transfers and subsidies	559,544	2,126	2,991	564,661	560,058	4,603	99.18 %	687,438	687,299
Total payments for capital assets	241,934	-	-	241,934	193,019	48,915	79.78 %	212,121	212,121
Total	**2,515,853**	**-**	**-**	**2,515,853**	**2,461,087**	**54,766**	**97.82 %**	**2,680,473**	**2,680,288**

Eastern Cape Department of Public Works and Infrastructure

(Vote number Vote 5)

Annual Financial Statements for the year ended 31 March 2024

Appropriation Statement

Figures in Rand thousand

		2023/2024							2022/2023	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1. ADMINISTRATION										
Sub programme										
Office of the MEC	1.1	10,560	387	-	10,947	10,947	-	100.00 %	9,532	9,532
Management of the Department	1.2	28,909	(460)	-	28,449	28,449	-	100.00 %	21,687	21,687
Corporate support	1.3	505,312	73	8,824	514,209	512,973	1,236	99.76 %	485,731	485,553
Subtotal		**544,781**	**-**	**8,824**	**553,605**	**552,369**	**1,236**	**99.78 %**	**516,950**	**516,772**
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages		274,441	(4,130)	-	270,311	270,118	193	99.93 %	286,079	286,033
Social contributions		55,939	(7,134)	-	48,805	48,805	-	100.00 %	52,574	52,574
		330,380	**(11,264)**	**-**	**319,116**	**318,923**	**193**	**99.94 %**	**338,653**	**338,607**
Goods and services										
Administrative fees		25	(25)	-	-	-	-	- %	3	3
Advertising		1,540	252	-	1,792	1,792	-	100.00 %	3,830	3,830
Minor assets		371	113	-	484	484	-	100.00 %	315	315
Audit costs: External		9,771	725	-	10,496	10,496	-	100.00 %	9,939	9,939
Bursaries: Employees		2,709	(76)	-	2,633	2,633	-	100.00 %	1,727	1,727
Catering: Departmental activities		1,083	(5)	-	1,078	1,078	-	100.00 %	675	675
Communication		10,141	(2,865)	-	7,276	7,276	-	100.00 %	9,890	9,890
Computer services		20,927	4,425	5,833	31,185	31,185	-	100.00 %	41,302	41,302

Consultants: Business and advisory services	80,517	3,179	-	83,696	83,696	-	100.00 %	23,092	23,092
Legal services	14,152	56	-	14,208	14,208	-	100.00 %	3,288	3,288
Contractors	-	11	-	11	11	-	100.00 %	51	51
Consumable supplies	550	148	-	698	698	-	100.00 %	776	776
Consumable: Stationery, printing andoffice supplies	2,551	(498)	-	2,053	2,053	-	100.00 %	1,779	1,779
Operating leases	15,909	2,053	-	17,962	17,962	-	100.00 %	21,186	21,186
Property payments	500	(495)	-	5	5	-	100.00 %	10	10
Travel and subsistence	11,101	2,749	-	13,850	13,850	-	100.00 %	16,062	16,062
Training and development	2,894	(1,161)	-	1,733	1,733	-	100.00 %	2,078	2,078
Operating payments	1,222	201	-	1,423	1,423	-	100.00 %	220	220
Venues and facilities	2,195	(241)	-	1,954	1,954	-	100.00 %	1,189	1,189
Rental and hiring	260	(7)	-	253	253	-	100.00 %	72	72
	178,418	**8,539**	**5,833**	**192,790**	**192,790**	**-**	**100.00 %**	**137,484**	**137,484**
Interest and rent on land	-	599	-	599	599	-	100.00 %	21	21
Compensation of employees	330,380	(11,264)	-	319,116	318,923	193	99.94 %	338,653	338,607
Goods and services	178,418	8,539	5,833	192,790	192,790	-	100.00 %	137,484	137,484
Interest and rent on land	-	599	-	599	599	-	100.00 %	21	21
Total current payments	**508,798**	**(2,126)**	**5,833**	**512,505**	**512,312**	**193**	**99.96 %**	**476,158**	**476,112**
Transfers and subsidies									
Households	14,936	2,126	2,991	20,053	20,053	-	100.00 %	21,436	21,304
Households	14,936	2,126	2,991	20,053	20,053	-	100.00 %	21,436	21,304
Payments for capital assets									
Machinery and equipment									
Transport equipment	12,411	(1,876)	-	10,535	9,492	1,043	90.10 %	12,000	12,000
Other machinery and equipment	8,636	1,876	-	10,512	10,512	-	100.00 %	7,356	7,356
	21,047	**-**	**-**	**21,047**	**20,004**	**1,043**	**95.04 %**	**19,356**	**19,356**
Machinery and equipment	21,047	-	-	21,047	20,004	1,043	95.04 %	19,356	19,356
Total current payments	508,798	(2,126)	5,833	512,505	512,312	193	99.96 %	476,158	476,112
Total transfers and subsidies	14,936	2,126	2,991	20,053	20,053	-	100.00 %	21,436	21,304
Total payments for capital assets	21,047	-	-	21,047	20,004	1,043	95.04 %	19,356	19,356
Total	**544,781**	**-**	**8,820**	**553,605**	**551,905**	**1,236**	**99.69 %**	**516,950**	**516,772**

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Figures in Rand thousand		2023/2024							2022/2023	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2. PUBLIC WORKS INFRASTRUCTURE										
Sub programme										
Program Support	2.1	63,498	(1,973)	-	61,525	61,525	-	100.00 %	136,819	136,819
Planning	2.2	838	14,007	-	14,845	14,845	-	100.00 %	2,559	2,559
Construction	2.3	271,559	(1,929)	(939)	268,691	222,574	46,117	82.84 %	196,649	196,649
Maintenance	2.4	224,455	(10,967)	(4,217)	209,271	209,271	-	100.00 %	212,046	212,046
Immovable Asset Management	2.5	946,733	2,106	(2,056)	946,783	941,538	5,245	99.45 %	1,164,154	1,164,147
Facility Operations	2.6	315,305	(1,244)	-	314,061	314,061	-	100.00 %	320,663	320,663
Subtotal		**1,822,388**	**-**	**(7,212)**	**1,815,176**	**1,763,814**	**51,362**	**97.17 %**	**2,032,890**	**2,032,883**
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages		340,707	(9,352)	(7,212)	324,143	323,376	767	99.76 %	337,409	337,409
Social contributions		48,441	9,418	-	57,859	57,571	288	99.50 %	51,470	51,470
		389,148	**66**	**(7,212)**	**382,002**	**380,947**	**1,055**	**99.72 %**	**388,879**	**388,879**
Goods and services										
Advertising		113	107	-	220	220	-	100.00 %	27	27
Minor assets		14	1,239	-	1,253	1,253	-	100.00 %	89	89
Bursaries: Employees		-	43	-	43	43	-	100.00 %	-	-

Catering: Departmental activities	213	(57)	-	156	156	-	100.00 %	173	173
Consultants: Business and advisory services	68,296	(7,458)	-	60,838	60,838	-	100.00%	93,860	93,860
Infrastructure and planning services	6,750	8,877	-	15,627	15,627	-	100.00%	7,862	7,862
Contractors	92	-	-	92	92	-	100.00 %	73	73
Agency and support / outsourced services	-	-	-	-	-	-	- %	2,410	2,410
Inventory: Materials and supplies	-	-	-	-	-	-	- %	453	453
Consumable supplies	5,184	1,907	-	7,091	7,091	-	100.00 %	4,108	4,108
Consumable: Stationery, printing and office supplies	146	15	-	161	161	-	100.00 %	116	116
Operating leases	229,288	(2,061)	-	227,227	227,227	-	100.00 %	256,492	256,492
Property payments	352,171	(6,372)	-	345,799	345,799	-	100.00 %	407,641	407,641
Travel and subsistence	8,509	2,314	-	10,823	10,823	-	100.00 %	11,163	11,163
Operating payments	775	335	-	1,110	1,110	-	100.00 %	334	334
Venues and facilities	950	(30)	-	920	920	-	100.00 %	945	945
Rental and hiring	4	1,075	-	1,079	1,079	-	100.00 %	2,151	2,151
	672,505	**(66)**	**-**	**672,439**	**672,439**	**-**	**100.00 %**	**787,897**	**787,897**
Compensation of employees	389,148	66	(7,212)	382,002	380,947	1,055	99.72 %	388,879	388,879
Goods and services	672,505	(66)	-	672,439	672,439	-	100.00 %	787,897	787,897
Total current payments	**1,061,653**	**-**	**(7,212)**	**1,054,441**	**1,053,386**	**1,055**	**99.90 %**	**1,176,776**	**1,176,776**
Transfers and subsidies									
Provinces and municipalities									
Municipalities									
Municipal bank accounts	544,608	-	-	544,608	540,005	4,603	99.15 %	666,002	665,995
Municipalities	544,608	-	-	544,608	540,005	4,603	99.15 %	666,002	665,995
Provinces and municipalities	544,608	-	-	544,608	540,005	4,603	99.15 %	666,002	665,995

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Figures in Rand thousand	2023/2024							2022/2023	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Payments for capital assets									
Buildings and other fixed structures									
Buildings	207,507	-	-	207,507	162,445	45,062	78.28 %	189,383	189,383
Machinery and equipment									
Other machinery and equipment	8,620	-	-	8,620	7,978	642	92.55 %	729	729
Buildings and other fixed Structures	207,507	-	-	207,507	162,445	45,062	78.28 %	189,383	189,383
Machinery and equipment	8,620	-	-	8,620	7,978	642	92.55 %	729	729
Total payments for capital assets	**216,127**	**-**	**-**	**216,127**	**170,423**	**45,704**	**78.85 %**	**190,112**	**190,112**
Total current payments	1,061,653	-	(7,212)	1,054,441	1,053,386	1,055	99.90 %	1,176,776	1,176,776
Total transfers and subsidies	544,608	-	-	544,608	540,005	4,603	99.15 %	666,002	665,995
Total payments for capital assets	216,127	-		216,127	170,423	45,704	78.85 %	190,112	190,112
Total	**1,822,388**	**-**	**(7,212)**	**1,815,176**	**1,763,814**	**51,362**	**97.17 %**	**2,032,890**	**2,032,883**

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Figures in Rand thousand		2023/2024							2022/2023	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3. EXPANDED PUBLIC WORKS PROGRAMME										
Sub programme										
Program Support	3.1	32,978	(13,342)	-	19,636	19,631	5	99.97 %	23,704	23,704
Community Development	3.2	29,662	3,327	-	32,989	32,989	-	100.00 %	20,638	20,638
Innovation and Empowerment	3.3	68,249	2,907	(1,612)	69,544	67,381	2,163	96.89 %	64,045	64,045
Co-ordination and Compliance Monitoring	3.4	17,795	7,108	-	24,903	24,903	-	100.00 %	22,246	22,246
Subtotal		**148,684**	**-**	**(1,612)**	**147,072**	**144,904**	**2,168**	**98.53 %**	**130,633**	**130,633**
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages		49,632	(2,020)	(1,074)	46,538	46,538	-	100.00 %	44,091	44,091
Social contributions		6,700	2,020	-	8,720	8,720	-	100.00 %	7,803	7,803
		56,332	**-**	**(1,074)**	**55,258**	**55,258**	-	**100.00 %**	**51,894**	**51,894**
Goods and services										
Advertising		24	-	-	24	24	-	100.00 %	-	-
Minor assets		184	-	-	184	184	-	100.00 %	19	19
Bursaries: Employees		-	-	-	-	-	-	- %	17	17
Catering: Departmental activities		525	(46)	-	479	479	-	100.00 %	580	580

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Figures in Rand thousand	2023/2024							2022/2023	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Contractors	-	-	-	-	-	-	- %	7	7
Agency and support / outsourced services	45,446	(339)	-	45,107	45,107	-	100.00 %	37,838	37,838
Inventory: Clothing material and supplies	-	673	-	673	673	-	100.00 %	3,249	3,249
Inventory: Materials and supplies	-	-	-	-	-	-	- %	1,837	1,837
Consumable supplies	4,476	1,183	-	5,659	5,659	-	100.00 %	80	80
Consumable: Stationery, printing andoffice supplies	218	(45)	-	173	173	-	100.00 %	157	157
Property payments	22,419	22	-	22,441	22,441	-	100.00 %	15,790	15,790
Travel and subsistence	9,739	(29)	-	9,710	9,710	-	100.00 %	13,157	13,157
Training and development	4,000	(1,389)	(538)	2,073	2,073	-	100.00 %	3,066	3,066
Operating payments	20	(3)	-	17	17	-	100.00 %	74	74
Venues and facilities	541	(27)	-	514	514	-	100.00 %	213	213
	87,592	**-**	**(538)**	**87,054**	**87,054**	**-**	**100.00 %**	**76,084**	**76,084**
Compensation of employees	56,332	-	(1,074)	55,258	55,258	-	100.00 %	51,894	51,894
Goods and services	87,592	-	(538)	87,054	87,054	-	100.00 %	76,084	76,084
Total current payments	**143,924**	**-**	**(1,612)**	**142,312**	**142,312**	**-**	**100.00 %**	**127,980**	**127,980**

Payments for capital assets									
Buildings and other fixed structures	4,500	-	-	4,500	2,337	2,163	51.93 %	2,653	2,653
Machinery and equipment									
Other machinery and equipment	260	-	-	260	255	5	98.08 %	-	-
Buildings and other fixed structures	4,500	-	-	4,500	2,337	2,163	51.93 %	2,653	2,653
Machinery and equipment	260	-	-	260	255	5	98.08 %	-	-
Total payments for capital assets	**4,760**	**-**	**-**	**4,760**	**2,592**	**2,168**	**54.45 %**	**2,653**	**2,653**
Total current payments	143,924	-	(1,612)	142,312	142,312	-	100.00 %	127,978	127,978
Total payments for capital assets	4,760	-	-	4,760	2,592	2,168	54.45 %	2,653	2,653
Total	**148,684**	**-**	**(1,612)**	**147,072**	**144,904**	**2,168**	**98.53 %**	**130,633**	**130,633**

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6.2.2 Notes to the Appropriation Statement

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the annual financial statements.

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

Detail of these transactions can be viewed in note 1 Annual appropriation to the annual financial statements.

3. Detail on payments for financial assets

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

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

4.1 Per programme

Figures in Rand	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Administration	553,605	552,369	1,236	0.2 %
Public Works Infrastructure	1,815,176	1,763,814	51,362	2.8 %
Expanded Public Works Programme	147,072	144,904	2,168	1.5 %

Programme 1

Machinery and Equipment

Due to delayed verification process of invoices received from the Government Fleet Entity.

Programme 2:

Provinces and Municipalities:

Due to the delayed process of ownership verification for properties in Makana that were billed by the municipality but not in the Asset register. These were later included in the Departmental Asset Register after verification process was finalized.

Buildings and Other Fixed Structures:

Due to the delayed delivery of project milestones for construction projects on the ground as a result of various reasons, which are as follows:

- Mqanduli Cluster Offices – Poor contractor performance due to delays experienced as a result of the non-availability of the concrete mix pump machine to pour the concrete slab by the local subcontractor;
- KD Matanzima Building – Non-delivery of aluminum as a result of production challenges experienced by the manufacturer;

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Notes to the Appropriation Statement

- MT Ayliff Cluster Offices (Civil works) – Delays due to community unrest that was resolved through legal process;
- Makhanda Artisan Development Centre – Delays due to rainy weather and challenges experienced with the appointment of SMME;
- Ngqamakwe – Delays due to the supply of concrete and non availability of blasting equipment due to more demand in the sector as well as rainy weather;
- Fencing to Prestige Portfolio - Delays experienced due to the main and sub-contractor dispute on the cession agreement;
- Botha Sigcau Generator – Delays in the finalization of cession agreement; and
- Solar system at Old Fort House building – Delays in the finalization of the cession agreement.

Programme 3:

Buildings and Other Fixed Structures:Due to delayed procurement (Award) of Training Centers as a result of the non-responsiveness of bidders.

4.2 Per economic classification

Figures in Rand	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Current payments				
Compensation of employees	756,376	755,128	1,248	- %
Goods and services	952,283	952,283	-	- %
Interest and rent on land	599	599	-	- %
Transfers and subsidies				
Provinces and municipalities	544,608	540,005	4,603	1 %
Households	20,053	20,053	-	- %
Payments for capital assets				
Buildings and other fixed structures	212,007	164,782	47,225	22 %
Machinery and equipment	29,927	28,237	1,690	6 %

Explanation of variance:

Provinces and Municipalities:

Due to the delayed process of ownership verification for properties in Makana that were billed by the municipality but not in the Asset register. These were later included in the Departmental Asset Register after verification process was finalized.

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Notes to the Appropriation Statement

Buildings and Other Fixed Structures:

Due to the delayed delivery of project milestones for construction projects on the ground as a result of various reasons, which are as follows:

- Mqanduli Cluster Offices – Poor contractor performance due to delays experienced as a result of the non-availability of the concrete mix pump machine to pour the concrete slab by the local subcontractor;
- KD Matanzima Building – Non-delivery of aluminum as a result of production challenges experienced by the manufacturer;
- MT Ayliff Cluster Offices (Civil works) – Delays due to community unrest that was resolved through legal process;
- Makhanda Artisan Development Centre – Delays due to rainy weather and challenges experienced with the appointment of SMME;
- Ngqamakwe – Delays due to the supply of concrete and non availability of blasting equipment due to more demand in the sector as well as rainy weather;
- Fencing to Prestige Portfolio - Delays experienced due to the main and sub-contractor dispute on the cession agreement;
- Botha Sigcau Generator – Delays in the finalization of cession agreement;
- Solar system at Old Fort House building – Delays in the finalization of the cession agreement; and
- Due to delayed procurement (Award) of Training Centers as a result of the non-responsiveness of bidders.

Machinery and Equipment

Due to delayed verification process of invoices received from the Government Fleet Entity.

4.3 Per conditional grant

Figures in Rand	Final Appropriation	Actual Expenditure
EPWP conditional grant	9,463	9,463

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6.2.3 Statement of Financial Performance

Figures in Rand	Note(s)	2023/2024	2022/2023
Revenue			
Annual appropriation	1	2,515,853	2,680,473
Total revenue		**2,515,853**	**2,680,473**
Expenditure			
Current expenditure			
Compensation of employees	3	755,126	779,380
Goods and services	4	952,283	1,001,465
Interest and rent on land	5	599	23
Total current expenditure		**1,708,008**	**1,780,868**
Transfers and subsidies			
Transfers and subsidies	6	560,059	687,299
Total transfers and subsidies		**560,059**	**687,299**
Expenditure for capital assets			
Tangible assets	7	193,020	212,121
Total expenditure for capital assets		**193,020**	**212,121**
Total expenditure		**2,461,087**	**2,680,288**
Surplus for the year		**54,766**	**185**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds			
Annual appropriation		54,766	184
Conditional grants		-	1
		54,766	**185**
Surplus for the year		**54,766**	**185**

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6.2.4 Statement of Financial Position as at 31 March 2024

Figures in Rand	Note(s)	2023/2024	2022/2023
Assets			
Current Assets			
Cash and cash equivalents	8	1,310	42,899
Receivables	10	58,596	15,839
		59,906	**58,738**
Non-Current Assets			
Receivables	10	89	113
Total Assets		**59,995**	**58,851**
Liabilities			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	11	54,766	185
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	1,819	1,175
Payables	13	1,883	56,024
		58,468	**57,384**
Total Liabilities		**58,468**	**57,384**
		1,527	**1,467**
Represented by:			
Recoverable revenue		1,527	1,467
Total		**1,527**	**1,467**

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6.2.5 Statement of Changes in Net Assets

Figures in Rand	Note	2023/2024	2022/2023
Recoverable revenue			
Opening balance		1,467	1,540
Transfers:			
Debts revised		-	(73)
Debts raised		60	-
Closing balance		**1,527**	**1,467**

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6.2.6 Cash Flow Statement

Figures in Rand	Note(s)	2023/2024	2022/2023
Cash flows from operating activities			
Receipts			
Annual appropriated funds received	1.1	2,515,853	2,680,473
Departmental revenue received	2	14,715	17,240
Interest received	2.2	1,862	403
		2,532,430	**2,698,116**
Net (increase)/ decrease in working capital		(96,898)	35,018
Surrendered to Revenue Fund		(16,895)	(18,316)
Current payments		(1,707,409)	(1,780,845)
Interest paid	5	(599)	(23)
Transfers and subsidies paid		(560,059)	(687,299)
Net cash flow available from operating activities	14	**150,570**	**246,651**
Cash flows from investing activities			
Payments for capital assets	7	(193,020)	(212,121)
Proceeds from sale of capital assets	2.3	777	677
(Increase)/ decrease in non-current receivables	10	24	27
Net cash flows from investing activities		**(192,219)**	**(211,417)**
Cash flows from financing activities			
Increase/ (decrease) in net assets		60	(73)
Net cash flows from financing activities		**60**	**(73)**
Net increase/ (decrease) in cash and cash equivalents		(41,589)	35,161
Cash and cash equivalents at beginning of year		42,899	7,738
Cash and cash equivalents at the end of the year	15	**1,310**	**42,899**

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6.2.7 Accounting Policies

Summary of significant accounting policies

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

The historical cost convention has been used, except where otherwise indicated. Management has used assessments 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 annual financial statements and to comply with the statutory requirements of the Public Finance Managment Act (PFMA), Act 1 of 199(as amended bt 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 annual financial statements have been prepared in accordance with the Modified Cash Standard (MCS).

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African 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 annual financial statements. Where necessary figures included in the prior period annual financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's annual financial statements.

6.2 Current year comparison with budget

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

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7. Revenue

7.1 Appropriated funds

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

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

Appropriated funds are measured at the amounts receivable.

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

7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the annual 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 annual financial statements when:

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

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.

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8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

Donations made in kind are recorded in the notes to the annual 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 annual 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 annual financial statements.

8.4.2 Finance leases

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

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

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

- 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.

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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.

11. Loans and receivables

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

12. Financial assets

12.1 Financial assets (not covered elsewhere)

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

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

12.2 Impairment of financial assets

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

13. Payables

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

14. Capital assets

14.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the annual financial statements at cost or fair value where the cost cannot be determined reliably. As per Sectorial Guide: Accounting and Reporting for Immovable Assets, the Department has used Municipal Valuation Rolls (including Supplementary Rolls) or Valuation Certificates to determine fair value in order to alleviate fruitless and wasteful expenditure. Further, per Sectorial Guide, where a municipal valuation has not been finalised or done for specific properties, the affected properties will be reflected at the same value as for exceptional cases of R1 000. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Only assets which the Department has legal title for is disclosed in the annual financial statements.

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This includes properties registered in the name of the Province; properties confirmed vested in terms of Section 239 or item 28

(1) to Schedule 6 of the Constitution; and properties registered in historical names of former Model C schools. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. On completion of the project the total project cost forms part of the existing asset or subsequently transferred to the department that is the custodian of the existing asset for recording and is included in the asset register of the department that is accountable for the asset. The disclosure note to the financial statements represents the consolidated position of the immovable assets under the custodian of Public Works as per Eastern Cape Land Disposal Act 7 of 2000. Assets related to the Housing Act 107 of 1997 and the Housing Amendment Act 4 of 2001 remain in the custody of the Department of Human Settlements. Where documentary evidence supporting completed provincial projects for the current financial year is considered to be either incomplete or inaccurate, the project will not be included. Additional information on immovable assets not reflected in the asset register is provided in the notes to the annual financial statements.

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

14.2 Movable capital assets

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the Office of the Accountant General) 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.

14.3 Intangible assets

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

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

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

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All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

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

14.4 Project costs: Work-in-progress

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

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

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

15. Provisions and contingents

15.1 Provisions

Provisions are recorded in the notes to the annual financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

15.2 Contingent liabilities

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

15.3 Contingent assets

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

15.4 Capital commitments

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

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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 annual 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 annual 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 policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectives in accordance with MCS requirements.

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

19. Events after the reporting date

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

20. Principal-Agent arrangements

The Department is party to a principal-agent arrangement for South African Post Office (SAPO). In terms of the arrangement the department is the principal and is responsible for facilitation of payment of EPWP beneficiaries. . All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the annual financial statements where appropriate.

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21. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

22. Related party transactions

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

23. Inventories

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

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

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

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

24. Public-Private Partnerships

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

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

25. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is 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.

26. Key Management Personnel

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

27. Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and / or underspending of appropriated funds. The write off occurs at year end or when funds are available.

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6.2.8 Notes to the Annual Financial Statements

Figures in Rand — Note — 2023/2024 — 2022/2023

1. Annual appropriation

1.1 Annual appropriation

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

	Final budget	Actual funds received	Final budget	Appropriation received
Programmes				
Administration	553,605	553,605	516,950	516,950
Public Works Infrastructure	1,815,176	1,815,176	2,032,890	2,032,890
Expanded Public Works Programme	147,072	147,072	130,633	130,633
Total	**2,515,853**	**2,515,853**	**2,680,473**	**2,680,473**
1.2 Conditional grants**				
Total grants received		33	9,463	13,503

**It should be noted that the Conditional grants are included in the amounts per the Final Appropriation in Note 1.1

2. Departmental revenue

Sales of goods and services other than capital assets	2.1	14,662	16,856
Interest, dividends and rent on land	2.2	1,862	403
Sales of capital assets	2.3	777	677
Transactions in financial assets and liabilities	2.4	53	384
Total revenue collected		**17,354**	**18,320**
Less: Own revenue included in appropriation	12	17,354	18,320
Departmental revenue collected		**-**	**-**

2.1 Sales of goods and services other than capital assets

Sales by market establishment	13,828	16,015
Other sales	834	841
Sales of goods and services produced by the department	**14,662**	**16,856**
Total	**14,662**	**16,856**

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Figures in Rand	Note	2023/2024	2022/2023
2.2 Interest, dividends and rent on land			
Interest		1,862	403
Total	2	**1,862**	**403**
2.3 Sales of capital assets			
Tangible assets			
Buildings and other fixed structures		272	677
Machinery and equipment		505	-
		777	**677**
2.4 Transactions in financial assets and liabilities			
Other receipts including recoverable revenue		53	384
Total	2	**53**	**384**
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		536,590	531,765
Performance award		12	145
Service based		247	628
Compensative/circumstantial		700	1,272
Other non-pensionable allowances		102,483	133,725
Total		**640,032**	**667,535**
3.2 Social contributions			
Employer contributions			
Pension		66,944	66,470
Medical		46,949	44,185
Bargaining council		185	183
Insurance		1,016	1,007
Total		**115,094**	**111,845**
Total compensation of employees		**755,126**	**779,380**

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Figures in Rand	Note	2023/2024	2022/2023
Average number of employees		1,664	1,835

4. Goods and services

Administrative fees		-	3
Advertising		2,036	3,856
Minor assets	4.1	1,921	423
Bursaries (employees)		2,676	1,744
Catering		1,713	1,428
Communication		7,276	9,889
Computer services	4.2	31,184	41,302
Consultants: Business and advisory services		144,534	116,952
Infrastructure and planning services		15,626	7,862
Legal services		14,208	3,288
Contractors		103	132
Agency and support / outsourced services		45,108	40,247
Audit cost - external	4.3	10,496	9,939
Inventory	4.4	673	5,540
Consumables	4.5	15,835	7,016
Operating leases		245,189	277,678
Property payments	4.6	368,244	423,439
Rental and hiring		1,330	2,224
Travel and subsistence	4.7	34,384	40,384
Venues and facilities		3,391	2,347
Training and development		3,805	5,144
Other operating expenditure	4.8	2,551	628
Total		**952,283**	**1,001,465**

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Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2023/2024	2022/2023
4. Goods and services (continued)			
4.1 Minor assets			
Tangible assets			
Machinery and equipment		1,921	423
Total	4	**1,921**	**423**
4.2 Computer services			
SITA computer services		14,977	31,300
External computer service providers		16,207	10,002
Total	4	**31,184**	**41,302**
4.3 Audit cost - external			
Regularity audits		10,496	9,217
Investigations		-	722
Total	4	**10,496**	**9,939**
4.4 Inventory			
Clothing material and accessories		673	5,540
Total	4	**673**	**5,540**
4.5 Consumables			
Uniform and clothing		-	456
Household supplies		7,078	1,109
Building material and supplies		182	-
Communication accessories		3,755	-
IT consumables		1,645	227
Other consumables		395	3,164
Consumable supplies		**13,055**	**4,956**
Stationery, printing and office supplies		2,780	2,060
Total	4	**15,835**	**7,016**
4.6 Property payments			
Municipal services		360,855	97,280
Property management fees		80	261,559
Property maintenance and repairs		7,094	64,600
Other		215	-
Total	4	**368,244**	**423,439**

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Figures in Rand	Note(s)	2023/2024	2022/2023
4. Goods and services (continued)			
4.7 Travel and subsistence			
Local		34,384	40,384
4.8 Other operating expenditure			
Professional bodies, membership and subscription fees		179	102
Resettlement costs		2,355	459
Other		17	67
Total	4	**2,551**	**628**
5. Interest and rent on land			
Interest paid		599	23
6. Transfers and subsidies			
Provinces and municipalities		540,006	665,995
Households	Annexure 1G	20,053	21,304
Total		**560,059**	**687,299**
7. Expenditure for capital assets			
Tangible assets			
Buildings and other fixed structures	30	164,782	192,035
Machinery and equipment	28	28,238	20,086
		193,020	**212,121**

7.1 Analysis of funds utilised to acquire capital assets - 2023/2024

Figures in Rand	Voted Funds	Total
Tangible assets		
Buildings and other fixed structures	164,782	164,782
Machinery and equipment	28,238	28,238
	193,020	**193,020**

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Notes to the Annual Financial Statements

7.2 Analysis of funds utilised to acquire capital assets - 2022/2023

Figures in Rand	Voted Funds	Total
Tangible assets		
Buildings and other fixed structures	192,035	192,035
Machinery and equipment	20,086	20,086
	212,121	**212,121**

7.3 Finance lease expenditure included in expenditure for capital assets

Tangible assets		
Machinery and equipment	13,151	15,657

Figures in Rand	Note	2023/2024	2022/2023
8. Cash and cash equivalents			
Consolidated paymaster general account		1,310	42,899
Total		**1,310**	**42,899**

There were no significant cash and cash equivalent balances held by the Department that are not available for use.

9. Prepayments and advances

9.1 Prepayments (Expensed)

Figures in Rand	Note	Balance as at 01 April 2023	Less: Amount incurrent in current year	Add or Less: Other	Add: Current year prepayments	Balance as at 31 March 2023
Listed by economic classification						
Capital assets		55 312	(55 312)	-	-	-
Total		**55 312**	**(55 312)**	**-**	**-**	**-**

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Notes to the Annual Financial Statements

During 2021 financial year, two property payments were made. One property was in East London (R2 844 693.25) for Erf 3955 and the other in Addo (R13 320 508.25) for Farm 124. In the 2023 financial year a property for R55 311 682 (Erf 310 Bhisho) was purchased. These payments were made and expensed in the respective financial years. Funds were paid to the trust account of the transferring attorney (Conveyancer) until the properties were transferred into the name of the Province. These properties were registered in the name of the Province as follows: Erf 3955 in December 2022, Farm 124 in June 2022 and Erf 310 in 2023/24 financial year.

Figures in Rand	Note	Balance as at 01 April 2022	Less: Amount expensed in current year	Add: Current year prepayments	Balance as at 31 March 2023
Listed by economic classification					
Capital assets		16,165	(16,165)	55,312	55,312
Total		**16,165**	**(16,165)**	**55,312**	**55,312**

10. Receivables

Figures in Rand		2023/2024			2022/2023		
	Note	Current	Non-current	Total	Current	Non- current	Total
Claims recoverable	10.1	55,190	-	55,190	12,778	-	12,778
Recoverable Expenditure	10.2	587	-	587	90	-	90
Staff debt	10.3	2,624	89	2,713	2,759	113	2,872
Other receivables	10.4	195	-	195	212	-	212
Total		**58,596**	**89**	**58,685**	**15,839**	**113**	**15,952**

Increase is due to payments made on behalf of Eastern Cape Department Education and Health.

These payments were not yet reimbursed by 31 March 2024.

Figures in Rand	Note(s)	2023/2024	2022/2023
10.1 Claims recoverable			
National departments		20	402
Provincial departments		55,170	12,376
Total	10	**55,190**	**12,778**

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Figures in Rand	Note(s)	2023/2024	2022/2023
10. Receivables (continued)			
10.2 Recoverable expenditure			
Salary Recoverable Expenditure		587	90
10.3 Staff debt			
Staff debt		2,713	2,872
Total	10	**2,713**	**2,872**
10.4 Other receivables			
Third parties		195	212
Total	10	**195**	**212**
10.5 Impairment of receivables			
Estimate of impairment of receivables		2,643	2,570
Total		**2,643**	**2,570**

Impairment is applied to all debtors' balances that are outstanding for more than 30 days and older. Due to the impracticability of reviewing each debtor individually we have grouped the debtors by type. Each debtor type has then been reviewed for impairment using the National Treasury approach.

11. Voted funds to be surrendered to the Revenue Fund			
Opening balance		185	159
Transferred from statement of financial performance		54,766	185
Paid during the year		(185)	(159)
Closing balance		**54,766**	**185**
11.1 Reconciliation of unspent conditional grants			
Total conditional grants received	1.2	9,463	13,502
Total conditional grants spent		(9,463)	(13,501)
Unspent conditional grants to be surrendered		**-**	**1**
12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		1,175	1,012
Own revenue included in appropriation	2	17,354	18,320
Paid during the year		(16,710)	(18,157)
Closing balance		**1,819**	**1,175**

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Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2023/2024	2022/2023
13. Payables - current			
Advances received	13.1	1,403	55,215
Clearing accounts	13.2	480	809
Total		**1,883**	**56,024**
13.1 Advances received			
National departments	Annexure 8B	1,403	1,403
Provincial departments	Annexure 8B	-	53,812
Total	13	**1,403**	**55,215**
13.2 Clearing accounts			
Clearing accounts		480	809
Total	13	**480**	**809**
14. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		54,766	185
Add back non cash/ cash movements not deemed operating activities			
(Increase)/ decrease in receivables		(42,757)	5,808
Increase/ (decrease) in payables – current		(54,141)	29,210
Proceeds from sale of capital assets		(777)	(677)
Expenditure on capital assets		193,020	212,121
Surrenders to Revenue Fund		(16,895)	(18,316)
Own revenue included in appropriation		17,354	18,320
Net cash flow generated by operating activities		**150,570**	**246,651**
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated paymaster general account		1,310	42,899

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Figures in Rand	Note(s)	2023/2024	2022/2023
16. Contingent liabilities and contingent assets			
16.1 Contingent liabilities			
Liable to Nature			
Claims against the department	Annexure 3B	112,098	198,391
Other	Annexure 3B	212,585	100,338
Total		**324,683**	**298,729**

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

Other represents:

1. Municipalities - Rates and Taxes

These are amounts billed by Municipalities against properties that the Department is not certain if they are owned by the Eastern Cape Government. Custody verification is still in progress.

2. Camping Allowances

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

3. Pending investigation

The balance refers to payments made to a possible incorrect service provider that is under investigation.

4. Lease Rentals – Refers to lease rental debtors with credit balances.

16.2 Contingent assets

Nature of contingent asset		
Occupation Specific Dispensation (OSD)	-	30,305
2nd & 3rd notches	337	337
Occupational rent	4,143	1,677
Municipality credits	15,387	-
Total	**19,867**	**32,319**

Decrease is due to contingent OSD debt that was written off as it was found that they were not owing the department.

The Department purchased Addo Farm for an amount of R13 320 508.25 and the property was registered in the name of the Province on 23 June 2022. The Seller is still occupying the property; as a result, the Department is in the process of recouping the amount paid.

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The opening balance of R30 642 000 was corrected to R32 319 000 due to the Occupational Rent of R1 677 000 that was omitted in 2022/23 financial year.

Figures in Rand	2023/2024	2022/2023
17. Capital commitments		
Buildings and other fixed structures	285,430	252,491
Machinery and equipment	6,331	1,639
Total	**291,761**	**254,130**

Included in the above are projects that are committed over 1 year totaling R203 578 000.

The 2022/23 amount has been corrected from R225 977 000 to R254 130 000 due to a project amounts and expenditure that was omitted. Increase is due to new contracts that were awarded during the year.

18. Accruals and payables not recognised

18.1 Accruals

Figures in Rand	2023/2024		2022/2023
Listed by economic classification	30 Days	Total	Total
Goods and services	238,120	238,120	108,194
Capital assets	9,691	9,691	5,486
Total	**247,811**	**247,811**	**113,680**
Listed by programme level			
Administration		62,849	21,604
Public Works Infrastructure		173,076	84,842
Expanded Public Works Programme		11,886	7,234
Total		**247,811**	**113,680**

18.2 Payables not recognised

Figures in Rand		2023/2024		2022/2023
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	27,690	66,501	94,191	40,670
Capital assets	17,978	-	17,978	6,061
Total	**45,668**	**66,501**	**112,169**	**46,731**

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Figures in Rand	Note(s)	2023/2024	2022/2023
Listed by programme level			
Administration		24,020	25,348
Public Works Infrastructure		87,181	18,647
Expanded Public Works Programme		968	2,736
Total		**112,169**	**46,731**
Included in the above totals are the following:			
Confirmed balances with other departments	Annexure 5	1,269	-
Confirmed balances with other government entities	Annexure 5	4,955	-
Total		**6,224**	**-**

19. Employee benefits

Leave entitlement	39,596	40,433
Service bonus	22,311	20,790
Capped leave	26,967	30,908
Other	44,830	3,549
Total	**133,704**	**95,680**

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

The value and number of days of negative leave entitlement is R315 000 and 229 days (2022/23: R244 000 and 177 days). There was no negative capped leave.

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Figures in Rand	Note(s)	2023/2024	2022/2023

20. Lease commitments

20.1 Operating leases

2023/2024 Figures in Rand	Total
Buildings andother fixed structures	
Not later than 1 year	215,598
Later than 1 year and not later than 5 years	528,717
Later than five years	32,345
Total lease commitments	**776,660**

2022/2023 Figures in Rand	Total
Buildings andother fixed structures	
Not later than 1 year	238,317
Later than 1 year and not later than 5 years	607,371
Later than five years	51,373
Total lease commitments	**897,061**

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

The lease commitments are calculated based on a contractual obligation between the department and the lessor. The lease agreements have an annual escalation of between 0% and 8%.

The department is required to maintain the buildings to be in the same conditions as at the start of the lease agreements. The decrease is due to payments made during the year

The 2022/23 amount of R912 061 000 has been corrected to R897 061 000 due to mainly lease agreements that were overstated. The net amount of overstatement is R15 000 000.

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

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Figures in Rand	Note(s)	2023/2024	2022/2023

20. Lease commitments (continued)

20.2 Finance leases **

2023/2024 Figures in Rand		Total
Machinery and equipment		
Not later than 1 year	13,131	13,131
Later than 1 year and not later than 5 years	14,273	14,273
Total lease commitments	**27,404**	**27,404**

2022/2023 Figures in Rand		Total
Machinery and equipment		
Not later than 1 year	13,468	13,468
Later than 1 year and not later than 5 years	8,641	8,641
Total lease commitments	**22,109**	**22,109**

**This note excludes leases relating to public private partnership as they are separately disclosed in Note no 25.

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

20.3 Operating lease future revenue

2023/2024 Figures in Rand		Total
Buildings andother fixed structures		
Not later than 1 year	2,358	2,358
Later than 1 year and not later than 5 years	2,297	2,297
Total lease commitments	**4,655**	**4,655**

2022/2023 Figures in Rand		Total
Buildings andother fixed structures		
Not later than 1 year	2,451	2,451
Later than 1 year and not later than 5 years	4,501	4,501
Total lease commitments	**6,952**	**6,952**

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

Figures in Rand	2023/2024	2022/2023
21. Accrued departmental revenue		
Sales of goods and services other than capital assets	178,841	155,417
Sale of capital assets	-	505
Other	74,243	-
Total	**253,084**	**155,922**

Other: Refers to credit balances with the Buffalo City Metro Municipality which is a result of revaluation process where overcharged rates were reversed.

21.1 Analysis of accrued departmental revenue

Opening balance	155,922	171,368
Less: Amounts received	(14,333)	(16,018)
Add: Amounts recognised	113,492	38,503
Less: Amounts written-off/reversed as irrecoverable	-	(37,931)
Other (Transferred to Contingent Liabilities)	(1,997)	-
Total	**253,084**	**155,922**

The Opening and Closing Balances for 2022/23 of R184 689 000 and R211 234 000 respectively were corrected due to the R13 320 508.25 and R55 311 682.00 amounts for the purchase of properties that were dealt with under Prepayments (expensed) in Note 9.

21.2 Accrued department revenue written off

Nature of losses		
Rental debtors	-	37,931

21.3 Impairment of accrued departmental revenue

Estimate of impairment of accrued departmental revenue	167,099	136,958

Due to the impracticability of reviewing each debtor individually we have grouped the debtors by type. Each debtor type has then been reviewed for impairment using the National Treasury approach. Impairment is applied to all debtors' balances that are outstanding for more than 30 days and older. Increase is due to low recovery from lease debtors.

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Figures in Rand	2023/2024	2022/2023
22. Unauthorised, Irregular and Fruitless and wasteful expenditure		
Irregular expenditure	5,201	142,471
Fruitless and wasteful expenditure	622	46
Total	**5,823**	**142,517**

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

23. Related party transactions

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

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

24. Key management personnel

Political office bearers: Member of Executive Council	2,121	1,992
Level 15 to 16	2,375	2,347
Level 14 including Regional Directors	25,722	18,050
Total	**30,218**	**22,389**

Key management includes acting and appointed Regional Directors at level 13 and those officials acting on their behalf. There were no payments made to close family members of Key Management Personnel.

25. Public Private Partnership

Any guarantees issued by the department are disclosed in Note 16.1.

The PPP is currently registered in terms of National Treasury however the PPP was reactivated in August 2015. Transaction advisors have been appointed for the Project Initiation and Management of the Bhisho Precinct Project. The cumulative expenditure from inception on Bhisho Precinct consultants fees is R65,737,698.86. There has been no contracting between the Department and the Private Party by 31 March 2024.

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Figures in Rand	2023/2024	2022/2023
26. Provisions		
Provisions under investigation	221,834	170,982
Interest accrued but not paid	57,674	43,315
Retentions	42,087	35,270
Legal Case Judgement	76,578	-
Total	**398,173**	**249,567**

The Legal Case Judgement refers to a judgement that was granted on 27 June 2024. It was initially disclosed as a Contingent Liability in the 2022/23 financial year. This became an adjusting event after the reporting date as this case is a condition that existed before 31 March 2024. This is a case where both the Eastern Cape Department of Public Works and Infrastructure together with the Eastern Cape Department of Health are jointly liable. The total liability is shared equally by both Departments. The rate of interest on this provision is at 9% per annum, which is a prescribed legal rate.

Figures in Rand			Note(s)	2023/2024	2022/2023
26.1 Reconciliation of movement in provisions	**- 2023/2024**				
Figures in Rand	Balances under investigation	Interest accrued but notpaid	Retentions	Legal Case Judgement	Total provisions
Opening balance	170,982	43,315	35,270	-	249,567
Increase in provision	50,852	14,358	6,818	76,578	148,606
Closing balance	**221,834**	**57,673**	**42,088**	**76,578**	**398,173**

26.2 Reconciliation of movement in provisions - 2022/2023

Figures in Rand	Balances under investi-gations	Interest accrued	Retentions	Telecommu-nication	Total provisions
Opening balance	121,869	40,637	33,317	2,190	198,013
Increase in provision	49,113	2,678	1,953	-	53,744
Settlement of provision	-	-	-	(2,190)	(2,190)
Closing balance	**170,982**	**43,315**	**35,270**	**-**	**249,567**

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

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

The amount for 2022/23 financial year was corrected from R251 145 000 to R249 567 000 due to Retention reduced as a resultof payment in a project that was omitted.

27. Non-adjusting events after reporting date

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

Figures in Rand	Note(s)	2023/2024	2022/2023

28. Movable tangible capital assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2024

Figures in Rand	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment				
Transport assets	831	-	-	831
Computer equipment	51,615	1,803	1,208	52,210
Furniture and office equipment	27,619	8,339	119	35,839
Other machinery and equipment	11,046	188	123	11,111
	91,111	**10,330**	**1,450**	**99,991**
Total movable tangible capital assets	**91,111**	**10,330**	**1,450**	**99,991**

The prior year amount of R90 788 000 has been restated with a net figure of R323 000 which is due assets that were omitted in the 2022/23 financial year.

Movable tangible capital assets under investigation

There are no major assets under investigation.

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28.1 Movement for 2022/2023

Movement in movable tangible capital assets per asset register for the year ended 31 March 2023

Figures in Rand	Opening balance	Prior period error	Additions	Disposals	Closing balance
Machinery and equipment					
Transport assets	2,521	-	-	1,690	831
Computer equipment	50,435	-	4,935	3,755	51,615
Furniture and office equipment	27,227	-	1,207	815	27,619
Other machinery and equipment	10,672	-	616	242	11,046
	90,855	-	**6,758**	**6,502**	**91,111**
Total movable tangible capital assets	**90,855**	-	**6,758**	**6,502**	**91,111**

28.1.1 Prior period error

Figures in Rand	Note	2022/2023
Nature of prior period error		
Relating to 2022/2023		
Computer equipment		178
Furniture and office equipment		38
Other machinery and equipment		107
		323

Prior year period error is due to net additions that were omitted in 2022/23 financial year.

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28.2 Minor assets

Figures in Rand	2023/2024	2022/2023
Movement in minor capital assets per the asset register for the year ended as at 31 March 2024		
	Machinery and equipment	Total
Opening balance	23,199	23,199
Additions	1,616	1,616
Disposals	652	652
Total minor capital assets	**24,163**	**24,163**

Figures in Rand	Machinery and equipment	Total
Number of R1 minor assets	2,829	2,829
Number of minor assets at cost	12,617	12,617
Total number of minor assets	**15,446**	**15,446**

Minor capital assets under investigation

There are no minor assets under investigation

Movement in minor capital assets per the asset register for the year ended as at 31 March 2023

Figures in Rand	Other machinery and equipment	Total
Opening balance	24,561	24,561
Additions	705	705
Disposals	2,067	2,067
Total minor capital assets	**23,199**	**23,199**

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

Movement in Minor Capital Assets amount of R23 160 000 has been restated to R23 199 000 due to assets that were omitted in 2022/23 financial year. Also the number of minor assets increased from 15 637 to 16 649.

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28.2.1 Prior period error

Figures in Rand	Note	2022/2023
Nature of prior period error relating to 2022/2023		
Computer equipment		1
Furniture and office equipment		35
Other machinery and equipment		3
		39

Prior period error is due to assets received in 2022/23 financial year not included in the Asset Register.

28.3 Movable tangible capital assets written off

Movable capital assets written off for the year ended as at 31 March 2024

Figures in Rand	Note(s)	2023/2024	2022/2023
		Machinery and equipment	Total
Assets written off		884	884

Movable capital assets written off for the year ended as at 31 March 2023

Figures in Rand	Machinery and equipment	Total
Assets written off	4,992	4,992

29. Intangible capital assets

Movement in intangible capital assets per asset register for the year ended 31 March 2024

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

Intangible capital assets under investigation

There are no Intangilbe Capital Assets under investigation.

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Figures in Rand	Note(s)	2023/2024	2022/2023

29.1 Movement for 2022/2023

Movement in intangible capital assets per asset register for the year ended 31 March 2023

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

30. Immovable Tangible Capital Assets

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2024

Figures in Rand	Note(s)	2023/2024	2022/2023

Figures in Rand	Opening balance	Additions	Disposals	Closing balance
Buildings and other fixed structures				
Dwellings	454,192	7,184	(251)	461,125
Non-residential buildings	8,282,922	426,271	(7,040)	8,702,153
Other fixed structures	252,391	3	-	252,394
	8,989,505	**433,458**	**(7,291)**	**9,415,672**
Heritage assets				
Heritage assets	150,726	51,267	-	201,993
Land and subsoil assets				
Land	286,518	513	-	287,031
Total immovable tangible capital assets	**9,426,749**	**485,238**	**(7,291)**	**9,904,696**

There are 1092 properties included in the Immovable Asset Register (IAR) which are disclosed at a nominal value of R1000.This is in line with the Valuation model included as an Annexure in the Immovable Asset guide issued by National Treasury. 136 of these properties are classified as Road Reserves and some have no municipal or market values received from the municipalities and as an interim have been allocated R1000 nominal value.

The Department paid an amount of R55 311 682 for an acquisition of Erf 310 during 2022/23 Financial Year. This property was subsequently registered at the deeds office during 2023/24 Financial Year.

The Department also made an acquisition of Erf 4936 at a cost of R3 154 989, this property was registered at the deeds officeduring August 2023.

Immovable tangible capital assets under investigation

There were no immovable assets under investigation.

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Figures in Rand	Note(s)	2023/2024	2022/2023

30. Immovable Tangible Capital Assets (continued)

30.1 Movement for 2022/2023

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2023

Figures in Rand	Opening balance	Additions	Disposals	Closing balance
Buildings and other fixed structures				
Dwellings	444,661	10,017	(486)	454,192
Non-residential buildings	8,013,870	280,935	(11,883)	8,282,922
Other fixed structures	251,032	1,360	(1)	252,391
	8,709,563	**292,312**	**(12,370)**	**8,989,505**
Heritage assets				
Heritage assets	186,771	5	(36,050)	150,726
Land and subsoil assets				
Land	269,504	17,090	(76)	286,518
Total immovable tangible capital assets	**9,165,838**	**309,407**	**(48,496)**	**9,426,749**

30.1.1 Prior period error

Figures in Rand	Note	2022/2023
Nature of prior period error		
Relating to 2022/2023 Stanford Terrace Clinic		(2,672)

During 2022/23 financial year we received S42 Transfer in respect of Doctor's Consulting rooms from the Department of Health. Included in the list of properties transferred was Stanford Terrace Clinic. During desktop verification exercise Stanford Clinic was mistaken for a clinic that is in the same erf 763, which is the same erf number that has Sir Henry Hospital.

Consequently, the value of Sir Henry in the Asset register was overstated by an amount of R 2 671 916.

During 2023/24 the Department received another S42 from Stanford Clinic. Another desktop verification exercise was done and it was confirmed that Stanford is on erf 2784 and is not registered in the name of Eastern Cape Provincial Government.

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Figures in Rand	Note(s)	2023/2024	2022/2023

30. Immovable Tangible Capital Assets (continued)

30.2 Capital Work-in-progress

Capital Work-in-progress as at 31 March 2024

Figures in Rand	Note	Opening balance 01 April 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
Buildings and other fixed structures		227,499	161,627	73,092	316,034

1. Included in R73 091 634 is:

- An amount of R 17 195 356 for completed projects linked to properties which are already included in the asset register and this amount has been capitalised accordingly.
- Also included in the aforementioned amount is an amount of R203 446 relating to a cancelled project (Office extension for Department of Transport in Queenstown).
- Lastly, figure also includes R55 692 832 which relates to expenditure on completed projects linked to unaudited properties, in line with the Guide on Accounting and Reporting for Immovable Assets, this figure has not been capitalized to the Immovable Asset Register.

2. Prior Period Error:

The amount of R12 704 026,40 relates to prefabricated classrooms that were acquired, erected and completed by the Department and completed during 2021/2022 and 2022/23. This was an isolated incident which was caused by prefabricated classrooms which were previously not part of Capital Work in Progress Register (CWIP) due to the fact that they are being rotated in various schools and are not linked to a particular piece of land facility. confirm completion and therefore the amount remained in the CWIP register as at 31 March 2023.

Payables not recognised relating to Capital WIP

Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress.		26,594	-

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Figures in Rand	Note(s)	2023/2024	2022/2023

30. Immovable Tangible Capital Assets (continued)

Capital Work-in-progress as at 31 March 2023

Figures in Rand	Note	Opening balance 01 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
Buildings and other fixed structures		207,243	125,288	105,032	227,499

1. Included in R105 032 351 is:

- An amount of R74 570 652 for completed projects linked to properties which are already included in the asset register (i.e. proof of ownership has been obtained) and this has been capitalised accordingly.
- Also included in the above figure is an amount of R4 250 234 which relates to a cancelled project and R13 507 440 which relates to expenditure on completed projects linked to properties where proof of ownership has not been obtained.
- Lastly, the figure is also made up R12 704 026 which relates to prefabricated structures that were completed but are linked to various schools where proof of ownership has not been obtained. In line with the Guide on Accounting and Reporting for Immovable Assets, this figure has not been capitalized in the Immovable Asset Register.

2. Prior Period Error:

The amount of R12 704 026.40 relates to prefabricated classrooms that were acquired in 2021/22 and 2022/23 financial years. They were erected and completed during 2022/23.

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Figures in Rand		Note(s)	2023/2024	2022/2023
30. Immovable Tangible Capital Assets (continued)				
30.3 Immovable assets (additional information)				
a) Unsurveyed land	Estimated completion date	Annexure 9	Area	Area
Specify	5 years		N/A.	N/A.
b) Properties deemed vested		Annexure 9	Number	Number
Land Parcels			4,643	4,641
Facilities			3,071	3,030
Schools				
Clinics			317	296
Hospitals			69	70
Office buildings			76	86
Dwellings			279	279
Storage facilities			11	11
Other			820	869
c) Facilities on unsurveyed land	Duration of use	Annexure 9	Number	Number
Schools	Life		552	662
Clinics	Life		120	141
Hospitals	Life		3	2
Office buildings	Life		18	18
Dwellings	Life		5	8
Storage facilities	Life		5	5
Other	Life		97	90
d) Facilities on right to use land	Duration of use	Annexure 9	Number	Number
Schools	Life		660	637
Clinics	Life		192	187
Hospitals	Life		38	35
Office buildings	Life		52	49
Dwellings	Life		208	225
Storage facilities	Life		5	6
Other	Life		254	244
e) Agreement of custodianship				

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30. Immovable Tangible Capital Assets (continued)

1. Unsurveyed land - Area of unsurveyed land cannot be determined as the land has not been surveyed in order to have an area (extent) calculated. The only known variable is the number of properties to be surveyed. The estimated time of completion of the process of surveying is managed by the Office of the Surveyor General (SG). The Province proactively appointed land surveyors to survey provincial state domestic functions (e.g. schools, colleges, etc.). The approval of the diagrams resides with the SG Office. Due to survey challenges (e.g. old order rights) of underlying land in the former homelands, the survey process in areas of underlying quitrents cannot be implemented (Caviat against diagrams with underlying quitrants-diagrams cannot be used for registration purposes). Diagram only valid to confirm the exact extent of the land and to issue an item 28 (1) certificate where applicable.
2. Properties from departments of Education and Health are in the process of being verified and have therefore not been included in the table above
3. Duration of use is perpetual for all Immovable Assets.
4. Estimated Completion Date: The Department commenced with the 5 year survey plan in the 2020/21 Financial Year and the expect to complete in 2025/26 financial year.

Figures in Rand	Note(s)	2023/2024	2022/2023
31. Principal-agent arrangements			
31.1 Department acting as the principal			
South African Post Office (SAPO)		918	734

The Department uses SAPO as an implementing agent for the facilitation of the payment of EPWP beneficiaries.

The Department entered into this agreement to ensure that service delivery does take place and to circumvent capacity constraints.

There are no resources under the custodian of the agent in the 2023/24 financial year.

Eastern Cape Department of Public Works and Infrastructure

(Vote number Vote 5)

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Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2023/2024	2022/2023

32. Prior period errors

32.1 Correction of prior period errors

Figures in Rand	Note	Amount before error correction	2022/2023 Prior period error	Restated amount
Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Prepayments (Expensed)	9.1	-	55,312	55,312
Accrued Departmental Revenue	21	211,234	(55,312)	155,922
Movable tangible assets	28	90,788	323	91,111
Movement in minor tangible assets	28.2	23,160	39	23,199
Immovable tangible assets	30	9,429,421	(2,672)	9,426,749
Work In Progress	30.2	240,202	(12,704)	227,498
Contingent Assets	16.2	30,642	1,677	32,319
Net effect		**10,025,447**	**(13,337)**	**10,012,110**

1. Prepayments expensed: Due to money paid to the trust of the transferring attorney (Conveyancer) for Erf 310 in Bhisho. The property was registered in the name of the Province in the 2023/24 financial year.
2. Accrued Departmental Revenue: This is due to correction to exclude R55 312 000 which was prepayments for the purchase of a property.
3. Movable tangible Assets: Due to assets that were omitted in previous finacial year.
4. Movement in Minor capital assets: Due to assets that were omitted in previous financial year.
5. Immovable Assets: Due to a property that was erroneously included in the Asset Register.
6. Work in progress: This is due to prefabricated classrooms that were acquired in 2021/22 and 2022/23 financial years and were erected and completed during 2022/23.
7. Occupational Rent: Due to the Addo Farm Occupational Rent of R1 677 000 that was omitted in 2022/23 financial year.

	Note	Amount before error correction	2022/2023 Prior period error	Restated amount
Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Capital commitments	17	225,977	28,153	254,130
Operating lease commitments	20	912,061	(15,000)	897,061
Provisions	26	251,145	(1,578)	249,567
Net effect		**1,389,183**	**11,575**	**1,400,758**

1. Capital Commitments: This is the net amount of understatement of commitments due to infrastructure projects that were omitted, goods already received in 2022/23 financial year and expenditure that was omitted.
2. Operating lease Commitments: This is due to calculations for some lease agreement in 2022/23 that were overstated and some lease agreements were understated. The net effect of the error was corrected in 2023/24.
3. Provisions: This is due to Retention reduced as a result of payment in a project that was omitted.

Notes to the Annual Financial Statements

33. Statement of conditional grants received

Figures in Rand	Division of Revenue Act/ Provincial Grants	Grant allocation		Spent		2022/2023	
Name of grant		DORA Adjustments	Total Available	Amount received by department	Amount spent by department	Division of Revenue Act	Amount spent by department
EPWP Incentive Grant	10,485	(1,022)	9,463	9,463	9,463	11,503	11,502
	10,485	**(1,022)**	**9,463**	**9,463**	**9,463**	**11,503**	**11,502**

The Departments certifies that all transfers in terms of this Act were deposited into the primary bank account of the province.

34. 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.

6.2.9 Annexures to the Annual Financial Statements

Annexure 1G
Statement of transfers to households

Figures in Rand	Transfer allocation			Expenditure		2022/2023	
	Adjusted budget	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final budget	Actual transfer
HOUSEHOLDS							
Transfers							
Employee leave gratuities	8,137	3,267	11,404	11,404	100 %	12,674	12,632
Bursaries (Non Employees)	6,799	1,850	8,649	8,649	100 %	8,672	8,672
	14,936	**5,117**	**20,053**	**20,053**		**21,346**	**21,304**

Annexure 1K

Statement of actual monthly expenditure per grant

Grant type	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Figures in Rand	2023	2023	2023	2023	2023	2023	2023	2023	2023	2024	2024	2024	Total
EPWP Incentive Grant	-	1,564	1,744	1,576	1,550	2,038	1,983	-	-	-	(1,000)	8	**9,463**

Eastern Cape Department of Public Works and Infrastructure

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Annexure 3B

Statement of contingent liabilities as at 31 March 2024

Figures in Rand	Opening balance 01 April 2023	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Closing balance 31 March 2024
Nature of liabilities				
Claims against the department				
Legal claims	198,391	8,080	94,373	112,098
Other				
Camping allowance	489	-	-	489
Transfer to Municipalities: Rates & Taxes services	90,391	114,244	-	204,635
Pending investigations-ASIDI payments	5,281	-	-	5,281
Lease rentals	4,177	-	1,997	2,180
Subtotal	**100,338**	**114,244**	**1,997**	**212,585**
Total	**298,729**	**122,324**	**96,370**	**324,683**

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Annexure 4

Claims recoverable

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total
Figures in Rand	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
Department					
National Department of Higher Education	-	-	279	-	279
National Department of Public Works and Infrastructure	-	-	11	-	11
Eastern Cape Department of Education	-	14,378	11,986	14,378	11,986
National Correctional Services	-	20	44	20	44
Eastern Cape Department of Health	-	39,673	-	39,673	-
Eastern Cape Department of Education	-	802	-	802	-
Eastern Cape Department of Health (Other)	-	261	323	261	323
Eastern Cape Department of Transport	23	-	-	-	23
Free State - Department of Public Works	-	-	6	-	6
South African Police Service	-	-	68	-	68
Eastern Cape Department of Treasury	-	-	38	-	38
Eastern Cape - Department of Agriculture	-	56	-	56	-
Subtotal	**23**	**55,190**	**12,755**	**55,190**	**12,778**

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Annexures to the Annual Financial Statements

Annexure 5

Inter-government payables

Government entity	Confirmed balance outstanding	Total
Figures in Rand	2023/2024	2023/2024
Departments		
Current		
Eastern Cape Office of the Premier	1,269	1,269
Other government entity		
Current		
State Information Technology Agency (SITA)	4,955	4,955
Total Inter-government payables	**6,224**	**6,224**

Eastern Cape Department of Public Works and Infrastructure

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Annexure 6
Inventories

Inventory for the year ended 31 March 2024

Figures in Rand	Note	Materials and supplies	Total
Opening balance		363	363
Add: Additions/Purchases - Cash		673	673
(Less): Issues		(742)	(742)
Closing balance		**294**	**294**

Inventory for the year ended 31 March 2023

Figures in Rand	Note	Materials and supplies	Total
Opening balance		383	383
Add: Additions/Purchases - Cash		5,540	5,540
(Less): Issues		(5,560)	(5,560)
Closing balance		**363**	**363**

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Annexure 7

Movement in capital work-in-progress

Movement in capital-work-in progress for the year ended 31 March 2024

Figures in Rand	Opening balance	Current year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
Buildings and other fixed structures				
Non-residential buildings	227,498	161,627	73,092	316,033

Movement in capital-work-in progress for the year ended 31 March 2023

Figures in Rand	Opening balance	Current year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
Buildings and other fixed structures				
Non-residential buildings	207,242	125,288	125,288	227,498

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Annexure 8B

Inter-entity advances received (note 13)

Entity balance	Unconfirmed outstanding		Total	
Figures in Rand	2023/2024	2022/2023	2023/2024	2022/2023
National departments				
Current				
National Department of Education (ASIDI)	1,403	1,403	1,403	1,403
Provincial departments				
Current				
Eastern Cape Department of Education (IDA)	-	46,499	-	46,499
Eastern Cape Department of Health	-	7,313	-	7,313
Subtotal	**-**	**53,812**	**-**	**53,812**
Total	**1,403**	**55,215**	**1,403**	**55,215**
Current	1,403	55,215	1,403	55,215

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Annexures to the Annual Financial Statements

Annexure 9

Additional information on immovable assets

The immovable assets of the Department and its User Departments are recorded in the provincial immovable asset register and management system – Logica. The immovable assets are classified to distinguish between various levels of registration. Properties registered in the name of the Province; properties confirmed vested in terms of Item 28(1) or Section 239 of the Constitution and former state-aided Model C Schools constitute Legal Title as per National Treasury guidelines and is therefore recorded in the financial statements of the Department.

Excluded from this disclosure are provincial deemed-owned immovable fixed assets that fall outside the definition of Legal Title as per the Sector Guide on Accounting of Immovable Assets. These assets include provincial properties not yet confirmed vested in terms of Item 28(1) to Schedule 6 of the Constitution and registered in the name of the Province of the Eastern Cape. As the GIAMA processes unfold these assets will eventually be “uplifted” into the definition of Legal Title and be included in the audited asset register for financial disclosure purposes.

FIXED ASSET RECORDING TYPE	Number
AUDIT ASSETS (legal title)	5,826
UNAUDITED ASSETS (deemed provincial assets)	6,912
	12,738

The number of immovable assets controlled by the Department of Public Works and Infrastructure in terms of Act 7 of 2000 and subsequently recorded in Logica as unaudited on the 31 March 2023 was **6 9**12 (inclusive of State Domestic Functions on municipal land, national land and land of parastatal institutions).

The surveying of provincial state-domestic functions (SDFs) on unsurveyed communal land in the former Transkei and Ciskei remains a challenge. The department has identified 926 SDFs still to be surveyed in order to obtain Legal Title. A total of **3** 620 properties were recorded as unregistered state land (no Title Deed issued) in the asset register.

The recorded figures exclude township establishment related assets under the custodianship of the Department of Human Settlements (e.g. RDP-houses and public open spaces in townships).

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LAND USE FUNCTION / FACILITY	Number of fixed assets
Agricultural Land (grazing, cultivation and irrigation fields)	32
Agricultural Research Stations and Experimental Farms	27
Care Centers and Old Age Homes	11
Cemeteries	22
Churches	1
Clinics	629
Colleges	8
Crèches	54
Education related facilities (schools sport grounds, school hostels, etc.)	22
Forestry (incl. plantations)	-
Halls (incl. community halls)	5
Health related facilities (hostels for health staff, mortuaries, etc.)	1
Hospitals	110
Libraries	66
Museums	12
Nature reserves and protected areas (incl. botanical gardens)	147
Office Buildings	151
Parking Facilities	8
Recreation (incl. opera house, caravan park, golf course, swimming pool, public open space and theatre)	24
Road Camps	55
Road Reserves	67
Residential (formal dwellings)	474
Residential (informal settlements)	8
Residential (traditional rural villages)	18
Retail (formal and informal business premises)	12
Schools (school buildings only)	4,283
Storage Facilities (incl. depots, warehouses, stores, sheds, silos, etc.)	45

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Vacant Buildings / Facilities	12
Vacant Land	472
Miscellaneous (land uses not covered above)	136
	6,912

The Department only has one user agreement in the form of a caretaker agreement with National Public Works for **28** houses in King William's Town. No other written agreements are in place with our Department. In the past User Departments obtained reservation certificates or permission to occupy certificates for schools and clinics where such SDFs are located on communal land. These reservation certificates are now being replaced by formal survey diagrams and eventually state titles.

In addition to the above the Department identified **1 395** provincial state domestic functions (SDFs) located on other public land, i.e. municipal land. The location of schools and clinics and other SDFs on municipal land is a result of historic transfers due to apartheid town planning (i.e. Proclamation R293/1962 townships) and the legacy of the homeland border industrial towns and labour practices. These assets on municipal land are managed by non-official agreements of use and will eventually be transferred back to the Province after proper township establishment and/or land administration processes are completed.

Vision

"Leader in provincial infrastructure delivery, coordination and socio-economic investment"

Mission

"A custodian of provincial government immovable assets and a coordinator and provider of sustainable infrastructure resulting in socio-economic transformation and development"

Values

Commitment
Integrity
Accountability
Professionalism
Service excellence
Transparency
Innovation
Fairness

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