DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

PROVINCE OF FREE STATE

ANNUAL REPORT
2023/2024 FINANCIAL YEAR

CONTENTS

PART A

GENERAL INFORMATION

CONTENTS

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

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

ABBREVIATION	DEFINITION
PAA	Public Audit Act
PAG	Provincial Accountant General
PFMA	Public Finance Management Act
PMU	Project Management Unit
PMTEC	Provincial Medium-Term Expenditure Committee
PSA	Public Service Act, 1994 as amended
PSR	Public Service Regulation, 2016 as amended
POPIA	Protection of Personal Information Act
PPP	Public Private Partnerships
PROPAC	Portfolio Committee on Public Accounts
PSIRA	Private Security Industry Regulatory Authority
PW&I	Public Works and Infrastructure
REMC	Risk and Ethics Management Committee
SAICA	South African Institute of Chartered Accountants
SAMTRAC	Safety Management Training Course
SAPS	South African Police Services
SAQA	South African Qualifications Authority
SDIP	Service Delivery Improvement Plan
SCM	Supply Chain Management
SITA	State Information Technology Agency
SHERQ	Safety, Health, Environment, Risk and Quality
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
TID	Technical Indicator description
TRP	Township Revitalisation Programme
VHCT	Virtual Health Care Team
VOIP	Voice over Internet Protocol

3. FOREWORD BY THE MEMBER OF EXECUTIVE COUNCIL

This annual report constitutes the last of the sixth democratic government for the Department of Public Works and Infrastructure (DPWI).

We strive to "Leave no one behind" as outlined in the National Communications Strategic Framework; therefore my team did site visits and social compact Imbizo's in all districts. We will continue to build an inclusive economy, focusing on the empowerment of black and women South Africans, advancing workers' rights, intensifying land reform and pursuing a just energy transition that ***leaves no-one behind***.

This means that an inclusive approach for all stakeholders, namely, municipalities, national/provincial departments, state-own entities, private sectors, communities, as so on. Not only did we talk and engage on infrastructure issues, but also went beyond that to restore and instil dignity by donating schools, garden equipment, dignity packs and soccer kits when we visited two special schools of Boitumelong and Bartimea. Food parcels, school shoes and blankets were donated also to the learners of Bokamoso Intermediate School in Zastron.

The Department allocation per programme was as follow, Administration (Programme 1) was R 153.149 million), Public Works Infrastructure (Programme 2) was R 1.844 967 billion and Expanded Public Works Programme was R 66.742 million (Programme 3). The Department reports progress for 2023/2024 financial year on achievements, challenges as well as actions to overcome them.

The Department conducted lifestyle reviews for 186 staff members and submitted information to DPSA on 31 January 2024, it was revealed that none required further investigation or lifestyle audit. The detail is as follows MMS 12 (16 staff), OSD 12 (7 staff), MMS 11 (29 staff), OSD 11 (20 staff), ASD 9/10 (58 staff), OSD 9/10 (7 staff) and SCM and Finance staff below level 9 (49 staff members).
To confirm this, the Public Service Commission in a letter dated 26 September 2023 indicated that no SMS member financial interests needs further probe/investigation in the form of a lifestyle audit.

An ethics skills intervention for the 100 staff members took place in QwaQwa and Kroonstad during 19 to 22 February 2024 and from 11 to 14 March 2024. The aforementioned intervention contributes to one of our departmental values as being ethical and honest. The aforementioned intervention contributes to one of our departmental values as being ethical and honest.

The Department facilitated more than thirty-six (36) different training interventions including National School of Government (NSG) free online training and four hundred and fifty (450) permanent employees were skilled in different disciplines. These are inclusive of NSG free training offers to officials to upskill and refresh themselves for better service delivery.

The Department takes its obligation on the maintenance of Public buildings very crucial. Maintenance of Free State properties and facilities is crucial to good working conditions for employees and visitors and their safety.
The Public Works Programme was allocated a budget of R115 74 and R118 278 for 2022/2023 and 2023/2024 respectively. An amount of R2.531 million form 2023/204 allocation was reprioritised for the payment of municipal services that were not adequately funded. Condition assessments are a significant component of preventative maintenance. Instead of waiting for the asset or product to fail, the testing process shed light on its current condition, whether through a visual inspection and/ or

technical. The condition assessments are essential to identify small problems early to avoid paying for expensive repairs in the long run,

In line with our mandate as an infrastructure department, we have completed 25 capital infrastructure projects inclusive of client departments.

Infrastructure projects are the architects of job opportunities and consequently the Department, through maintenance of properties of office and prestige accommodation for both our staff and client Departments, continues to create jobs.

Department of Public Works and Infrastructure as custodian of the immovable assets in the Province assumes the responsibility to provide office accommodation to all provincial departments and prestige accommodation to MPLs. Two facilities were handed over to accommodate the Department of Social Development in this financial year under review.
The Department has a responsibility to ensure that buildings occupied by departments comply with Occupational Health and Safety standards. 20 condition assessments were conducted.
The Department has close working relationship with the Department of Labour and Employment to ensure that contravention/prohibition notices issued to departments are dealt with promptly and effectively to ensure compliance with all the aspects of the Occupational Health and Safety Act. In attempting to alleviate contravention notices served to the Department by the Department of Labour, in addition to 149 staff trained in OHS, the Department trained additional 29 officials during the 2023/2024 financial year on OHS representatives. An evacuation drill was held on 30 January 2024 to remind officials to be alert and responsive at all times.

The Department is in the process of completing projects to be handed to client department for service delivery, for example, Tshireletsong Building in Bloemfontein; for the Department of Social Development to use as dormitories and office accommodation; An amount of R26 million was spent onthis project in the last financial year and a further R8.4 million will be spent to complete this project thisfinancial year. The project is behind schedule at 92%, the mechanical items and fire management, namely, fire detectors, fire extinguishers are not yet installed and Thusanong formerly known as Old SASSA Building in Bloemfontein; for the Department of Cooperative Governance and Traditional Affairs(COGTA). An amount of R19.400 million was spent in 2022/2023 financial year and a portion of R30.700million was spent in the 2023/2024 financial year. The progress on site was 55% at end of financial year,

On revenue collection, the Department developed a draft Revenue Enhancement Strategy that seeks to maximise returns on the use of government properties to generate income for the province. In implementing this strategy, the Department has identified buildings that are being refurbished and leased out to partners such as SASSA, Universities and the private sector. The total revenue target achieved for the 2023/2024 financial year is R91.493 million. The over achievement was due to the payment made towards the land exchange agreement between the Central University of Technology (CUT) and the Free State Provincial Government (FSPG) for the replacement of facilities within the Psychiatric Complex.

The Department of Public Works and Infrastructure plays a central role in promoting transformation in the property industry which is by far dominated by Previously Advantaged individuals. Regarding transformation in the property industry, the Department achieved the five year strategic target of 70%.

CPIX projections for the 2024 MTEF period used for price increases of general goods and services at 5.1% and the allocation for municipal services (R349.220 million), property leases (R324.922 million) and property rates (R580.600 million) are not in line with actual increase which is higher than inflation. Tariff increases are higher than the growth of the departmental budget.

The Department projected a shortfall for the 2023/2024 financial year of R82 million for lease payments, R874.282 million for municipal services as well as R237.293 million for property rates. The shortfall is based on insufficient budget allocation for municipal services and property rates.

Municipal Payments: Despite the fiscal constraints and the recurring shortfall on our budget for municipalities, R478.548 million has been paid for Municipal Property rates till end of March 2024. Of these amounts R201.184 million was paid to Mangaung Metro; R154.588 million to Centlec; R179.053 million to Matjhabeng and R60.436 million to Maluti-a- Phofung Municipality.
The continuing growing shortfall on municipality is due to insufficient budget allocation for municipal services and property rates which is endlessly deliberated in different fora funding.

One such intervention is the reduction of electricity consumption in Government buildings. The Province participates in the Integrated Resource Efficiency Programme (IREP) for Government Buildings which is led by the National Department of Public Works and Infrastructure. One of the key deliverables of this programme is to facilitate private sector partnerships to install Solar PV and other energy efficiency initiatives in hospitals, clinics and other facilities. Solar installations were done in five buildings and energy saving lights were installed in two buildings in the provinces.
The province will continue with the installation of Solar PV panels in the identified government building where the risk of theft is low.

Security Services: The Department is concerned about the increasing incidents of theft and vandalism of public infrastructure. During the 2023/2024 a number of theft and vandalism cases were reported in our health institutions, schools, traffic centres and offices. In some instances, it has been established that government officials are involved and necessary disciplinary processes are timeously undertaken for those involved. The Department have improved security measures at the Free State House, OR Tambo and Fidel Castro buildings by installing CCTV Cameras; boom gates; scanners and turnstiles at the entrances.

The Department is also responsible for providing leadership, coordinating EPWP in the Province and committed to creating 50 000 work opportunities of which 60% of those will be benefitting women, 55% towards youth and 2% for people with disabilities. The Department has over the past years successfully achieved its EPWP targets, through implementation of various initiatives which were carefully planned and implemented through normal budgeting processes. As provincial coordinator of EPWP in the province, we managed to have all 32 targeted public bodies to report in 2023/2024. The Department of Public Works and Infrastructure through the EPWP programme created 2 029 jobs against a target of 2 000 during 2023/2024.

For the 2023/2024 financial year, 48 983 of the 50 0000 targeted work opportunities were created by 32 public bodies. This amounts to 97.9% achievement of the provincial target were provincial, national departments and municipalities contributed.

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Hon. M.D. Mance
Member of Executive Council (MEC)
Department of Public Works and Infrastructure
Date: 31 July 2024

4. REPORT OF THE ACCOUNTING OFFICER

As we provide a detailed account of our Departmental activities and performance which is contained in the approved Annual Performance Plan, we strive to align ourselves with Section 195 of the constitution that requires a high standard of professional ethics in the Public Sector. It stipulates that Public Administration must be governed by the democratic values, principles and standards for professional ethics enshrined in the Constitution. Ethical conduct and Departmental integrity are key in eradicating fraud and corruption within the Public Service. Bearing the aforementioned in mind coupled with the norms and standards outlined in the PSA, PSR as amended, PFMA, King IV report and other accounting standards that promote good corporate governance the Department is compliant. We have demonstrated this by virtue of a fully functional governance structures such as the Audit Committee, Risk and Ethics Committee as well as Combined Assurance Committee.

As the Department, we forged ahead to ensure the implementation of various capital infrastructure projects and carried out the maintenance function as well as providing office accommodation to the best of our ability. We have been plagued by constant labour and community unrest at different project sites, necessary intervention through social facilitation by relevant stakeholders assisted immensely to remedy the challenges. We cannot deny the fact we had to operate under strict and limited financial constraints. This is attested by the slow economic growth. Despite the above, the Department is mandated with the enormous task of ensuring the reduction of unemployment by implementing the Expanded Public Works Programmes thus alleviating the scourge of poverty and high unemployment within our communities.

The Department remains indebted to the municipalities for services that cannot be fully settled due to inadequate budget allocation, however efforts and mechanisms are put in place to solicit more funding. Numerous interactions with Chapter nine (9) institutions and various Law Enforcement Agencies took place during the course of the year on diverse Departmental issues, whilst most cases or investigations have been dealt with, others continue to be work in progress. Our strengthened relations with these institutions have culminated into improving our overall performance as measures have been put in place to curb the re-occurrence of incidents.

The period under review has been challenging and exciting as it propelled us operate at the high altitude, we had to be creative by doing more with less whilst we remained within the confines of the legislative prescripts. The Department noted a considerable re-configuration of personnel as we could not recruit in line with our Human Resource Plan. More detailed elaboration will ensue in the coming sections:

Overview of the operations of the Department:

During the year under review, the Department capacitated the Office of the Executive Authority (EA) with appropriately skilled staff and appointed such on a contract basis linked to the term of the EA. Due to a high level of skill and competence the chief director EPWP was found suitable and appointed as head: community safety, roads and transport, whilst a chartered accountant was seconded to the Provincial Treasury to perform the functions of provincial accountant general for a period of 12 months. As the Department promotes the upskilling of personnel, the departure and absence of the above-mentioned officials necessitated the Department to identify suitable and capable individuals with the right prerequisite to stand in on acting-capacity to ensure that service delivery continues and is not hampered. The aforementioned demonstrates the Departmental female capacity at the Senior Management level.

Successes

The Department had systematically developed professional and technical skills capacity base to the extent that it has culminated placing the Department in a position where it is able to do in-house infrastructure and building designs. During the year under review three departmental staff members registered as professionals (two construction project managers and one as a property valuer). Whilst eight staff members acquired a trade certificate.

The Department has achieved and surpassed the adjusted revenue target by 57% against the original target). The total revenue target achieved for the 2023/2024 financial year is R91.493 million. The achievement was due to the payment made towards the land exchange agreement between the Central University of Technology (CUT) and the Free State Provincial Government (FSPG) for the replacement of facilities within the Psychiatric Complex.

The Department's intention is also to improve youth employability through opportunities for skills development, work experience and support to gain access to the economy. This is done through the Expanded Public Works Programme. During the 2023/2024 financial year seventeen (17) participants were taken for the trade test under the fields of their interest and all successfully qualified as artisans.

Challenges

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

The projected shortfall is based on insufficient budget allocation for municipal services and property rates, amounts R874.282 million and R237.293 million preliminary figures. Despite these challenges, the Department continues to subscribe to good governance principles.

Due to fiscal challenges related to the wage bill and subsequent cost containment measures posts were held in abeyance.

Overview of the financial results of the Department:

Departmental receipts

Departmental receipts	2023/2024			2022/2023		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000			
Sale of goods and services other than capital assets	41 053	35 659	5 394	41 636	38 810	2 826
Interest, dividends and rent on land	97	159	(62)	118	154	(36)
Sale of capital assets	34 154	55 177	(21 023)	4 284	35 282	(30 998)
Financial transactions in assets and liabilities	352	498	(146)	898	1 061	(163)
Total	**75 656**	**91 493**	**(15 837)**	**46 936**	**75 307**	**(28 371)**

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

Free services rendered by the Department:

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

Free State Department of Agriculture and Rural Department				
Accommodation Currently Occupied by User :State Owned				
No.	**District / Metropolitan**	**Town**	**Street Address**	**Asset Type**
46	Thabo Mofutsanyana	Harrismith	Old Traffic Department, Lindley Street	Offices
47	Mangaung	Dewetsdorp	No 2 Brand Street	Offices
48	Xhariep	Fauresmith	Veld Reserwe	Offices
49	Xhariep	Petrusburg	27 President Street	Offices
50	Xhariep	Smithfield	5 Roux Street	Offices
51	Xhariep	Gariepdam	Gariep Dam Fish Hatchery	Offices
52	Xhariep	Gariepdam	35 Tink Tinkie Street	Offices
53	Fezile Dabi	Koppies	40 Fifth Street	Offices
54	Thabo Mofutsanyana	QwaQwa	Regional office, 1 Mampoi Street	Offices

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

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

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

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

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

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

Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs				
Accommodation Currently Occupied by User :Leased				
No.	**District / Metropolitan**	**Town**	**Street Address**	**Asset Type**
1	Mangaung	Bloemfontein	113 St. Andrew Street	Offices
2	Mangaung	Thaba Nchu	208 Ratlou Complex J.S Moroka Street	Offices
3	Fezile Dabi	Parys	Schulbach Street	Offices

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Free State Department of Sport, Arts, Culture and Recreation				
Accommodation Currently Occupied by User: State Owned				
No.	**District / Metropolitan**	**Town**	**Street Address**	**Asset Type**
129	Fezile Dabi	Vredefort	c/o Slabbert and Meerholz Street	Library
130	Thabo Mofutsanyana	Warden	8 Agste Street	Library
131	Thabo Mofutsanyana	Warden	Main Street, Ezenzeleni	Library
132	Lejweleputswa	Welkom	5 Tulbach Street	Library
133	Lejweleputswa	Welkom	15589 c/o Mike Chaotsane & Buick Tshabalala Street, Motse -Thabong	Offices & stores
134	Lejweleputswa	Welkom	Kopano Complex, Long Street, Welkom	Library
135	Mangaung	Wepener	De Wet Street	Library
136	Mangaung	Wepener	Minnaar Street	Library
137	Lejweleputswa	Wesselsbron	Erwee Street	Library
138	Lejweleputswa	Wesselsbron	2353 Motloenya Street, Monyakeng	Library
139	Xhariep	Jacobsdal	1 Andries Pretorius Jacobsdal	Library
140	Xhariep	Luckhoff	D R Bosman Avenue Luckhoff	Library
141	Xhariep	Gariepdam	11 Patrys Street Gariep	Library
142	Xhariep	Hydropark	Hydropark	Library
143	Fezile Dabi	Sasolburg	10 Corner Klasie Havenga & Meads Street	House
144	Fezile Dabi	Frankfort	1213 Municipal Offices, Namahadi	Library
145	Lejweleputswa	Welkom	64 Bok Street Golden Heights	Library
146	Xhariep	Trompsburg	55 Voortrekker Street	Library
147	Thabo Mofutsanyana	Bethlehem	10 Kerk Street	Library
148	Mangaung	Bloemfontein	4 President Brand Street, Orangesig, Bfn	Museum / Offices
149	Fezile Dabi	Sasolburg	c/o President Steyn/William Stow Sasolburg 1947	Library
150	Thabo Mofutsanyana	QwaQwa	Portion 123 of Farm 1926 Charles Mopeli Stadium Moto Street 9868 Charles Mopeli Stadium	Library
151	Lejweleputswa	Welkom	21263 Nkoane Road, Kopanong Indoor Sport Centre, Thabong, Welkom	Sports Centre

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

Free State Department of Premier				
Accommodation Currently Occupied by User: State Owned				
No.	**District / Metropolitan**	**Town**	**Street Address**	**Asset Type**
1	Mangaung	Bloemfontein	c/o St Andrew & Markgraaf Street	Offices ground floor to 9th Floor
2	Mangaung	Thaba Nchu	Old Training Teaching College	Main building, ground floor
3	Xhariep	Zastron	Multipurpose Centre	Main building, ground floor
4	Xhariep	Trompsburg	Booysen Street	Main building, ground floor
5	Thabo Mofutsanyana	QwaQwa – Tseki (Phuthaditjhaba)	Mampoi Street	Main building, ground floor
6	Thabo Mofutsanyana	QwaQwa – Namahadi	Charles Mopedi Stadium Street	Main building, ground floor
7	Lejweleputswa	Hertzogville	Municipal Building Cnr. Pretorius & Skool Street	Main building, ground floor
8	Lejweleputswa	Winburg	Municipal Building	Main building, ground floor
9	Lejweleputswa	Welkom	312 Long Road	Kopano Hospital 5th floor
10	Fezile Dabi	Sasolburg	Old FNB Building	Old FNB Building

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

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

Free State Provincial Treasury				
Accommodation Currently Occupied By User: Leased				
No.	**District / Metropolitan**	**Town**	**Street Address**	**Asset Type**
1	Mangaung	Bloemfontein	Tsebo Building, Fichardt St, Bloemfontein Central	Offices

Under collection of revenue

Not applicable

Over collection of revenue

The Department encountered an over-collection of revenue due to the finalisation of the land exchange agreement between the Central University of Technology (CUT) and the Free State Provincial Government (FSPG) for the replacement of facilities within the Psychiatric Complex, the Department was able to collect R55.097 million and as a result over-achieved by 57.5% above its revenue budget.

Programme Expenditure

Programme Name	2023/2024			2022/2023		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	153 149	150 915	2 234	142 285	141 348	937
Public Works Infrastructure	1 844 967	1 833 883	11 084	1 799 858	1 797 073	2 785
Expanded Public Works Programme	66 742	62 395	4 347	110 311	88 479	21 832
TOTAL	**2 064 858**	**2 047 193**	**17 665**	**2 052 454**	**2 026 900**	**25 554**

Virements / roll overs

The Department did request for roll-over funds of R17.421 million which was received during the Adjustment Budget. A total virement from Programme 1 (R13.263 million) and Programme 3 (R5.784 million) to Programme 2 (R19.047 million) were approved during the financial year. The virement served to address budget shortfalls experienced regarding municipal accounts.

Reasons for unauthorised, fruitless and wasteful expenditure

No unauthorised expenditure was incurred during the 2023/2024 financial year.

The Fruitless and wasteful expenditure amounting to R7.168 million has been recorded and will be investigated.

The strategic focus over the short to medium-term period

The Department will continue to focus on the implementation of the draft revenue enhancement strategy.

Public Private Partnerships

The Department did not enter into any Public Private Partnerships in 2023/2024.

Discontinued key activities/activities to be discontinued
None

New or proposed key activities

With the new administration that will be appointed after the elections, the Department is in the process of planning for the provision of official accommodation for new Executive Members to be appointed in the 2024/2025 financial year.

The Department is also in the process of receiving endorsement on the new Guide for Members of the Provincial Legislature. Once approval has been granted, implementation of the Guide will follow.

Supply Chain Management (SCM)

Unsolicited bid proposals

There were no unsolicited bid proposals for the 2023/2024 financial year.

SCM processes and systems in place to prevent irregular expenditure

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

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

Challenges experienced in SCM and how they were resolved

The delays in the submission of supporting documents led to late payment of invoices that posed challenges for payments within 30 days. Departmental ICT is in the process of developing the electronic invoice tracking system and SCM has submitted inputs to ICT for the final product.

Investigation on Ramkraal

On 23 February 2024, with the publication of Proclamation 155 of 2024 (Gazette No. 11670 dated 23 February 2024), the honourable President referred the procurement of, or contracting for goods, works and services in relation to the Ramkraal Project by or on behalf of the Free State Department of Public Works & Infrastructure and the Free State Provincial Legislature, and payments made in respect thereof for investigation to the Special Investigation Unit (SIU).

Barring unforeseen circumstances, the SIU estimated that the investigation will take 12 months to complete, with project closeout and reporting expected by March 2025. On conclusion of the investigation, the final report will be submitted to the President.

The Department is fully co-operating with the SIU to ensure the successful completion of the investigation.

Gifts and Donations received in kind from non-related parties

The Department did not receive any gifts or donations during the 2023/2024 financial year.

Exemptions and deviations received from the National Treasury

The Department did not receive any exemptions or deviations from National Treasury relating to the 2023/2024 financial year.

Events after the reporting date

The Department is not aware of any adjustment events after the reporting date for the 2023/2024 financial year.

I want to express my appreciation to our Executive Authority, our leading and oversight Departments and institutions for the guidance and support provided to the Department during 2023/2024 to ensure implementation of the Departmental mandate.

I hereby present this 2023/2024 Annual Report as a true, complete and accurate version of Departmental planned operations.

Mr M.E. Mohlahlo
Accounting Officer
Department of Public Works and Infrastructure
Date: 31 July 2024

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACYFOR THE ANNUAL REPORT

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2024.

Yours faithfully

Accounting Officer
Mr. M.E. Mohlahlo
Date: 31 July 2024

6. STRATEGIC OVERVIEW

6.1 Vision

A prosperous Free State through facilitation of sustainable built infrastructure.

6.2 Mission

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

6.3 Values

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

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

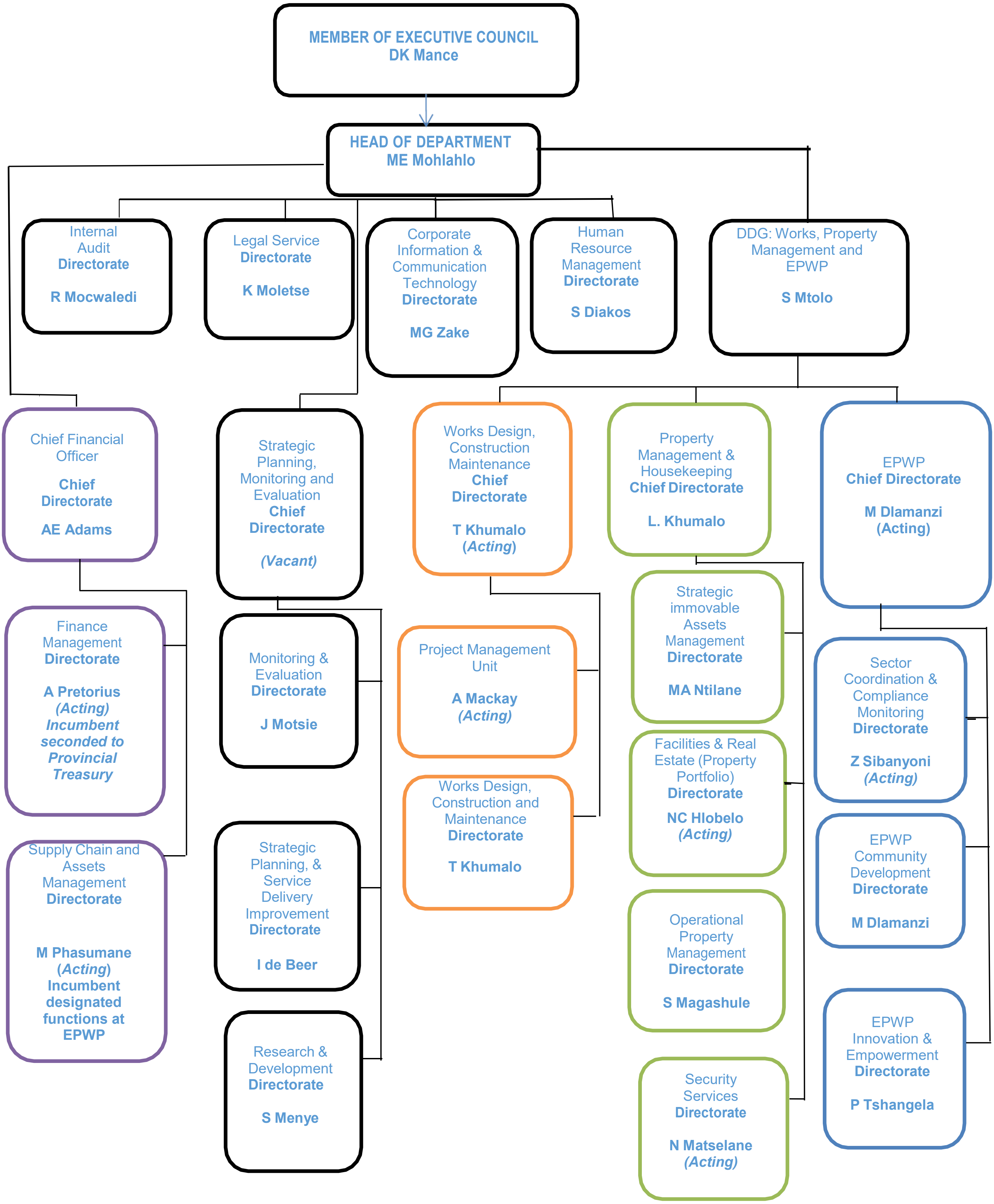
7. LEGISLATIVE AND OTHER MANDATES

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

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

- Corporate Governance of ICT Policy Framework - DPSA
- Free State Land Administration Act, 1998 (Act No. 1 of 1998)
- The Expropriation Act, 1975 (Act No. 68 of 1975)
- Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007).
- Occupational Health and Safety, 1993 (Act No. 85 of 1983)
- Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended and the related Treasury Regulations, 2005 Gazette No. 27388
- Division of Revenue Act, 2016 (Act No. 3 of 2016)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Skills Development Act, 2003 (Act No. 31 of 2003)
- Construction Industry Development Board (CIDB) Act, 2000 (Act No. 38 of 2000)
- Compensation for Occupational Injuries and Disease Act, 1993 (Act No. 130 of 1993)
- Broad Based Black Economic Empowerment Act 2003, (Act No. 53 of 2003)
- Policy document on the Statutory Regulation of the Built Environment Professionals, 1999
- White Paper: Public Works towards the 21st Century, 1997
- Green building policy – DPW, 2016
- Infrastructure Delivery Management System
- Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000)
- Infrastructure Development Act,2014 (Act No 23 of 2014)
- State Land Disposal Act, 1961 (Act No. 48 of 1961)
- Municipal Property Rates Act, 2004 (Act No 6 of 2004)
- Property Valuers Profession Act, 2000 (Act No 47 of 2000)
- Protection of Information Act, 1982 (Act No. 84 of 1982)
- Private Security Industry Regulations Act, 2001 (Act No. 56 of 2001)
- Control of Access to Public Premises and Vehicles Act, 1985 (Act No. 53 1985)
- The Criminal Procedure Act, 1977 (Act No 51 of 1977)
- Municipal Finance Management Act, 2003 (Act No 56 of 2003)
- EPWP Incentive Grant Manual Version 3, April 2011
- Ministerial Determination 4: Expanded Public Works Programme, No. 35310 Gazetted 4 May 2012
- Code of Good Practice for employment and conditions of work for Expanded Public Works Programme, No. 34032, Gazetted 18 February 2011
- Contractor Development Policy, 2007
- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Public Service Act, 1994 (as amended) and the Public Service Regulations, 2016 (as amended on 1 November 2023)
- Collective agreements
- Directives and Determinations by the MPSA
- Control of Access to Public Premises and Vehicles Act, 1985 (Act No. 19 of 2007)
- Local Government Municipal Structures Act, 1998 (Act No. 177 of 1998)
- Local Government Demarcation Act, 1998 (Act No. 27 of 1998)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administration of Justice Act, 2000 (Act No. 3 of 2000)
- Protection of Personal Information Act, 2013 (Act No. 4 of 2013)

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC.

PART B

PERFORMANCE INFORMATION

CONTENTS

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 141 of the Report of the Auditor General published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

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

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

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

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

The Department projected a shortfall for the 2023/2024 financial year of R82 million for lease payments, R874.282 million for municipal services as well as R237.293 million for property rates. The shortfall is based on insufficient budget allocation for municipal services and property rates.

CPIX projections for the 2024 MTEF period used for price increases of general goods and services at 5.1% and the allocation for municipal services (R349.220 million), property leases (R334.922 million) and property rates (R580.600 million) are not in line with actual increase which is higher than inflation. Tariff increases are higher than the growth of the departmental budget. The implementation of peak, off-peak and standard tariffs as well as winter tariffs also contribute to the shortages.

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

The increase implemented by municipalities on municipal services, especially electricity, is also much higher than the growth of the Department's budget and this had a snowball effect over the past years. The Department projects a shortfall for 2023/2024 of R874.282 million on municipal services and

R237.293 million for property rates based on the devolved list and physical verification of properties. The general escalation of property services, water and electricity tariff is estimated at an average of 10 percent.

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

Services	Budget for services	Tariff increase	Variance
Electricity	224 036 000.00	13%	-27%
Water	61 282 000.00	6%	-55%
Sewerage	57 131 000.00	6%	-30%
Refuse Removal	6 687 000.00	6%	-66%

Significant increases by Eskom over the past seven years:

- 2017 8.2%
- 2018 6.0%
- 2019 15.63%
- 2020 8.76%
- 2021 14.73%
- 2022 9.3%
- 2023 18.65%
- 2024 12.74%

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

Non-payment of services will affect the following:

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

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

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

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

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

The Department completed 12 of 14 TRP's with Frankfort and Petrus Steyn outstanding and to be completed during 2024/2025 financial year.

- Frankfort TRP- The project delayed due to additional culvert which increased the scope of work as a result of heavy rain.
- Petrus Steyn TRP- The project delayed due to more excavation work resulting from rising of the water table, which increased the scope of work and extra material was therefore needed.

Section 195 of the Constitution requires a high standard of professional ethics in the Public Sector. Ethical conduct and Departmental integrity are key in eradicating fraud and corruption within the Public Service. The Minister for the Public Service and Administration (MPSA) amended the Public Service Regulations, 2016 with effect from 1 November 2023 and enhanced the code of conduct for the public service, conflict of interest, details of interest to be disclosed, anti-corruption and ethics functions.

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

Emanating from a financial disclosure a lifestyle review is conducted. The Public Service Commission (PSC) indicated in respect of the Senior Management Service (SMS) that "the PSC found no SMS member in the department whose financial interests need further probe or investigation in a form of a lifestyle audit".

For the 2023/2024 financial year, 100 more officials completed the compulsory Ethics course as presented by the NSG. These staff members are those on salary level 3 and below that are not office bound and require face-to-face intervention. The Department invested R320 500.00 in this respect. The Department is 100% compliant in respect of this intervention for salary levels 4 to 16.

The skills audit in the SCM environment that commenced during the 2022/2023 financial year was closed out and concluded during 2023/2024. The Department invested R1.3 million for this intervention over two financial years. Possible rotation of staff will take place during 2024/2025 financial year.

The skills audit was conducted on employees appointed in the works inspector cadre of the Department. Central to this is the up-skilling of this occupation to meet the requirements for registration as professional building inspector provided for by the South African Council for the Project and Construction Management Professions. The interventions will take place during 2024/2025 financial year.

Initiatives to upgrade the skill level of security supervisors and managers to meet the requirements of PSIRA Grade A commenced during the current financial year and will be concluded during 2024/2025 financial year.

OHS compliance is central to a healthy workforce. In attempting to alleviate contravention notices served to the Department by the Department of Labour, the Department trained 29 officials on OHS representative. An evacuation drill was held on 30 January 2024.

In order to enhance service delivery, gaps are identified through user satisfactions surveys are conducted to assess satisfaction levels from service users, external as well as internal. At the core of this survey is customer gratification with services provided to them. In the year under review, a survey was concluded on current office space needs in the Free State Department of Social Development.

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

The shared water savings till end March 2024 were as follows:

Financial Year	Total Saving	50% Saving
2019/2020	8 841 428.60	4 420 714.30
2020/2021	14 703 475.15	7 351 737.58
2021/2022	32 971 240.74	16 485 620.37
2022/2023	39 269 622.22	19 634 811.11
2023/2024	70 304 998.11	35 152 499.05
Total	**166 090 764.82**	**83 045 382,41**

Revenue of R91.493 million was collected against the revised planned target of R75.656 million. The Department was expecting three transactions of R35 million each for three years from CUT, however, in 2022/2023 the first amount was receive and in 2023/2024, CUT paid R55, 177 million. The amount was more than expected.

2.2 Service Delivery Improvement Plan

As per DPSA guidance and circulars, the Department submitted the 2023/2024 – 2024/2025 two-year draft Service Delivery Improvement Plan.

The Service Charter is displayed at all entrances in Mangaung, Welkom, Kroonstad and Qwa-Qwa in Public Works and Infrastructure offices.

2.3 Organisational environment

The office of the new Executive Authority was capacitated during the first quarter of the 2023/2024 financial year. During the 2023/2024 financial year the Chief Director: EPWP was appointed as Head: Community Safety, Roads and Transport whilst approval was granted that the Director Finance be seconded to perform the functions of Provincial Accountant General (PAG) at Provincial Treasury. The functions of both posts, namely Chief Director EPWP and Director Finance were performed by suitably qualified internal staff members on an acting basis. The Director Supply Chain Management was on precautionary suspension until middle February 2024. This employee has been designated functions at the Chief Directorate EPWP. The SCM functions are performed by a suitably qualified Deputy Director in an acting capacity.

A Chief Financial Officer was appointed additional to the post establishment for a period of 6 months during the absence of the incumbent.

Cost containment measures precipitated by the wage bill coupled with a directive aimed at managing fiscal sustainability mitigated against filling of key posts.

2.4 Key policy developments and legislative changes

- Public Service Regulations 2016 which came into effect on 1 August 2016 were amended with effect from 1 November 2023.
- Key policy developments are the directive on human resources management and development for public service professionalization as well as the directive on compulsory training programmes for the public service.
- Amendment to the Labour Relations Act (LRA) of 1995 Section 198 (B) Regulation of non-standard employment and EPWP (Reduced cases of entitlement to permanent employment).
- Preferential Procurement Regulations 2017 issued in terms of the Preferential Procurement Policy Framework Act (PPPFA), 2000.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Property Rates and Municipal Services expenditure for the 2023/2024 financial year is at 100%. The Municipal Services budget was adjusted with R381.588 million as at the end of the financial year.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Purpose

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

Programme 1 consists of the following:

- Office of the MEC

- Management of Department:
  - Sub-sub-programme Internal Audit
  - Sub-sub-programme Enterprise Risk Management

- Corporate Support Sub Programme:
  - Sub-sub-programme Corporate Services
  - Sub-sub-programme Research, Monitoring and Evaluation
  - Sub-sub-programme Finance
  - Sub-sub-programme Information Communication Technology
  - Sub-sub-programme Internal Control
  - Sub-sub-programme Corporate Support

4.1.1. Corporate Support Sub-Programme

Purpose

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

Corporate Services Sub sub-programme

Purpose

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

Research, Monitoring and Evaluation Sub sub-programme

Purpose

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

Finance Sub sub-programme

Purpose

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

Information Communication Technology Sub sub-programme

Purpose

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

Institutional outcomes that each programme contributes

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

Corporate Support Sub-programme										
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Achievement 2022/2023**	**Planned Annual Target 2023/2024**	**Revised Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**	**Reasons for revisions to the outputs / output indicators / Annual Targets**
Dignified User Experience	Quality Services	User satisfaction survey conducted to assess quality of Services provided (secondary users).	1	2	2		1	-50%	Non-alignment of the survey to the TID.	None
Quality Services to Clients.	Quality services	Designated employee compliance with financial disclosure.	100% per group	100% per group	100% per group		100% per group	0%	None	None
		Number of posts filled. – 50% Women – 30% Youth – 2% Disability	113	50	40	22	22	0%	None	Directive (DPSA Circular 49 of 2023) on the implementation of control measures aimed at fiscal sustainability during the process of creating/filling posts.
	Skills development	Number of training interventions according to the Workplace Skills Plan.	27	40	20	36	36	0%	None	Unplanned free online training offered by National School of Government.

Strategy to overcome areas of under performance
User satisfaction survey conducted to assess quality of Services provided (secondary users). : - The area identified for the survey will be aligned to the TID.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Achievement 2022/2023	Planned Annual Target 2023/2024	Revised Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviation	Reasons for revisions to the outputs / output indicators / Annual Targets
Quality Services to Clients	PFMA compliance	Percentage of valid invoices paid within 30 days.	99%	99%	100%	[redacted]	99.2%	-0.8%	Delays in submission of supporting documents led to late payment of invoices.	None
	Quality services	Number of buildings installed with Wi-Fi.	1 (Video conferencing for one strategic boardroom)	1	2		2	0%	None	None

Strategy to overcome areas of under performance
Percentage of valid invoices paid within 30 days. : - Consequence management to be implemented against those responsible for late payment.

Sub-programme expenditure

Sub- Programme	2023/2024			2022/2023		
				Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Support	126 377	125 056	1 321	117 896	117 218	678
Total	**126 377**	**125 056**	**1 321**	**117 896**	**117 218**	**678**

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

The information in the 2023/2024 Annual Report is aligned with that in 2023/2024 Annual Performance Plan.

4.2 Programme 2: Public Works Infrastructure

Purpose

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

Programme 2 consists of the following Sub-programmes:

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

4.2.1 Design Sub Programme

Purpose

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

4.2.2 Construction Sub-Programme

Purpose

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

4.2.3 Maintenance Sub-Programme

Purpose

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

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

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

NOTE:

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

Institutional outcomes contributions

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

Construction 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 until date of re-tabling**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**	**Reasons for revisions to the outputs / output indicators / Annual Targets**
Sustained Infrastructure Investment	Infrastructure projects delivered	Number of infrastructure upgrades awarded.	New	New	3	3	N/A	This indicator was absorbed into the new indicator on the re-tabled 2023/2024 APP. Upgrades form part of capital infrastructure projects.	Re-classification of the projects..
		Number of infrastructure upgrades completed.	New	New	9	6	N/A	This indicator was absorbed into the new indicator on the re-tabled 2023/2024 APP. Upgrades form part of capital infrastructure projects.	Re-classification of the projects.

Construction Sub-programme										
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Achievement 2022/2023**	**Planned Annual Target 2023/2024**	**Revised Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**	**Reasons for revisions to the outputs / output indicators / Annual Targets**
Sustainable Infrastructure Investment	Sustainable Infrastructure Delivered	Number of new construction projects completed. (Educational, Health and General)	New	0	5	3	2	-33%	Katlego Mpumelelo: The consultant absconded from the site due to a dispute on their invoice. Whilst they were off-site the construction workpermit lapsed.	Late approvals of Variation Orders and Extensions of Time for Leboneng Special School Hostel and late payments for Rheederpark New Clinic.

Strategy to overcome areas of under performance
Encourage consultants to submit correct invoices to avoid disputes and late payments

Maintenance Sub-programme										
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Revised Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**	**Reasons for revisions to the outputs / output indicators / Annual Targets**
Sustainable Infrastructure Investment	Sustainable Infrastructure Delivered	Number of capital infrastructure projects awarded. (new/upgrades/refurbishments/ renovations)	New	New	New	7	8	14%	Over achievement was due to the increased scope of work as a result of theft that occurred at Welkom: Kopano Multi Drug Resistance Centre, whereby the mechanical service provider had to be appointed.	Re-classification of the projects.

Design, Construction and Maintenance Sub-programme										
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Revised Annual target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**	**Reasons for revisions to the outputs / output indicators / Annual Targets**
Sustainable Infrastructure Investment	Sustainable Infrastructure Delivered	Number of capital infrastructure projects completed. *(new/upgrades/refurbishments/renovations)*	New	New	New	32	25	-22%	See reasons and strategies below.	Re-classification of the projects.

Reasons for deviation: Number of capital infrastructure projects completed. (new/upgrades/refurbishments/renovations)
1. Bloemfontein - Thusanong Building: Change of designs to accommodate the new client (COGTA). Furthermore, the contractor's progress is slow due to materials that were to be imported.
2. Bloemfontein - Plant Room Phase 2 in Fidel Castro Building: The contractor has experienced a delay due delivery of the water tank from the manufacturer.
3. Bloemfontein - Adelaide Tambo Hall in OR Tambo House: Delayed appointment of Professional Service Providers due to verification and confirmation of their heritage architectural speciality.
4. Frankfort TRP: The project delayed due to additional culvert which increased the scope of work as a result of heavy rain.
5. Petrus Steyn TRP: The project delayed due to more excavation work resulting from the rising of the water table, which increased the scope of work and extra material was therefore needed.
6. Bloemfontein - Tshireletsong Children's Home Phase 2: Delayed completion of work is due to the non-availability of the material that was ordered by the contractor from the supplier.
7. Ladybrand - Ladybrand House: Delayed due to extension of scope for upgrading of electricity, laying of pavement and conversion of a room to veterinary theatre.

Strategy to overcome areas of under performance
1. Bloemfontein - Thusanong Building: Proper coordination of site activities by contractors.
2. Bloemfontein - Plant room Phase 2 in Fidel Castro Building: The project manager needs to constantly liaise with the contractors to confirm the order.
3. Bloemfontein - Adelaide Tambo Hall in OR Tambo House: The timeframes for the processes of appointing Professional Service Providers will be relooked in order to be shortened.
4. Frankfort TRP: The Department did not have control over external factors, however, the request for additional funds of the culvert has been submitted for approval.
5. Petrus Steyn TRP: The Department did not have control over external factors, however, the request for additional funds of extra material has been submitted for approval.
6. Bloemfontein Tshireletsong Children's Home Phase 2: The Department did not have control over external factors, however, the contractor had to change the supplier.
7. Ladybrand- Ladybrand House: None, due to limitations on the existing electrical supply from a single phase to three phase as identified during implementation.

Design, Construction and Maintenance Sub-programme										
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Revised Annual target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**	**Reasons for revisions to the outputs / output indicators / Annual Targets**
Sustainable Infrastructure Investment	Sustainable Infrastructure Delivered	Number of planned maintenance projects awarded.	5	1	7	1	0	-100%	The implementation methodology for MPL Phase 1 changed from tender process to in-house process (through Artisans workforce) due to the scope of work.	Re-classification of the projects.
		Number of planned maintenance projects completed.	13	0	11	1	1	0%	None	Reclassification of the projects.

Strategy to overcome areas of under performance
The scope of work should be clearly define to determine the implementation method.

Maintenance Sub-programme										
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Revised Annual target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**	**Reasons for revisions to the outputs / output indicators / Annual Targets**
Sustainable Infrastructure Investment	Sustainable Infrastructure Delivered	Number of renewable energy projects awarded.	New	1	7	6	7	16.7%	QwaQwa reticulation (PUMP) was not achieved due to the non-responsiveness of the market and had to be re-advertised. However, Solar Poles lights at FS House were awarded as a matter of emergency for visibility, safety and security during power outages and also Fidel Castro 9th Floor upgrading of Distribution Box and UPS were awarded.	Due to budget reprioritisation during the first adjustment and was reallocated during the second adjustment.
		Number of renewable energy projects completed.	New	1	7	5	4	-20%	Welkom Kopano regional office Back-up solar system - delayed due to extension of scope for an extra distribution box (DB).	Due to budget reprioritisation during adjustment budget.
		Number of buildings retrofitted with energy saving lights.	New	3	2	[redacted]	2	0%	None	[redacted]

Strategy to overcome areas of under performance
Number of renewable energy projects completed. None, due to limitations on the existing DB identified during installation.

Design, Construction and Maintenance Sub-programme										
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Revised Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Reasons for deviation	Reasons for revisions to the outputs / output indicators / Annual Targets
Output Indicators										
Sustainable Infrastructure Investment	Infrastructure projects delivered	Number of infrastructure designs ready for tender.	4	2	3	2	1	-50%	Sequence of designs to utilise the Dinaane Clinic prototype delayed the process for Bophelong Clinic.	Gariep Dam Clinic was removed for 2023 due to the municipality's delay to provide land. The site or erf approved by the municipality was not enough to accommodate clinic and staff accommodation and the Department of Health requested additional sites.

Strategy to overcome areas of under performance
None, the size of the erf could not accommodate the size the new clinics.

Sub-programme expenditure

Sub- Programme	2023/2024			2022/2023		
	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
Design	23 631	23 583	48	21 917	21 886	31
Total						

Sub- Programme	2023/2024			2022/2023		
	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
Construction	52 497	47 688	4 809	67 117	65 312	1 805
Total						

Sub- Programme	2023/2024			2022//2023		
	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
Maintenance	118 278	115 747	2 531	116 906	116 165	741
Total						

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

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

4.2.4 Planning, Immovable Asset Management and Facility Operations

Purpose

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

Programme 2 consists of:
- Sub Programme Planning.
- Sub Programme Immovable Asset Management.
- Sub Programme Facility Operations:
  - Sub sub-programme Operational Property and Housekeeping.
  - Sub sub-programme Security Services.

4.2.5 Planning Sub-Programme

Purpose

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

4.2.6 Immovable Asset Management Sub Programme

Purpose

To manage the property portfolio of the province; to establish and manage the provincial strategic and infrastructure plan; to provide accommodation for all provincial departments and other institutions; to acquire and dispose of immovable assets in terms of the plan and in terms of the Free State Land Administration Act (No 1 of 1998) which entails:
- Acquiring and disposal of properties.
- Manage leasing in of properties.
- Managing leasing out of government properties.
- Revenue generation and collection.
- Management of the immovable asset register.
- Monitor the utilisation of provincial government facilities.
- Management of utilities.

4.2.7 Facility Operations Sub Programme

Purpose

The Sub-Programme is responsible to manage the operations of buildings including facilities management, cleaning, greening, beautification, interior decoration, designs and day-to-day preventative maintenance of electronic, electrical and mechanical equipment. It refers to all services related to managing a building.
**Note that the actual implementation cost of the projects will be captured under the appropriate sub-sub programmes, including Security Services.*

4.2.7.1 Operational Property & Housekeeping Sub sub-programme

Purpose

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

4.2.7.2 Security Services Sub sub-programme

Purpose

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

Institutional outcomes contributions

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

Planning Sub-programme								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Achievement 2022/2023**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**
Output Indicators								
Productive Assets	Reliable Immovable Asset Register	Number of facilities provided.	6	5	4	2	-50%	1. Multi Drug Resistance Building: Theft of copper pipes and stripping of air conditioners has caused delays on site. 2. Thusanong Building: There was change of designs to accommodate the new client (COGTA). Furthermore, the contractor's progress is slow due to materials that were to be imported.
	Inspections conducted for optimal utilisation	Number of utilisation inspections conducted (concluded) for office accommodation.	9	8	6	6	0	None

Strategy to overcome areas of under performance
1. MDR Building: The Department will strengthen security measures as the current security has been appointed only to patrol at the facility. 2. Thusanong Building: Proper coordination of site activities by contractors.

Immovable Asset Management 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 for 2023/2024**	**Reasons for deviation**
Output Indicators								
Productive Assets	Reliable Immovable Asset Register	Number of properties recorded on the Immovable Asset Register.	4 894	4 890	4 896	4 890	-0.12%	The Annual target was set at 4896 in the 23/24FY. Subsequently the Department received a signed section 42 Transfer document from National Public Works and Infrastructure in April 2023 accepting the transfer of the 6 properties that was recorded in the Immovable Asset Register. Therefore 6 (six) properties were removed from the Asset Register. The number of properties that was disclosed for the 22/23FY was 4890. Furthermore 1 property was added to the immovable asset register (Cecelia Park) during the AFS adjustment, which equals to 4891. Two houses were acquired for prestige accommodation and one property was added to the asset register that was acquired by Human Settlement through Housing Development Agency which totals to 4 894. Subsequently, 3 properties were transferred to NDPW through section 42, and the properties amounted to 4 891. Furthermore, one erroneously registered property was identified through deeds dump and was removed from the IAR which totals to 4 890.
		Number of condition assessments conducted on state-owned buildings.	20	22	20	20	0%	None
		Number of properties acquired.	1	3	1	2	100%	Recurring of the properties planned for the previous financial year not achieved due to long acquisition processes.

Strategy to overcome areas of under performance
Number of properties recorded on the Immovable Asset Register: None, due to disposal (transfer rectifications)

Facility Operations Sub-programme										
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	**Revised Annual target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**	**Reasons for revisions to the outputs / output indicators / Annual Targets**
Output Indicators										
Productive Assets	Reliable Immovable Asset Register	Amount of revenue collected.	R53. 389m	R75. 307m	R58. 099m	R75. 656m	R91. 493m	21%	The Department over achieved on revenue collected for the year due to the payment received from the Central University of Technology (CUT) Land exchange agreement.	The amount paid was more than expected from Central University of Technology.
		Number of properties receiving facility management services. *(Housekeeping, cleaning-gardening services)*	60	60	60	61	62	1.6%	Tredenham Estate was rendered with gardening service in April 2023 because the propertywas occupied by MPL.	Thirty four (34) properties under Housekeeping Unit are serviced on daily basis in terms of cleaning and gardening services. Cleaning and gardening services are rendered in (28) Prestige Accommodation including FS House. All properties are cleaned and maintained on daily basis by permanent staff and officials on contract.
	Safe government buildings	Number of properties installed with electronic security system at entrances.	2	2	4	1	1	0%	None	The target was revised due to reprioritization of the budget.
		Number of properties guarded with physical security.	22	22	22	[redacted]	23	4.5%	There is an additional site in Bloemfontein (Eureka) which is being guarded on an Ad hoc basis.	[redacted]

<u>Sub-programme expenditure</u>

Sub- Programme	2023/2024			2022/2023		
	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
Planning	14 699	14 618	81	46 875	46 857	18
Total	**14 699**	**14 618**	**81**	**46 875**	**46 857**	**18**

Sub- Programme	2023/2024			2022/2023		
	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
Immovable Asset Management	1 409 677	1 407 497	2 180	1 327 537	1 327 415	122
Total	**1 409 677**	**1 407 497**	**2 180**	**1 327 537**	**1 327 415**	**122**

Sub- Programme	2023/2024			2022/2023		
	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
Facility Operations	219 231	217 903	1 328	213 996	213 959	37
Total	**219 231**	**217 903**	**1 328**	**213 996**	**213 959**	**37**

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

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

4.3 Programme 3: Expanded Public Works Programme

Purpose

To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme

The Programme consists of the following Sub-Programmes:
- Community Development Sub Programme.
- Innovation and Empowerment Sub Programme.
- Coordination and Compliance Monitoring Sub Programme.

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

4.3.1 Community Development Sub-Programme

Purpose

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

4.3.2 Innovation and Empowerment Sub programme

Purpose

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

4.3.3 Coordination and Compliance Monitoring Sub-Programme

Purpose

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

Institutional outcomes that each programme contributes

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements								
Community Development Sub-programme								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Achievement 2022/2023**	**Planned Annual Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Reasons for deviation**
Output Indicators								
Optimised job opportunities.	Development initiatives for the unemployed.	Number of EPWP work opportunities created by the Provincial Department of Public Works and Infrastructure.	2 197	2 616	2 000	2 029	1.5%	The reason for over achievement was due to Mafube Local Municipality projects which were planned to be achieved in Quarter 2 but were delayed due to non-responsiveness of the municipality at the time. The target was then transferred to other municipalities in Q4 after reviewing the performance against annual targets. Mafube Local Municipality only responded after implementation of the reviewed plan in Quarter 4, mid-February and their contribution was implemented nevertheless due to availability of the budget and expectation created to the communities.
	Empowerment of impoverished communities.	Number of beneficiary empowerment interventions.	2	2	2	2	0%	None
	Participation of Public bodies in EPWP.	Number of public bodies reporting on EPWP targets within the Province.	31	32	31	32	3%	One Public Body (Mohokare Local Municipality) did not form part of the target and has reported in order to qualify for the allocation of EPWP Grant.

Sub-programme expenditure

Sub- Programme	2023/2024			2022/2023		
	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
Community Development	34 100	30 970	3 130	82 534	60 757	21 777
Total	**34 100**	**30 970**	**3 130**	**82 534**	**60 757**	**21 777**

Sub- Programme	2023/2024			2022/2023		
	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
Innovation and Empowerment	13 088	13 083	5	8 988	8 986	2
Total	**13 088**	**13 083**	**5**	**8 988**	**8 986**	**2**

Sub- Programme	2023/2024			2022/2023		
	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
Coordination and Compliance Monitoring	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

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

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

5. TRANSFER PAYMENTS

5.1 Transfer payments to municipalities

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
MAN Mangaung (Metro)	Property Rates Payments	201 184 875.76	[redacted]	[redacted]
FS161 Letsemeng	Property Rates Payments	2 794 656.36	[redacted]	[redacted]
FS162 Kopanong	Property Rates Payments	13 964 261.12	[redacted]	[redacted]
FS163 Mohokare	Property Rates Payments	2 878 206.01	[redacted]	[redacted]
FS181 Masilonyana	Property Rates Payments	8 309 479.56	[redacted]	[redacted]
FS182 Tokologo	Property Rates Payments	438 733.08	[redacted]	[redacted]
FS183 Tswelopele	Property Rates Payments	3 476 899.47	[redacted]	[redacted]
FS184 Matjhabeng	Property Rates Payments	133 540 402.79	[redacted]	[redacted]
FS185 Nala	Property Rates Payments	3 733 416.53	[redacted]	[redacted]
FS191 Setsoto	Property Rates Payments	15 528 321.69	[redacted]	[redacted]
FS192 Dihlabeng	Property Rates Payments	11 716 347.87	[redacted]	[redacted]
FS193 Nketoana	Property Rates Payments	1 169 013.45	[redacted]	[redacted]
FS194 Maluti-A-Phofung	Property Rates Payments	31 873 857.90	[redacted]	[redacted]
FS195 Phumelela	Property Rates Payments	2 502 382.44	[redacted]	[redacted]
FS196 Mantsopa	Property Rates Payments	4 975 915.75	[redacted]	[redacted]
FS201 Moqhaka	Property Rates Payments	17 483 905.08	[redacted]	[redacted]
FS203 Ngwathe	Property Rates Payments	7 492 879.02	[redacted]	[redacted]
FS204 Metsimaholo	Property Rates Payments	12 707 775.72	[redacted]	[redacted]
FS205 Mafube	Property Rates Payments	2 777 525.76	[redacted]	[redacted]
Total		**478 548 855.36**	[redacted]	[redacted]

6 CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

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

Earmarked Funds Paid:

Property Rates and Taxes Allocation

Department/ Municipality to whom the grant has been transferred	Public Works and Infrastructure.
Purpose of the grant	For the payments of municipal property rates and taxes on all provincially owned properties (registered, unregistered or incorrectly registered).
Expected outputs of the grant	Payment on receipt of valid property rates and taxes invoices from municipalities.
Actual outputs achieved	Payments of rates and taxes made within 30 days upon receipt of the invoice from municipalities.
Amount per amended DORA	R480.600 million.
Amount transferred (R'000)	R480.600 million.
Reasons if amount as per DORA not transferred	The entire DORA allocation was received.
Amount spent by the department/ municipality (R'000)	R478.549 million.
Reasons for the funds unspent by the entity	Total budget was spent.
Monitoring mechanism by the transferring department	Payment of property rates to be captured on BAS and reconciled to Rates and Taxes register.

6.2 Conditional grants and earmarked funds received

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2023 to 31 March 2024

EPWP Integrated Grant to Provinces

Department who transferred the grant	Public Works and Infrastructure.
Purpose of the grant	Utilisation of Infrastructure and cleaning and greening projects in line with EPWP principles.
Expected outputs of the grant	The grant will be utilized for infrastructure and cleaning and greening projects in line with EPWP principles and to create more work opportunities based on the full-time equivalent jobs.
Actual outputs achieved	Creation of decent jobs and increase in the GDP of respective towns.
Amount per amended DORA	R5.276 million.
Amount received (R'000)	R5.276 million.
Reasons if amount as per DORA not received	The entire DORA allocation was received.
Amount spent by the department/ municipality (R'000)	R5.273 million.
Reasons for the funds unspent by the entity	Total budget was spent
Reasons for deviations on performance	Decentralisation of Community Liaison Officers to the districts for scrutiny. Submission of monthly conditional grant expenditure report to Provincial Treasury with explanatory information.
Monitoring mechanism by the receiving department	Public Works and Infrastructure.

Infrastructure Enhancement Allocation This is earmarked funds from Provincial Treasury

Department who transferred the grant	Public Works and Infrastructure.
Purpose of the grant	Assist in acceleration of construction, maintenance, and rehabilitation of new and existing infrastructure. Enhance capacity to deliver on infrastructure exclusively for provincial related projects.
Expected outputs of the grant	Number of buildings and facilities constructed and maintained.
Actual outputs achieved	Number of buildings and facilities constructed and maintained.
Amount per amended DORA	R55.230 million.
Amount received (R'000)	R55.2309 million.
Reasons if amount as per DORA not received	The entire DORA allocation was received.
Amount spent by the department/ municipality (R'000)	R50.628 million.
Reasons for the funds unspent by the entity	Procurement of the Service Providers for Township Revitalization Projects was delayed due to possible transfer of the function to the Department of Community Safety and Roads Department. The matter was only resolve during the AEPRE process.
Reasons for deviations on performance	
Monitoring mechanism by the receiving department	

7 DONOR FUNDS

7.1. Donor Funds Received

The Department did not receive any donor funding during the 2023/2024 financial year.

8 CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

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

Provincial Department	Completed Project Name
Public Works and Infrastructure = 25	Botshabelo TRP
	Brandfort TRP
	Bultfontein TRP
	Ficksburg TRP
	Koppies TRP
	Memel TRP
	Oppermansgronde TRP
	Philippolis TRP
	Tweeling TRP
	Villiers TRP
	Vrede TRP
	Zastron TRP
	Bloemfontein: OR Tambo House 3rd Floor Boardroom
	Bloemfontein: MPL Houses – Three Houses installation of kitchen Build in cupboards. Namely: House no 1, 2 and 3
	Bloemfontein: OR Tambo House 8th Floor: Upgrading of Kitchen Bar – Phase 3
	Bloemfontein: House at 2 Zeus street
	Bloemfontein: Free State House – Part1: Wall fence, Paving and Swimming Pool repairs
	Bloemfontein: Tshireletsong Building Phase 1
	QwaQwa: Upgrading of water reticulation network
	Bloemfontein: 3rd floor MEC Boardroom & Offices– Installation of new blinds
	Bloemfontein: MPL Houses complex – Phase 2 (Kitchen Installation cupboards) House No.2,4,6
	Bloemfontein: OR Tambo House 4th Floor
	Bloemfontein: Fidel Castro: Refurbishment of burnt Substation: Electrical Work.
	Bloemfontein: Fidel Castro: Refurbishment of burnt Substation: Building Work
	Bloemfontein: 3rd Floor MEC Boardroom & Offices– Installation of new blinds
Education = 2	Bloemfontein: Old Eureka Hostel: Upgrade and Renovations
	Viljoenskroon: D R Sello Primary School: New Primary School, Phase 1 include classroom completed

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

Provincial Department	Project Name	Expected Completion Date
Public Works and Infrastructure = 7	Frankfort TRP	TBC pending VO approval
	Petrus Steyn TRP	TBC pending VO approval
	Bloemfontein: Tshireletsong Children's Home Phase 2	28 June 2024
	Bloemfontein: Thusanong	19 September 2024
	Bloemfontein: Free State House – Part 2: Repair and Renovations: Repairs and kitchen	In the process of termination
	Welkom: Kopano Multi Drug Resistance centre renovations	31 July 2024
	Bloemfontein: Fidel Castro Plant Room 9th FL – PH2 Replacement of water tank	30 May 2024
Health = 3	Welkom: Riebeeckstad (Thandanani) New Clinic	30 June 2024
	Welkom: Rheederpark New Clinic	3 June 2024
	Kroonstad: Boitumelo Hospital	29 June 2025

Provincial Department	Project Name	Expected Completion Date
Education = 12	Parys: Father Balink New Primary School	03 April 2024
	Trompsburg: Trompsburg Special School: Hostel	08 August 2024
	Trompsburg: Trompsburg Special School	22 June 2025
	Thaba Nchu: Boitumelong Special School: Hostel	30 October 2024
	Harrismith: Morena Tsohisi Primary School	17 September 2024
	Gariepdam: Oranjekrag School Hostel	02 October 2024
	Bothaville: Tshehetso Primary School	28 June 2024
	Sasolburg: Katlego Mpumelelo Secondary School	28 June 2024
	Fouriesburg: Breda Farm School: Hostel	28 June 2024
	Welkom: Leboneng Special School: Hostel	28 June 2024
	Bethlehem: Vogelfontein Primary School	To be revised upon new appointment
	Bloemfontein: Matla Phase 2: Admin building, Media Centre, School hall, Book and Garden Store, Activity Centre.	Taken back by DoE to implement
Sports, Arts and Culture = 2	Phuthaditjhaba: Charles Mopeli Stadium Phase 1 Construction of Paving & Parking	The expected Completion Date is 30August 2024. We are however in the process of finalizing with the QS the last IPC and once that is done, likelihood is that we will continue with termination. The above date is only indicative and dependent on the recourse measures to complete the remaining work (whether by massification or appointment of a new contractor).
	Wepener: Qibing New Library	20 January 2025

Progress made on the maintenance of infrastructure.

Provincial Department	Completed Project Name
Public Works and Infrastructure = 1	Bloemfontein: MPL Houses (Painting of Lapa and Boundary walls)-Phase 1

Maintenance project that is currently in progress

Provincial Department	Project Name	Expected Completion Date
Public Works and Infrastructure = 1	Bloemfontein: MPL Houses – Painting of external houses and boundary walls: Phase 2	30 June 2024

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

None

Plans to close down or downgrade any current facilities.

None

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

None

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

Opening balance (01 April 2023)	Closing balance (31 March 2024)	Movement
4 890	4 890	The Annual target was set at 4896 in the 23/24FY. Subsequently the Departmentreceived a signed section 42 Transfer document from National Public Works and Infrastructure in April 2023 accepting the transfer of the 6 properties that was recorded in the Immovable Asset Register. Therefore 6 (six) properties were removed from the Asset Register. The number of properties that was disclosed for the 2022/2023 financial year was 4890. Furthermore 1 property was added to the immovable asset register (Cecelia Park) during the AFS adjustment, which equals to 4891. Two houses were acquired for prestige accommodation and one property was added to the asset register that was acquired by Human Settlement through Housing Development Agency which totals to 4 894. Subsequently, 3 properties were transferred to NDPW through section 42, and the properties amounted to 4 891. Furthermore, one erroneously registered property was identified through deeds dump and was removed from the IAR which totals to 4 890.

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

The Annual target was set at 4896 in the 23/24FY. Subsequently the Department received a signed section 42 Transfer document from National Public Works and Infrastructure in April 2023 accepting the transfer of the 6 properties that was recorded in the Immovable Asset Register. Therefore 6 (six) properties were removed from the Asset Register. The number of properties that was disclosed for the 22/23FY was 4890.

Furthermore 1 property was added to the immovable asset register

(Cecelia Park) during the AFS adjustment, which equals to 4891. Two houses were acquired for prestige accommodation and one property was added to the asset register that was acquired by Human Settlement through Housing Development Agency which totals to 4 894. Subsequently, 3 properties were transferred to NDPW through section 42, and the properties amounted to 4 891. Furthermore, one erroneously registered property was identified through deeds dump and was removed from the IAR which totals to 4 890.

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

Condition of Facility	Number of Facilities	Percentages
Good	**155**	**10.1%**
Fair	**1 321**	**85.2%**
Bad	**73**	**4.7%**
Total	**1 549**	**100 %**
NB!!! Please note that Vacant land and Human Settlements properties are excluded!!		

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

Thusanong and Tshireletsong buildings in Bloemfontein.

Progress made on the maintenance of infrastructure.

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

The rate of progress according to plan.

20 condition assessments were conducted on state-owned buildings during the current financial year under review.

The budget was increased as a measure to keep the Department on track.

- For the financial years 2022/2023 and 2023/2024 budget allocations were R116.906 million and R R118 million respectively which was not enough to cover all planned projects for the financial year, however the maintenance backlog that the department is currently facing keeps on increasing. The Department expenditure in this regard for the financial year under review amount to R115.747 million.

- A plan to increase budgets and grants for maintenance have been discussed in different fora to mitigate the challenges that the Department is facing. The condition assessment on government buildings are performed to identify costed maintenance requirements which will consequently increase revenue collection from leased out buildings.

Capital investment, maintenance and asset management plan

Infrastructure Projects	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	Under Expenditure	Final Appropriation	Actual Expenditure	Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	94 263	82 975	11 464	139 854	117 214	22 640
– Upgrades and additions	59 151	53 743	5 585	91 710	69 610	22 100
– Rehabilitation, renovations and refurbishments	20 862	17 646	3 216	36 636	36 565	71
– Maintenance and repairs	14 250	11 586	2 664	11 508	11 039	469
Infrastructure transfer	-	-	-	-	-	-
– Current	-	-	-	-	-	-
– Capital	-	-	-	-	-	-
Total	**94 263**	**82 975**	**11 464**	**139 854**	**117 214**	**22 640**

PART C

GOVERNANCE

CONTENTS

1. INTRODUCTION

The definitive aim of the Department is to safeguard public interest through an efficient and effective governance system that enhances the protection of rights and demonstrates accountability and integrity in its daily activities and from all officials.
The Public Finance Management Act, Section 38(1) (a)(i) requires of the Accounting Officer to establish and maintain the systems of risk management and internal control which are aligned to the principles of good corporate governance. In compliance with this prescription, the Department has adopted an enterprise-wide risk management (ERM) strategy which ensures that every key risk in each Programme of the Department is included in the strategic risk register of the department and that all risk management efforts are focused on supporting the achievement of the Department's objectives.

2. RISK MANAGEMENT

The Department reviewed and approved Risk Management Policy and Risk management Strategy for 2023/2024 that articulated the DPWI's risk management philosophy. The Risk Management Policy was aligned to the Risk Management Strategy and the departmental business strategy in an effort to ensure an integrated approach in the management of risk.

The risk assessment process (strategic and operational) was completed in line with the Risk Management Strategy with the purpose of reviewing the strategic and operational risks as well as to identify new and emerging risks. The Risk Assessment are performed annually per programme were all risks are identified for the financial year, there after the Risk Registers is circulated to all Directorates in order to provide quarterly progress reports.

The Risk & Ethics Management Committee is in place and is chaired by an independent chairperson appointed on a three-year term. The Committee provided oversight during the year by reviewing the effectiveness of the departmental risk management systems, practices and procedures and made recommendations for improvement in various areas of unacceptable residual ratings. The committee advises the Head of Department and the Audit Committee of the Department on matters relative to risk management and its effectiveness on mitigating of unacceptable risk as outlined in the DPWI Risk Appetite and Tolerance Statement

During the year of Assessment, the Audit Committee provided oversight on the Risk Management in the Department. This was implemented through having Risk Management as a standing item on Quarterly Shared Audit Committee meetings. Risk Management reported progress on the implementation of risk management activities to the Shared Audit Committee on a quarterly basis. Internal Audit unit performed audit on the Risk Management to assess effectiveness of the processes implemented.

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

3. FRAUD AND CORRUPTION

The department continuously implements the provisions of the National Anti-Corruption Strategy as guideline to address issues relating to fraud and corruption. Fraud and corruption represent significant potential risk to the Department and can negatively impact on both service delivery efficiency and the Department's reputation. A considerable drive of anti-fraud and corruption awareness campaigns were made throughout the department during 2023/2024, as a way of revitalising officials about the risks of fraud and corruption.

The Department is committed to zero-tolerance with regard to corrupt or fraudulent activities, whether internal or external.

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

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

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

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

- It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager, the Director: Internal Audit, and/or Ethics Officer.
- All managers are responsible for the prevention, detection, and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to appointed Ethics Officer.

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

Action taken for any fraud and corruption

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

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

4. MINIMISING CONFLICT OF INTEREST

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

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

The Public Service Amendment Regulations, 2023 which came into effect on 01 November 2023 have expanded the details of interests to be disclosed and disclosures made from 1 April 2024 onwards include other financial liabilities:

- nature of liability
- date on which liability was incurred
- principle amount of liability
- institution or person to whom liable, and
- period over which liability will be paid

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

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

The basis of the lifestyle review is the information disclosed by means of the financial disclosure system. The Department has complied with the lifestyle audit imperatives introduced into the Public Service by the Department of Public Service and Administration. The Public Service Commission on 26 September 2023 in appropriate correspondence indicated that it was not necessary to probe the financial interests of any SMS member during the year under review. In addition the department concluded 186 lifestyle reviews on staff members in the categories below:

CATEGORY	NUMBER	COMMENTS
MMS 12	16	100% of population assessed. Financial interests do not justify lifestyle audit.
OSD 12	7	100% of population assessed. Financial interests do not justify lifestyle audit.
MMS 11	29	100% of population assessed. Financial interests do not justify lifestyle audit.
OSD 11	20	100% of population assessed. Financial interests do not justify lifestyle audit.
ASD 9/10	58	100% of population assessed. Financial interests do not justify lifestyle audit.
OSD 9/10	7	100% of population assessed. Financial interests do not justify lifestyle audit.
SCM AND FINANCE (below level 9)	49	100% of population assessed. Financial interests do not justify lifestyle audit.
TOTAL	**186**	

By adopting lifestyle audits, greater transparency is obtained in the Public Service. This is a powerful deterrent against unethical and criminal behaviour, as it reminds Public Service employees that their behaviour is subject to scrutiny, as the Constitution of the Republic of South Africa, Act 108 of 1996, Section 195 requires that a "high standard of professional ethics must be promoted and maintained". Life style reports were forwarded the DPSA as prescribed on 31 January 2024.

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

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

5. CODE OF CONDUCT

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

The MPSA in terms of section 41 of the PSA approved the Public Service Amendment Regulations which came into effect on 1 November 2023. The amendments enhanced the Code of Conduct for the Public Service particularly in terms of ethical conduct and related matters. Aforesaid amendments have been communicated throughout the department. Appropriate communication on the amendments that has been issued in this respect and are relevant to the 2023/24 financial year are reflected below:

Topic	Circular number	Date
Ethical behaviour as outlined in the Code of Conduct for the Public Service: Public Service Amendment Regulations, 2023	18 of 2023	8 November 2023
Ethical conduct: code of conduct for the public service as amended: concepts of gratification, corruption and conflict of interest	22 of 2023	5 December 2023
Management of Abscondment: Public Service Amendment Regulations,2023	1 of 2024	4 January 2024
Ethical behaviour: Public Service Amendment Regulations, 2023: Fraud	2 of 2024	4 January 2024
Code of Conduct for the Public Service as Amended: Concept of gifts	3 of 2024	4 January 2024
Ethical conduct: Management of Sexual Harassment	4 of 2024	15 January 2024
Ethical behaviour: Code of Conduct and guidelines on assault	5 of 2024	15 January 2024
Ethical behaviour: Code of Conduct and guidelines on negligence	6 of 2024	17 January 2024
Ethical behaviour: Code of Conduct and guidelines on other acts of misconduct: Insubordination and related matters	7 of 2024	19 January 2024
Ethical behaviour: Code of Conduct and guidelines on financial misconduct	8 of 2024	22 January 2024
Ethical behaviour: Code of Conduct and awareness on other acts of misconduct involving dishonesty	15 of 2024	22 March 2024
Ethics Management: Legal and Policy provisions in respect of employees and elections	16 of 2024	22 March 2024

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

- Directive by MPSA on the remunerative work outside the employee's employment in the relevant Department as contemplated in Section 30 of the Public Service Act, 1994 dated 1 November 2016.

- Directive by MPSA on conducting business with an organ of state dated 27 January 2017.

- Determination on other categories of designated employees to disclose their financial interests and Directive on the form, date and financial interests to be disclosed issued by the Minister for Public Service an Administration dated 16 March 2017 and 18 June 2021 (replaced 2017 directive). Above directives applied for the 2023/2024 financial year.

The directives bulleted above, relating to remunerative work outside the employees employment and conducting business with an organ of state, have been amended by the MPSA and such will take effect from 01 April 2024.

A quarterly report on ethics management is discussed and adopted in the designated Risk and Ethics Management Committee as well as Audit Committee.

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

The Department has ensured that 100% of its staff from salary level 5 and above have been trained on the building blocks of integrity, compliance and ethics in an anti-corruption context through a compulsory ethics course. In addition to the hundred and sixteen (116) that underwent face-to-face Ethics training in 2022/2023 financial year, 100 more officials completed the compulsory Ethics course as presented by the NSG during 2023/2024. These staff members are those on salary level 3 and below that are not office bound and require face-to-face intervention. The department invested R320 500.00 in this respect during the current financial year. Further staff will undergo this intervention which forms part of the compulsory courses outlined in the directive on Compulsory Training Programmes in the Public Service issued by the MPSA on 11 September 2023 during 2024/2025 and beyond.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Any employer of choice is measured against the success of the employee health and wellness programme. Departmentally this programme which relies on close co-operation with line management seeks to achieve a healthy and productive workforce. Occupational Health and Safety (OHS) is central to a healthy workforce, clients / customers and service providers. The Department has an OHS committee that deals with matters which are related to Health and Safety of the employees. The committee meets on a quarterly basis and implement OHS. Meetings are being chaired by a representative appointed in terms of Section 16 of the Occupational Health and Safety Act, 1993. As custodian of infrastructure said employee is also responsible to chair the inter-departmental OHS committee.

The Department ensured compliance in this respect. As the custodian of the immovable assets in the province and having assumed the responsibility to provide office accommodation to all provincial departments, the department has a responsibility to ensure that buildings occupied by departments comply with occupational health and safety standards. An OHS report is presented to the Risk and Ethics committee on a quarterly basis.

Occupational Health and Safety is central to a healthy workforce, clients, customers and service providers. During the year under review the department implemented a medical assessment for 425 staff members occupying posts required to undergo such where concluded. This is inclusive of employees working from heights. In addition to the one hundred and forty-nine (149) staff members who underwent occupational health and safety training in OHS representative, first aid, fire-fighting, working at heights, ladder inspectors and scaffold inspector / erector during 2022/2023, a further 29 staff members were trained as OHS representatives during 2023/2024.

An evacuation drill for Fidel Castro building, OR Tambo House and PACOFS was conducted on 30 January 2024. All relevant stakeholders inclusive of SAPS and both provincial and municipal disaster management teams who activated emergency services for this successful intervention.

Any contraventions issued by the Department of Employment and Labour and injury on duty are concluded in terms of the applicable legislative framework.

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

7. PORTFOLIO COMMITTEE

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

No	Subject on the Programme of the Portfolio Committee Meeting	Date of the meeting
1.	Consideration of Fourth Quarterly Non-Financial Reports for 2022/2023 Financial Year and Annual Performance Plan for 2023/2024 financial year on non–financial matters	13 June 2023
2.	Consideration of First Quarterly Non-Financial Reports for 2023/2024 Financial Year	29 September 2023
3.	Consideration of Second Quarterly Non - Financial Report for 2023/2024 and Annual Report for 2022/2023 Financial Year	05 December 2023
4.	Consideration of Third Quarterly Non-Financial Report for 2023/2024 and Revised Annual Performance Report for 2023/2024 Financial Years	26 March 2024

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

Matters raised by the Portfolio Committee were responded to verbally in the meetings.

8. SCOPA RESOLUTIONS

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

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
4(a)	Leasing of Government Properties and Monitoring	Extension on rental/lease contracts in respect to private properties leased for government purposes must adhere to SCM regulations, with the necessary consideration and approvals required.	All procurement processes for leases or extensions follow all SCM regulations.	Yes
(b)		Infrastructure projects should be properly managed and contractors closely supervised in order to monitor the progress and quality of the projects.	The SOP was developed and submitted to the Provincial Treasury.	Yes
(c)		The department must enter into payment agreements with municipalities and continue with negotiations with Treasury and other oversight bodies in regard of the budget constraints.	The Shortfall was presented to the following forums: • Provincial Treasury • National Treasury Provincial Head of Departments Forum (FoHOD) • Provincial EXCO - Property Rates to the amount of R545.890 million and Municipal Services to the amount of R478.570 million were paid till the end of March 2024. 10 payment plans were finalized and the others are in process. Additional allocated funds of R109 million were received from Provincial Treasury, as well as internally diverted funds of R116 million were utilised for municipal utility invoices during the month of March 2024.	No

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
5	Lack of supporting documents	Performance information is reviewed to ensure that there is adequate supporting documentation for all reported achievements to confirm the reliability of the performance information.	Identified discrepancies were addressed with relevant Programme Managers. The assessment of progress performance information against the supporting documents is conducted to ensure accuracy, reliability and validity of reported outputs. Follow-ups are also conducted for the submission of relevant and outstanding POE's for the reported outputs.	Yes

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
6(a)	The Portfolio Committee was concerned that the department did not implement sufficient monitoring controls to ensure that projects are properly managed and contractors closely supervised in order to monitor the progress and quality of the projects	Implement additional monitoring controls to ensure that projects are properly managed and contractors are closely supervised in order to monitor the progress and quality of the project/s.	The SOP was developed and submitted to the Provincial Treasury.	Yes
(b)		Enter into Service Level Agreement (SLA) with all departments where they are requested to assist with project management to ensure clear responsibilities of each department.	IPIP's were signed by both client and DPWI.	Yes

(c)		Provide status reports on all incomplete infrastructure projects and ensure they assist all line departments to ensure infrastructure units are functional and capacitated.	Monthly Reports are prepared.	yes
(d)		Address the capacity at the department to deal with infrastructure projects as implementing agent of other departments.	Appointment of Chief Project Manager was done on the 1st of April 2021. To strengthen construction procurement during the MTEF.	No
(e)		That all rented and new buildings comply with health and safety regulations	Since the start of the financial year the Department has conducted an inspection on 17 leased properties and one (1) state owned property, the findings identified from the Occupational Health and Safety inspections have been communicated to the landlords to be addressed.	Yes
(f)		End-users must submit invoices to SCM on time to allow SCM officials to process and pay all invoices within 30 days.	With the exception of payments to the Municipalities, the Department aims and strives to continuously pay suppliers invoices within 30 days. For the 2023/2024 financial year, only twelve (12) invoices to the value of R276 000 were not paid within 30 days.	No

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

- **MATTERS ON THE AUDIT REPORT**

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
ISS.41 - Compliance - Revenue: Contingent Assets: Implementation plan not monitored (COA 25) (M)(A) - (ISS.41)	2022/2023	An instruction letter has been sent to the departmental Legal Services Unit. The objective of the instruction, is for Legal Services to write a letter to be sent to the Mangaung Metropolitan Municipality, to obtain progress on the approval of the application of Sedtrade regarding bulk infrastructure. Departmental Legal Services indicated that they will draft a reminder letter to SEDTRADE to provide the department with the progress regarding bulk infrastructure of portions sold to them. Legal services to generate a presentation for Executive Authority.
ISS.6 - Compliance - Expenditure: Non-compliance with TR 8.2.3 (Payments not made within 30 days) (COA 53) (M)(A) - (ISS.6)	2022/2023	The Shortfall was presented to the following forums: • Provincial Treasury • National Treasury • Provincial Head of Departments Forum (FoHOD) • Provincial EXCO Property Rates to the amount of R545, 89m and Municipal Services to the amount of R478, 57m were paid till the end of March 2024. 10 payment plans were finalized and the others are in process. Additional allocated funds of R109m were received from Provincial Treasury, as well as internally diverted funds of R116m were utilised for municipal utility invoices during the month of March 2024.
ISS.76 - Compliance - Effective steps not taken to prevent irregular expenditure (COA 73) (M)(A) - (ISS.76)	2022/2023	Cases on the Irregular expenditure register identified are relating to cases that have already been included in the 1st, 2nd, 3rd quarter, therefore the expenditure incurred in the 4th quarter is cumulative.

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
ISS.35 - Compliance - Fruitless and wasteful expenditure - TR 8.2.3 - Nexor 312 t/a VNA Consulting Court Judgement (Invoice not settled within 30 Days) (COA 29)(M)(A) - (ISS.35) **ISS.75 - Compliance - Effective steps not taken to prevent fruitless and wasteful expenditure (COA 72) (M)(A) - (ISS.75)**	2022/2023	The Department have four (4) cases of Fruitless and Wasteful expenditure as at 31 March 2024. The SCM SOP on payments was updated, reviewed and approved for implementation. Processes and timeframes on invoices that are disputed has been included in the SOP. Contract Management is still in the process making changes to the SOP.
ISS.46 - Compliance - Consequence Management: 2021/22 Irregular expenditure not investigated (COA 38) (M)(A) - (ISS.46)	2022/2023	The Department is yet to start with the procurement process to appoint a service provider to expedite the investigation of Fruitless & Wasteful Expenditure, alleged and confirmed cases under Irregular Expenditure.
ISS.69 - ADJUSTMENT - Immovable Assets: Disposal below Market Value & Overstatement of Closing Balance (COA63) (M)(A) - (ISS.69)	2022/2023	The meeting with Departmental professionals was conducted on the 7/12/2023 requesting their assistance to measure the affected portions of land that will give finance to record the correct amounts on the financial statements. Legal Services has been tasked to review both agreements, the Sale Agreement with Sedtrade and the Land Exchange Agreement with CUT, to confirm that all is compliant and there are no duplications. The draft map of the facility was provided in December 2023. Legal services to prepare a presentation for the Executive Authority.
ISS.30 - SUM & PARTIALLY RESOLVED: Accruals and payables not recognized- Differences between schedule and account statements (COA 47) (M) (A) - (ISS.30)	2022/2023	1. A training session was held with Finance on the 13th October 2023, with the objective of addressing any matters of importance relating to property management financial information. 2. The Unit is in process with the reconciliation of accounts, the target date will be at the end of the 4th quarter. 3. HR has embarked on a process of assessing qualifications for staff at lower levels that could possibly be transferred to Property Management. Agreement reached to return two officials who were assisting at HR to be returned back to Property Management. 4. Overtime approval requested for the unit to assist in performance of the outstanding work reconciliation process, due to the limitation in human capacity. The overtime will add 7% productivity with the current staff compliment.
Capital Commitments: Misstatement (COA 17)	2022/2023	The department's financial statements are reviewed for accuracy and completeness prior to submission to Provincial Treasury. No findings were raised by Provincial Treasury during the 3rd quarter IFS review regarding commitments, this proves the effectiveness of the review done on the Financial Statements by the department. The 2023/24 AFS will be reviewed by both the Director Finance and the CFO prior to submission to Provincial Treasury and the AGSA.
ISS.23 - ADJUSTMENT: Predetermined objectives: PO2 & PO3 Presentation of deviations (COA 16) (M)(A) - (ISS.23)	2022/2023	Reasons for deviations provided by Programme Managers are reviewed and supporting documentation provided to substantiate the reasons.

- **MATTERS ON THE MANAGEMENT REPORT**

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
ISS.22 - PARTIALLY RESOLVED- ISA: Inadequate implementation of security management controls (COA 36) (M)(A) - (ISS.22)	2022/2023	1. SCM still finalizing the appointment of service provider for procurement of Firewall 2. SITA currently busy with the first stage of mandatory requirement evaluations.
ISS.5 - I/C - Internal Audit- External quality assurance review/assessment not conducted (COA 5) (M)(A) - (ISS.5)	2022/2023	The Quality Assurance Review has been completed.
ISS.49 - Compliance - Conditional grant Expenditure not in line with the EPWP project (COA 60) (M)(A) - (ISS.49)	2022/2023	Due to the reduction of the Grant, EPWP has revised the allocation of the admin fees to be in line with the new allocation after the adjustment process. For the 2023/24 financial year, the admin fees were within the allowable threshold of the 5% as the EPWP Grant manual.
ISS.28 - I/C: SCM - Contract management: Contracts not submitted (COA 21) (M)(A) - (ISS.28)	2022/2023	Contract Management has completed the review of the entire population of unsigned contracts. They have also collaborated with Legal Services to initiate the process of getting these contracts signed. Legal Services has also conducted meetings with relevant stakeholders to establish a structured process for the signing of the unsigned contracts. Contract Management has maintained consistent communication with end-users and Legal Services to receive updates regarding the status and progress of contract signing.
ISS.29 - Compliance: SCM - Competitive Bidding: Tax non- compliant (COA 22)(M)(A) - (ISS.29)	2022/2023	SCM Compliance Unit verified tax status of all service providers appointed through quotations and tenders in the current financial year and all service provider appointed were compliant.
ISS.74 - I/C: SCM - Contract Management - Contract details not the same as in bidding process (COA 68) (M)(A) - (ISS.74)	2022/2023	The Department did a Variation Order approved by the Accounting Officer for all the items that were not initially included in the initial specifications. No any other awards were made outside the initial specifications/ terms of reference since the beginning of the current financial year.
Pro-active review of Draft 2023/24 APP (Indication of non- realisation of strategic goals) (COA 4) - (ISS.4)	2022/2023	The Department received confirmation letter for the re-tabling of the revised 2023/2024 APP from the Legislature. The APP is revised and the action is complete.
ISS.84 - Compliance - Accrued departmental revenue: Long outstanding debt (COA 82) (M) (A) - (ISS.84)	2022/2023	The draft Bid Specification document for Debt Collectors has been circulated for inputs. The draft Bid Specification document for Debt Collectors has been circulated for inputs, however a bilateral. Inputs from Legal Services were received. SCM and Property Management to amend recommendations by Legal Services for submission to Specification Committee. The process of evaluating long outstanding debt has commenced. The entire portfolio will be assessed and where there's possible write-off, a submission will be drafted. This process will be done in phases. Awaiting confirmation of date from SCM to discuss the documents at the Bid Specification Committee.

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
ISS.36 - Compliance - Irregular Expenditure - Extension/modification without approval (COA 30) (M)(A) - (ISS.36)	2022/2023	The variation submission for Afri-Blaze Project (Pty) Ltd was approved on 29 February 2024 by the Head of Department. Legal Services has been requested to draft the Addendum to the contract, and to be signed accordingly.
I/C & PARTIALLY RESOLVED: Transfer and Subsidies (Households) Bank accounts not agreeing (COA 61) (M)(A) - (ISS.64)	2022/2023	1. The LOGIS and BAS checking control sheets have been reviewed and amended to put emphasis on the correctness and accuracy of banking details to ensure that payments are made into the correct bank accounts. 2. User / supplier information (banking details) on the system (BAS/LOGIS) is verified against the supporting documentation (Invoice / submission / entity form) attached to the payment batch when payments are done. 3. Bank details on CSD are verified against bank details on the invoice or payment documents. SCM has also added verification of bank details on the submission/court order on the SCM checklist to ensure that they correspond. 4. Checklist reviewed and amended accordingly
ISS.7 - SUM: Departmental Revenue: Expired Contracts - Occurrence & Accuracy (COA6) (M)(A) - (ISS.7)	2022/2023	From 1 April 2023 the Department started with 57 expired leases for revenue and to date 9 cell masts lease agreements have been signed by both parties. There are forty nine (49) outstanding lease agreements as at February 2024 Below is progress MTN has signed six (6) lease agreements for cell masts. The agreements have been provided to Legal Services to facilitate the signing by the Honourable Premier. Telkom lease agreement has been signed by the tenant during the month of February 2024 and will be sent to Legal Services to facilitate the signing by the Honourable Premier. The Department has received a notice for the termination the Telkom lease agreement for Universities A letter has been sent to the Department of Community Safety, Roads and Transport for the intention to enter into two (2) lease agreement with Fleet Management. The Department anticipates that all issues relating to the offers sent to Department of Community Safety, Roads and Transport will be resolved during the month of March to allow the process to request approval to enter into lease agreements for both properties. Universities Hospital Tuck-shop was advertised during the month September 2023 and is currently at Bid evaluation stage.
ISS.61 - Sector work: Risk of Contractor not completing project as scheduled (Thusanong building) (COA 56) (M)(A) - (ISS.61)	2022/2023	The strategies provided are followed even though it is still early days, we are implementing where possible. Professional Service Providers are held responsible for their designs if they require Variation Orders. The Evaluation Committee dealing with Variation Orders helps with making sure that all new Variation Orders are proper and necessary in getting projects completed. As at end March 2024 progress is on 55%.

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
ISS.27 - ADJUSTMENT - Departmental revenue: Sale of capital assets (COA 26)(M)(A) - (ISS.27)	2022/2023	The meeting with Departmental professionals was conducted to measure the affected portions of land that will give finance to record the correct amounts on the financials. Legal Services has been tasked to review both agreements, the Sale Agreement with Sedtrade and the Land Exchange Agreement with CUT, to confirm that all is compliant and there are no duplications. A draft map of the facility was provided in December 2023. On 16th February 2024, a Committee meeting was held and the resolution was taken that to amend and augment the signed addendum of the deed of sale and purchase: 1. Rectify the sold portions to Sedtrade Consortium (PTY) Ltd. 2. Clearly state properties requested by Central University of Technology (CUT) for beneficial occupation they occupy. 3. DPWI to utilise services of the appointed panel of conveyancers, to conduct sub-division and register the sub- divided portions at the Office of the Surveyor General.
ISS.90 - I/C: Sector Value Add - Buildings closed by Department of Labour and Employment (COA 85) (M)(A) - (ISS.90)	2022/2023	The presentation of illegal occupation at Kopano Complex has been prepared and provided to the Executive Authority for tabling at EXCO. The SOP has been amended as per the recommended changes and will be sent for review and approval.
Pro-active review of Draft 2023/24 APP (Indicator not well defined and not measurable) (COA 3) - (ISS.3)	2022/2023	The Department received confirmation letter for the re-tabling of the revised 2023/2024 APP from the Legislature. The APP is revised and the action is complete.
ISS.59 - SUM - Movable Assets - Existence of assets could not be verified (COA 79) (M) (A) - (ISS.59)	2022/2023	Once the stock take process of all movable assets is finalised, assets not found will be reported accordingly. Where applicable, adjustments will be made on the financial statements. Asset Management during the annual verification has improved controls by adding asset identifiers such as serial number to ensure that assets which has barcodes dethatched are identifiable.
ISS.56 - Compliance - Goods and services: Remaining Population Quotations not obtained (COA 55) (M)(A) - (ISS.56)	2022/2023	All detailed deviation submissions are approved by the Accounting Officer and are reported to the Provincial Treasury after approval.

10. INTERNAL CONTROL UNIT

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

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

The unit carries out the following functions:

- To establish, review and annually update Financial Management Policies and Standard Operating Procedures (SOPs);
- Ensure that all delegations exist and are updated annually and also ensure that they are approved by the Head of Department;
- Check payments for completeness and accuracy before final authorization on the system;
- Consolidate Monthly and Quarterly KCM (Key Control Matrix) reports for submission to the Provincial Treasury and ensure that all supporting documents are reviewed for accuracy and correctness, available and filed properly;
- Assists the Chief Financial Officer with all the Auditor General of South Africa (AGSA) related matters;
- Develops and consolidates all inputs on the Departmental AGSA remedial action plan on the Audit Report and Management Letter findings;
- Updates and monitors progress on the implementation of the AGSA findings on the remedial action plan on a monthly basis;
- Ensures that all inputs on PROPAC Resolutions are captured timely, progress monitored and updated on a monthly basis;
- To implement the administrative controls to ensure that policies and objectives are implemented in an efficient and effective manner, and to perform spot checks on subsistence and travelling payments;
- Review of samples of financial transactions processed for accuracy and completeness, and the accurate interpretation of policy directives;
- Oversee the effectiveness and use of movable assets and resources allocated.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

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

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

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

Internal Audit had and completed 16 planned audit projects for the 2023/2024 financial year, despite the capacity challenges they faced.

Types of engagements included in the planned projects are as follows:

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

AUDIT COMMITTEE REPORT

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

THE AUDIT COMMITTEE RESPONSIBILITY

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

MEMBERSHIP AND ATTENDANCE

The Committee is comprised of four (4) independent non-executive members listed hereunder. During the financial year, the Committee met five (5) times, meeting attendance is reflected below:
The Table below provides an analysis of the Committee membership and meeting attendance related to the 2023/24 financial year:

Audit Committee Membership and Attendance: 2023/24

Name	26 May 2023	27 July 2023	27 September 2023	23 November 2023	14 March 2024
Mr. G Higgins (Interim Chairperson)	✔	✔	✔	✔	✔
* Ms. K Mphirime-Finger	✔	✔	✔	✔	✔
Ms. D Semppe	✔	✔	✔	✔	✔
Mr. W Ngququ	✔	✔	✔	✔	✔

Legend: -

✔ *: Member attended the Audit Committee meeting.*

The Audit Committee encountered the untimely sad passing of the Audit Committee Member and Chairperson of the Departmental Risk and Ethics Committee Ms. Keneilwe Mphirime-Finger. Ms. Mphirime-Finger will be dearly remembered for her immense contribution in the public sector fraternity, her unparalleled commitment to good governance, her meticulous attention to detail and passion for her work. Our condolences to family, friends and colleagues of Ms. Keneilwe Mphirime-Finger. May her soul rest in eternal peace.

THE EFFECTIVENESS OF INTERNAL CONTROL

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

In our review of the Internal Audit reports, certain weaknesses relating to consistency in implementing and monitoring internal controls in the departmental operating activities were identified, and these were brought to attention of management. Although some measures have beenput in place to ensure that the internal control environment is stabilized, the ongoing efforts to enhance internal control measures are commendable.

THE EFFECTIVENESS OF INTERNAL AUDIT

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

Internal Audit has reviewed the system of internal controls, performance information and risk management during the period under review. The Internal Audit Activity (IAA) operated effectively and addressed some of the pertinent risk areas in its audits. The committee noted that the Internal Audit activity undergone the process of quality assessment performed by an external, independent assessor as required by the Standard 1312 to assess conformance with the International Professional Practices Framework (IPPF), which includes the Code of Ethics, the Core Principles, the Definition of Internal Audit and the International Standards for the Professional Practice of Internal Auditing (the IIA Standards) and the Internal audit activity received the General Conformance (GC) from the assessment.

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

COMBINED ASSURANCE

The Department has developed a Combined Assurance Terms of Reference, and issued appointment letters to members of Senior Management & Managers, in addition to existing Combined Assurance Framework. The terms of reference & framework aims at helping the Department's management to understand the levels of assurance and where they would need to improve or manage the key risks.

The objectives of implementing this Combined Assurance Model are to:

- Identify and specify the role players and sources of assurance over the Department's risks;
- Provide executive management, the Accounting Officer, Risk Management, the Audit Committee with a framework of the various assurance providers;

- Link Risk Management activities with assurance activities to assist the Accounting Officer and oversight bodies to review the effectiveness of the risk management system;
- Provide a basis for identifying any areas of potential assurance gaps; and
- Consolidate the risk and assurance profile.

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

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

PERFORMANCE INFORMATION

The Committee monitored the implementation of the Department's Annual Performance Plan (APP) in order to eventually achieve its strategic objectives and deliver on its mandate. The committee has noted the improvement on the timeous submission of Departmental Performance Information (PI) The Committee is satisfied that the reports on performance information are a fair reflection of the operational status of the Department as set out in the Strategic Plan.

RISK MANAGEMENT

The Department has a separate Risk and Ethics Management Committee chaired by an external independent Chairperson. The Risk Management Committee (REMC) provided oversight on the development and implementation of the risk management policies, the risk assessment process, and the development of the strategic risk register as well as ethics management. Management is ultimately responsible for maintaining an effective risk management process.

The Committee has assessed the adequacy of the Department's risk management processes, which are guided by a risk management framework. The Committee has considered the reports of the Provincial Treasury and of the Chairperson of the Risk Management Committee (RMC), and noted progress made by management to implement the RMC's recommendations.

IN-YEAR MANAGEMENT AND QUARTERLY REPORT

During the year under review, the Department has submitted quarterly and mid-term reports to the Provincial Treasury as required by the Public Finance Management Act (PFMA) and the Division of Revenue Act (DORA).

COMPLIANCE

The Committee has reviewed the compliance universe and checklist that were developed by management. Implementation of the planned activities will ensure that the Department reaches its target of timeously complying with all the requisite statutory and regulatory requirements.

PERFORMANCE MANAGEMENT

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

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

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

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

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

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

- The basis for the going concern assumption, including any financial sustainability risks and issues.

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

AUDITOR-GENERAL SOUTH AFRICA

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

The Audit Committee further congratulates the department on the achievement of the unqualified audit opinion on the financial statements but would like to see improvements to achieve a clean administration especially in the area of compliance with laws and regulations, not only those that the AGSA has raised but also other critical operational laws applicable to the Department.

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

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

CONCLUSION

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

MR G HIGGINS
CHAIRPERSON (INTERIM): AUDIT COMMITTEE
31 JULY 2024

Table below discloses relevant information on the audit committee members

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

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

*Rest in Peace- Ms. K.F. Mphirime-Finger who passed away 21 June 2024.

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department/ Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Level 1-8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion** ***(include a discussion on your response and indicate what measures have been taken to comply)***
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	N/a
Developing and implementing a preferential procurement policy?	Yes	The department implements the preferential procurement policy on all projects in line with the provisions of the Preferential Procurement Regulations of 2022 and the SCM policy incorporates the relevant clauses of these regulations.
Determining qualification criteria for the sale of state-owned enterprise?	No	The Department has an approved Immovable Asset Management Policy which provides for allocation of specific goals for preferential procurement objectives in line with PPR of 2022.
Developing criteria for entering into partnerships with privates sectors?	Yes	PFMA, 16.2.1 states that, “Only the accounting officer or the accounting authority of an institution may enter into a PPP agreement on behalf of that institution.” PFMA, 16.3 to 16.10 outlines the process which must be followed should an organ of state want to form a PPP agreement. This includes the registration of the PPP agreement with relevant treasury, step by step process and approval by such a Provincial Treasury.
Determining criteria for the awarding of incentives, grants and investments schemes in support of Broad Based Black Economic Empowerment?	No	N/a

PART D

HUMAN RESOURCE MANAGEMENT

CONTENTS

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

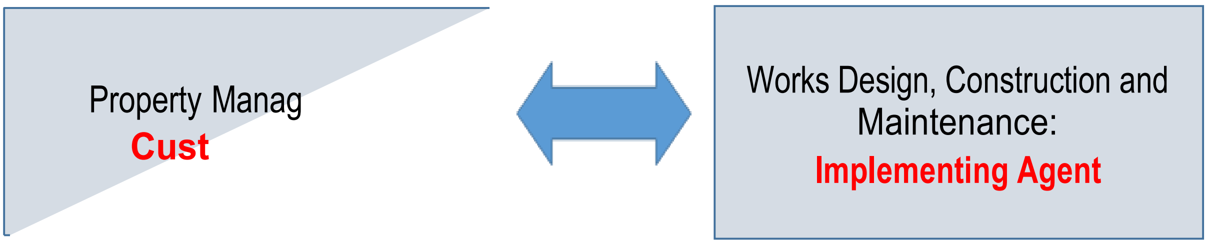
The Department of Public Works and Infrastructure pays all staff members appointed on a permanent, contract, temporary, part-time / periodical basis (e.g. members of the Audit Committee) inclusive of learners and interns by utilising the Persal system.

The 1 213 staff members are appointed to appropriate posts within the Departmental budget Programmes / structure as follows:

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

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

Program 2: Technical Roles



With regards to the aforementioned the Department has developed technical capacity to a satisfactory level with registered professionals in the disciplines of Construction Project Management, Civil Engineering, Electrical Engineering, Mechanical Engineering, Quantity Surveying and Architecture. This capacity is supplemented by employees in the occupation class works inspector, the artisan and tradesman aids occupations. Furthermore professional capacity is developed within the property portfolio of the department. One (1) employee registered as a Professional Associated Valuer in terms of the Property Valuers Profession Act, 2000 (Act no. 47 of 2000). This capacity operates within the Infrastructure Delivery Management System which consists of three delivery processes:

DP1: Portfolio Management

DP2: Project Implementation Management

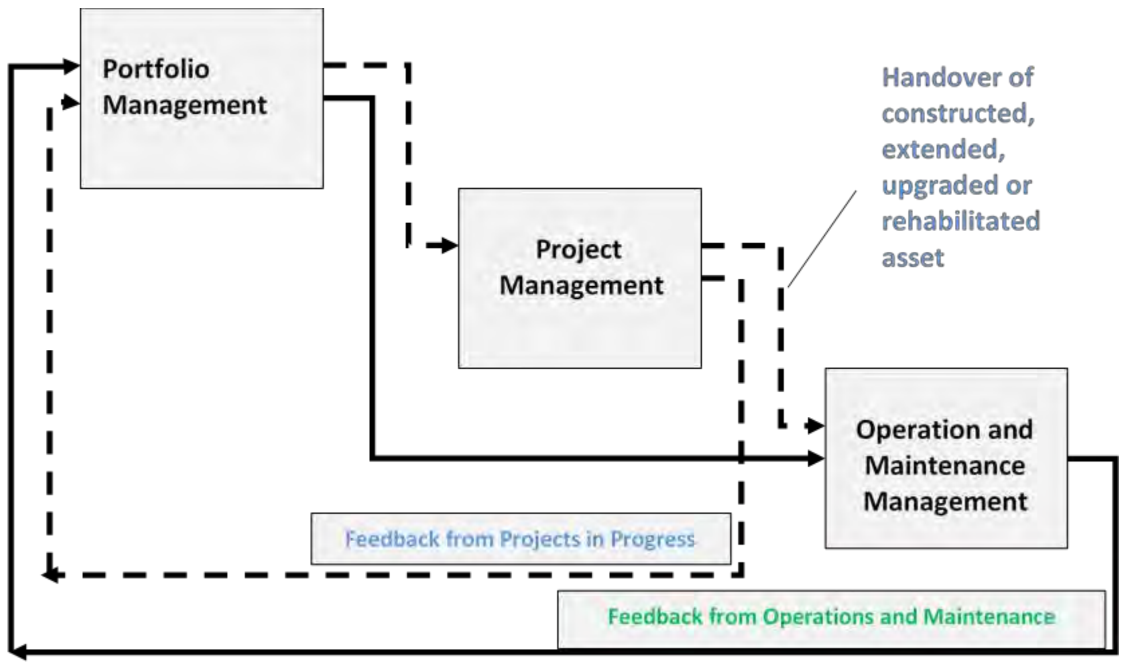
DP3: Operations and Maintenance Management

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

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

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

Delivery Processes for Portfolio Management Functions



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

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

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

- Recruitment and retention of staff
- Develop competency levels of staff
- Representativity
- Health and Wellness
- Ethics and integrity management

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

- Ensure that departmental the right number and composition of employees to achieve strategic goals and objectives;
- Developing a healthy, capable and skilled workforce that is striving towards service excellence;
- Setting guidelines to strengthen leadership and develop human capital by attracting, retaining scarce, valued and critically required skills for department;
- Ensure that department functions in an ethical fashion

Employee performance management:

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

Employee wellness programmes:

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

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

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

During the period under review the Human Resources Management managed to achieve the 3 targets outlined in the performance plan. The targets are related to skills development, recruitment and the 100% compliance for the financial disclosure framework. For the 2023/2024 financial year two of the targets namely skills development interventions and appointments will reflect as annual targets and not quarterly targets. As at 31 March 2024 the department reflects a 50/50 male/female representation at SMS level.

The Department during the year under review have demonstrated a commitment to meet aforesaid targets bearing in mind of the cost containment measures in particular those related to the high compensation budget of the public service which necessitated tabling of a revised annual performance plan 2023/24 in accordance with the standing rules and order of the Free State Legislature. Due to financial constraints part-time bursaries were not allocated for the 2024/2025 financial year.

Throughout the year the department prioritised the professional development of employees bearing in mind that a competent well trained workforce is a requisite for achievement of departmental objectives. Investment in skills development is beneficial and contributes to building a capable, ethical and developmental public service. Furthermore our department has demonstrated a culture of compliance by ensuring that all employees are informed in terms of their skills development obligations and are provided with the necessary resources and support to fulfil them. Appointments are compliant with prescript and those made to capacitate the Office of the Executive Authority during the financial year under discussion substantiate such. The Public Service Commission in a report on the qualifications of senior managers in the public service issued during April 2024 indicated that SMS members within the department qualified for posts in terms of the NQF levels and that all qualifications were verified for Public Works and Infrastructure. As determined by the directive on implementation of control measures in managing fiscal sustainability the department abolished unfunded vacant posts on the PERSAL system by 31 October 2023.

The Department facilitated more than **thirty six (36)** different training interventions during which **four hundred and fifty (450)** permanent employees benefited. The online facility provided by the National School of Government (NSG) with its free courses is beneficial for skills development of departmental employees and this is factored into the aforementioned statistics.

In the 2022/2023 financial year, the Department conducted a skills audit in the SCM environment and this skills intervention was concluded during the 2023/2024 financial year. During the 2023/2024 financial year the training identified during the SCM skills audit were finalised.

During the current financial year a skills audit was conducted on employees appointed in the works inspector cadre of the department. Central to this is the up-skilling of this occupation to meet the requirements for registration as professional building inspector provided for by the South African Council for the Project and Construction Management Professions. The interventions will take place during 2024/2025 financial year.

As a responsible employer the Department of Public Works and Infrastructure will align itself with the macro organisation of government deemed appropriate by the appointment of the seventh democratic administration during 2024.

Once the Public Service Amendment Bill and Public Administration Management Amendment Bill become law any future human resource strategies, plans, processes and systems will be directed and guided by such.

Until such time existing governing legislation and the under-mentioned directives recently issued by MPSA will guide human resources practices from the 2024/2025 financial year onwards:

- Directive on Human Resources Management and Development for Public Service Professionalization.
- Directive on Compulsory Training Programmes for the Public Service.
- Directive on Conducting Business with an organ of state.
- Directive on Other Remunerative Work outside the employee’s employment.
- Directive on Discipline Management in the Public Service.
- Directive on Institutionalisation of the Ethics Officer function in the Public Service.
- Directive on the implementation of control measures aimed at assisting Executive Authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments.
- Determination and directive on the implementation of knowledge and data management in the public service.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2023 to 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 % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	150 915	101 319	7.192	-	67.10	600
PUBLIC WORKS INFRASTRUCTURE	1 833 883	344 186	-	-	18.80	337
EPWP	62 395	17 833	-	-	28.60	660
Total	**2 047 193**	**463 338**	**7.192**	**-**	**100.00 (22.60)**	**380**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 to 31 March 2024

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	46 060	9.80	207	343 998
Skilled (level 3-5)	191 048	40.40	661	524 228
Highly skilled production (levels 6-8)	90 460	19.10	193	944 134
Highly skilled supervision (levels 9-12)	108 843	23.00	132	1 695 661
Senior and Top management (levels 13-16)	32 662	6.90	21	3 964 400
Total	**469 30**	**100.00**	**1 214**	**386 580**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid 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 a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINISTRATION	150 915	7.37	50	0.00	2 855	2.80	5 926	5.80
PUBLIC WORKS INFRASTRUCTURE	256 169	12.51	1 637	0.50	17 762	5.10	39 469	11.20
EPWP	62 395	3.05	-	0.00	503	3.40	730	3.80
Total	**2 047 193**	**22.93**	**1 627**	**0.50**	**21 120**	**4.50**	**46 125**	**9.70**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	31 091	67.50	213	0.50	3 486	8.10	7 380	17.20
Skilled (level 3-5)	133 419	69.80	774	0.40	11 578	6.10	27 648	16.20
Highly skilled production (levels 6-8)	70 367	77.60	435	0.50	3 602	4.00	7 005	7.80
Highly skilled supervision (levels 9-12	92 770	83.30	266	0.20	1 917	1.80	3 528	3.30
Senior management (level 13-16)	28 801	86.70	-	0.00	692	2.20	261	0.80
Total	**356 449**	**75.40**	**1 687**	**0.40**	**21 275**	**4.50**	**45 821**	**9.70**

3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate %	Number of employees additional to the establishment
ADMINISTRATION	220	165	17.50	1
PUBLIC WORKS INFRASTRUCTURE	1 177	1 021	13.30	0
EPWP	30	27	10.00	0
Total	**1 407**	**1 213**	**13.80**	**1**

Table 3.2.2 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)	221	207	6.50	0
Skilled (3-5)	747	661	11.70	0
Highly skilled production (6-8)	250	192	23.00	0
Highly skilled supervision (9-12)	163	132	19.60	1
Senior management (13-16)	26	21	25.90	0
Total	**1 407**	**1 213**	**13.80**	**1**

Table 3.2.3 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
All Artisans in the Building Metal Machinery Etc.	98	98	0.00	0.00
Architects Town and Traffic Planners	2	2	0.00	0.00
Artisan Project and Related Superintendents	8	8	0.00	0.00
Engineering Sciences Related	7	7	0.00	0.00
Engineers and Related Professionals	13	13	0.00	0.00
Inspectors of Apprentices Works and Vehicles	38	38	0.00	0.00
Quantity Surveyors and Related Professionals not class elsewhere	5	5	0.00	0.00
Total	**171**	**171**	**0.00**	**0.00**

3.3. Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0.00
Salary Level 16	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Salary Level 15	1	1	100.00	0	0.00
Salary Level 14	5	3	60.00	2	40.00
Salary Level 13	19	15	78.90	4	21.10
Total	**26**	**20**	**76.90**	**6**	**23.10**

Table 3.3.2 SMS post information as on 30 September 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100.00	0	0.00
Salary Level 16	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Salary Level 15	1	1	100.00	0	0.00
Salary Level 14	5	3	60.00	2	40.00
Salary Level 13	19	15	78.90	4	21.10
Total	**26**	**20**	**76.90**	**6**	**23.10**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
Fiscal constraints coupled with possible Macro Reorganisation of State

Reasons for vacancies not filled within twelve months
Fiscal constraints coupled with possible Macro Reorganisation of State

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

Reasons for vacancies not advertised within six months
Not applicable

Reasons for vacancies not filled within six months
Not applicable

3.4. Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

<table>
<tr><th rowspan="2">Salary band</th><th rowspan="2">Number of posts on approved establishment</th><th rowspan="2">Number of Jobs Evaluated</th><th rowspan="2">% of posts evaluated by salary bands</th><th colspan="2">Posts Upgraded</th><th colspan="2">Posts downgraded</th></tr>
<tr><th>Number</th><th>% of posts evaluated</th><th>Number</th><th>% of posts evaluated</th></tr>
<tr><td>Lower Skilled (Levels1-2)</td><td rowspan="9" colspan="7">Job evaluation system was suspended during 2020/2021 financial year (DPSA – Directive)</td></tr>
<tr><td>Skilled (Levels 3-5)</td></tr>
<tr><td>Highly skilled production (Levels 6-8)</td></tr>
<tr><td>Highly skilled supervision (Levels 9-12)</td></tr>
<tr><td>Senior Management Service Band A</td></tr>
<tr><td>Senior Management Service Band B</td></tr>
<tr><td>Senior Management Service Band C</td></tr>
<tr><td>Senior Management Service Band D</td></tr>
<tr><td>Total</td></tr>
</table>

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024

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

Employees with a disability	**0**

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 and 31 March 2024

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

*Note: No salary upgrades in terms of job evaluation

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024

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

*Note: No salary upgrades in terms of job evaluation

Employees with a disability	0	0	0	0	0

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None

3.5. Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	202	17	3	1.50
Skilled (Levels 3-5)	691	6	33	4.80
Highly skilled production (Levels 6-8)	196	4	9	4.60
Highly skilled supervision (Levels 9-12)	135	2	6	4.40
Senior Management Service Bands A	16	0	1	6.30
Senior Management Service Bands B	5	0	1	20.00
Senior Management Service Bands C	1	0	0	0.00
Senior Management Service Bands D	2	1	1	50.00
Total	**1 248**	**20**	**54**	**4.30**

*Two (2) secondments into the department not factored in.

Table 3.5.2 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
All Artisans in the Building Metal Machinery Etc.	101	0	1	1.00
Architects Town and Traffic Planners	2	0	0	0.00
Artisan Project and Related Superintendents	8	0	0	0.00
Engineering Sciences Related	7	0	0	0.00
Engineers and Related Professionals	14	0	1	7.10
Inspectors of Apprentices Works and Vehicles	41	0	4	9.80
Quantity Surveyors and Related Professionals not class elsewhere	5	0	0	0.00
TOTAL	**178**	**0**	**6**	**3.40**

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2023 and 31 March 2024

Termination Type	Number	% of Total Resignations
Death	7	13
Resignation	17	31.5
Expiry of contract	6	11.1
Dismissal – operational changes	0	0
Dismissal – misconduct/ abscondment	2	3.7
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	18	33.3
Transfer to other Public Service Departments	4	7.4
Other	0	0
Total	**54**	**100**
Total number of employees who left as a % of total employment	**4**	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2023 and 31 March 2024

Occupation	Employees 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
All Artisans in the Building Metal Machinery Etc.	101	3	3.00	74	73.30
Architects Town and Traffic Planners	2	0	0.00	2	100.00
Artisan Project and Related Superintendents	8	0	0.00	11	137.50
Engineering Sciences Related	7	0	0.00	7	100.00
Engineers and Related Professionals	14	0	0.00	6	42.90
Inspectors of Apprentices Works and Vehicles	41	0	0.00	39	95.10
Quantity Surveyors and Related Professionals not class elsewhere	5	3	60.00	4	80.00
TOTAL	**197**	**6***	**3.00**	**143**	**281.70**

*Grade progression

Table 3.5.5 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 progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	202	0	0.00	144	71.30
Skilled (Levels 3-5)	691	0	0.00	517	74.80
Highly skilled production (Levels 6-8)	196	4	2.00	148	47.60
Highly skilled supervision (Levels 9-12)	135	3	2.00	101	75.50
Senior Management (Level 13-16)	24	0	0.00	0	0.00
Total	**1 248**	**7***	**0.60**	**917**	**72.91**

*Grade progression

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	0	1	7	2	0	1	20
Professionals	23	1	1	6	17	3	0	5	56
Technicians and associate professionals	37	1	0	4	60	3	0	9	114
Clerks	33	2	0	4	93	3	0	11	146
Service and sales workers	171	6	0	2	223	2	0	3	407
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	97	3	0	6	42	0	0	0	148
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Elementary occupations	140	1	0	1	173	6	0	0	321
Total	**511**	**14**	**1**	**24**	**615**	**19**	**0**	**29**	**1213**
Employees with disabilities	**25**	**0**	**0**	**1**	**16**	**1**	**0**	**3**	**46**

**The Executive Authority not included*

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	7	0	0	1	7	2	0	1	18
Professionally qualified and experienced specialists and mid-management	52	2	1	12	54	4	0	7	132
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	85	5	0	10	70	3	0	20	193
Semi-skilled and discretionary decision making	287	7	0	1	359	6	0	1	661
Unskilled and defined decision making	78	0	0	0	125	4	0	0	207
Total	**511**	**14**	**1**	**24**	**615**	**19**	**0**	**29**	**1 213**

Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	1	0	0	0	3	0	0	0	4
Unskilled and defined decision making	10	0	0	0	2	0	0	0	12
Total	**12**	**0**	**0**	**0**	**8**	**0**	**0**	**0**	**20**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

*Above statistics exclude two (2) staff members that were seconded into the department (Office of Executive Authority)

Table 3.6.4 Promotions for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	39	2	1	12	40	3	0	7	104
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	73	2	0	8	58	3	0	8	152
Semi-skilled and discretionary decision making	212	2	0	0	299	4	0	0	517
Unskilled and defined decision making	39	0	0	0	101	4	0	0	144
Total	**363**	**6**	**1**	**20**	**498**	**14**	**0**	**15**	**917**
Employees with disabilities	**21**	**0**	**0**	**1**	**15**	**1**	**0**	**1**	**39**

Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	1	0	0	0	3*
Professionally qualified and experienced specialists and mid-management	2	0	0	0	4	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	2	1	1	0	1	9
Semi-skilled and discretionary decision making	12	2	0	0	15	1	0	0	30
Unskilled and defined decision making	1	0	0	0	1	0	0	0	2
Total	**21**	**2**	**0**	**2**	**22**	**2**	**0**	**1**	**50**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

**Four (4) Transfers to other departments not included*
**Two (2) SMS contract expiry*

Table 3.6.6 Disciplinary action for the period 1 April 2023 to 31 March 2024

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Fraud / Negligence	1	0	0	0	3	0	0	0	4
Insubordination/ intimidation/ unprofessional behaviour	1	0	0	0	1	0	0	0	2
Contravention of Treasury Regulations.	1	0	0	0	0	0	0	0	1
Theft of government property	3	0	0	0	1	0	0	0	4
Dishonesty	1	0	0	0	0	0	0	0	1
Misuse of State Vehicle	1	0	0	0	0	0	0	0	1
Abscondment	1	0	0	0	1	0	0	0	2
TOTAL	**9**	**0**	**0**	**0**	**5**	**0**	**0**	**0**	**15**

Table 3.6.7 Skills development for the period 1 April 2023 to 31 March 2024

Occupational category	Male					Female					Total
	African	Col	Indian	White	Sub	African	Col	Indian	White	Sub	
Legislators, senior officials and managers	35	0	0	3	38	28	5	0	9	42	80
Professionals	24	1	1	3	29	35	2	0	6	43	72
Technicians and associate professionals	10	2	0	1	13	1	0	0	0	1	14
Clerks	20	2	0	7	29	53	3	0	4	60	89
Service and sales workers	0	0	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related trades workers	8	1	0	0	9	4	0	0	0	4	13
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary occupations	83	5	0	6	94	81	3	0	4	88	182
Total	**180**	**11**	**1**	**20**	**212**	**202**	**13**	**0**	**23**	**238**	**450**
Employees with disabilities (included above)	**9**	**0**	**0**	**0**	**15**	**4**	**0**	**0**	**1**	**12**	**44**

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 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	0
Salary Level 16	Not applicable	Not applicable	Not applicable	Not applicable
Salary Level 15	1	1	1	Not applicable
Salary Level 14	5	3	3	100
Salary Level 13	19	15	14	93
Total	**26**	**20**	**19**	**95**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
One (1) employee on precautionary suspension

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons
One (1) employee on precautionary suspension. Hearing has commenced.

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 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	**Cash bonuses have been abolished during 2021/2022 financial year to 0% of remuneration budget (DPSA – Directive)**				
Male					
Female					
Asian					
Male					
Female					
Coloured					
Male					
Female					
White					
Male					
Female					
Employees with disability					
Total					

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

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

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 to 31 March 2024

<table>
<tr><th rowspan="2">Critical occupation</th><th colspan="3">Beneficiary Profile</th><th colspan="2">Cost</th></tr>
<tr><th>Number of beneficiaries</th><th>Number of employees</th><th>% of total within occupation</th><th>Total Cost (R'000)</th><th>Average cost per employee</th></tr>
<tr><td colspan="6">Cash bonuses have been abolished from 2021/2022 financial year to 0% of remuneration budget Total
NB: One (1) cash bonus (R22 567.65) emanating from an arbitration award was paid out during 2023/24 for a financial year prior to abolishment of the cash bonus scheme.</td></tr>
</table>

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 to 31 March 2024

<table>
<tr><th rowspan="2">Salary band</th><th colspan="3">Beneficiary Profile</th><th colspan="2">Cost</th><th rowspan="2">Total cost as a % of the total personnel expenditure</th></tr>
<tr><th>Number of beneficiaries</th><th>Number of employees</th><th>% of total within salary bands</th><th>Total Cost (R'000)</th><th>Average cost per employee</th></tr>
<tr><td>Band A</td><td>0</td><td>0</td><td colspan="4" rowspan="5">Cash bonuses have been abolished during 2021/2022 financial year to 0% of remuneration budget</td></tr>
<tr><td>Band B</td><td>0</td><td>0</td></tr>
<tr><td>Band C</td><td>0</td><td>0</td></tr>
<tr><td>Band D</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td>0</td><td>0</td></tr>
</table>

3.9. Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2023 and 31 March 2024

Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative Office Workers	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0
Professionals and Managers	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

3.10. Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2023 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	1 612	94.00	171	10.60	17.0	42
Skilled (levels 3-5)	4 890	84.80	544	11.12	17.0	4 312
Highly skilled production (levels 6-8)	1 396	87.70	157	11.24	11.0	2 320
Highly skilled supervision (levels 9 -12)	845	79.40	98	11.59	17.0	2 557
Top and Senior management (levels 13-16)	56	90.90	13	23.21	6.0	281
Total	**8 799**	**87.70**	**983**	**100.00**	**9.00**	**10 537**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	258	100	6	13.00	43	181
Skilled (Levels 3-5)	494	100	25	54.30	20	419
Highly skilled production (Levels 6-8)	389	100	11	23.90	35	730
Highly skilled supervision (Levels 9-12)	84	100	4	8.70	21	305
Senior management (Levels 13-16)	0	100	0	0	0	0
Total	**1 225**	**100**	**46**	**100**	**27**	**1 634**

Table 3.10.3 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
Lower skilled (Levels 1-2)	4 407.84	216	20
Skilled Levels 3-5)	15 824.94	668	23
Highly skilled production (Levels 6-8)	5 243.25	191	26
Highly skilled supervision (Levels 9-12)	3 446	133	24
Senior management (Levels 13-16)	483.92	21	21
Total	**29 405.95**	**1 229**	**23**

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	37	4	9	49
Highly skilled production (Levels 6-8)	27	4	7	36
Highly skilled supervision (Levels 9-12)	0	0	0	57
Senior management (Levels 13-16)	0	0	0	49
Total	**64**	**8**	**8**	**47**

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

Table 3.10.5 Leave payouts for the period 1 April 2023 and 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/23 due to non-utilisation of leave for the previous cycle	376	12	31 333
Capped leave payouts on termination of service for 2022/23	479	14	34 214
Current leave payout on termination of service for 2022/23	342	16	21 375
Total	**1 197**	**42**	**28 974**

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Stan Diakos Director: Human Resources
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Employee Health and Wellness unit Head: Employee Health and Wellness One staff member responsible with the task of promoting the health and well – being of employees. The budget of the unit falls under HRM.
3. Has the department introduced an Employee Assistanceor Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Employee Assistance Programme – assistance with psychological and work life balance for employees, interns and their immediate family members. Health programmes are aligned with National Department of Health calendar. Awareness, presentation sessions, roadshows and health screenings are done. Need analysis is done on a monthly basis and through consultations. Key elements: physical/nutritional, emotional, psychological, social, spiritual, intellectual, financial and environmental.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		At the districts they are staff members nominated for the smooth running of Employee Health and Wellness programme.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		• HIV/AIDS, STI and TB Management policy • Health and Productivity Management policy • Wellness Management policy All of the above mentioned policies do not discriminate against employees on the basis of their HIV status.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The policies states clearly how the department deals with such incidences.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list theresults that you have you achieved.	Yes		VHCT is conducted with the help of GEMS service providers periodically and confidentiality of results are safeguarded. 76 tested negative 0 tested positive
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Provision for health promotion programs to employees at all levels in all the districts. Facilitated 425 medical assessments related to OHS/ Working at heights.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2023 and 31 March 2024

Subject matter	Date
Total number of Collective agreements	None

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 and 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	1	10
Suspended without pay / Final Written Warning (Combination)	2	20
Fine	0	0
Demotion	0	0
Dismissals of which 2 are abscondment	4	40
Not guilty	3	30
Case withdrawn	0	0
Total	**10**	**100%**

*2 outcomes of hearing on appeal

Total number of Informal Disciplinary Cases finalised	**0**
Total number of Disciplinary hearings finalised	**10**
Total number of Disciplinary hearings pending	**5**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024

Type of misconduct	Number	% of total
Fraud / Negligence	4	26
Insubordination / Intimidation / Unprofessional behaviour	2	13.5
Contravention of Treasury Regulations	1	7
Theft of government property	4	26
Dishonesty	1	7
Misuse of State vehicle	1	7
Abscondment	2	13.5
Total	**15**	**100%**

Table 3.12.4 Grievances logged for the period 1 April 2023 and 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	2	12
Number of grievances not resolved	15	88
Total number of grievances lodged	**17**	**100**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 and 31 March 2024

Disputes	Number	% of Total
Number of disputes upheld	3	14
Number of disputes dismissed	3	14
Number of disputes pending	15	72
Total number of disputes lodged	**21**	**100**

Table 3.12.6 Strike actions for the period 1 April 2023 and 31 March 2024

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 and 31 March 2024

Number of people suspended	**2**
Number of people whose suspension exceeded 30 days	**2**
Average number of days suspended	**615 days**
Cost of suspension (R'000)	**R1 847 441.00**

* One (1) is uplifted: Feb 2024
* One (1) on appeal

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Training needs identified at start of the reporting period			
		Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	30	0	30
	Male	0	40	0	40
Professionals	Female	0	35	0	35
	Male	0	35	0	35
Technicians and associate professionals	Female	0	10	0	10
	Male	0	15	0	15
Clerks	Female	0	85	0	85
	Male	0	45	0	45
Service and sales workers	Female	0	0	0	0
	Male	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0
	Male	0	0	0	0
Craft and related trades workers	Female	0	10	0	10
	Male	0	15	0	15
Elementary occupations	Female	0	100	0	100
	Male	0	55	8	55
Sub Total	**Female**	**0**	**270**	**0**	**270**
	Male	**0**	**205**	**0**	**205**
Total		**0**	**475**	**0**	**475**

Table 3.13.2 Training provided for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Training provided within the reporting period			
		Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	42	0	42
	Male	0	38	0	38
Professionals	Female	0	43	0	43
	Male	0	29	0	29
Technicians and associate professionals	Female	0	1	0	1
	Male	0	13	0	13
Clerks	Female	0	60	0	60
	Male	0	29	0	29
Service and sales workers	Female	0	0	0	0
	Male	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0
	Male	0	0	0	0
Craft and related trades workers	Female	0	4	0	4
	Male	0	9	0	9
Elementary occupations	Female	0	88	0	88
	Male	0	94	0	94
Sub Total	**Female**	**0**	**238**	**0**	**238**
	Male	**0**	**212**	**0**	**212**
Total		**0**	**450**	**0**	**450**

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2023 and 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	10	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**10**	**100**

3.15 Utilisation of Consultants

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

(a) The rendering of expert advice;

(b) The drafting of proposals for the execution of specific tasks; and

(c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 and 31 March 2024

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Health Risk Manager (Incapacity leave and ill health retirement)	1 (Thandile Health rRsk Manager)	12 Months	R139 717.05
SAQA (Qualifications)	1 (In terms of SAQA Act, 1995)	12 months	R52 875.00
Medical Consultancy (OHS Assessments)	1 (Healthwise Occupational Health Services)	3 Months	R379 380.00

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 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
Health Risk Manager (Incapacity leave and ill health retirement)	Level 3 contributor (owner 25.00)	26.01% black ownership	1
SAQA (Qualifications)	Established by law. South African Qualifications Authority Act, 1995 (No. 58 of 1995)		
Medical Consultancy (OHS Assessments)	Level 4 contributor	100% white female	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 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
Not applicable	Not applicable	Not applicable	Not applicable

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2023 and 31 March 2024

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

PART E:

PFMA COMPLIANCE REPORT

CONTENTS

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

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	609 111	559 851
Adjustment to opening balance	-	-
Opening balance as restated	609 111	559 851
Add: Irregular expenditure confirmed	13 862	52 940
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(91)	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	(3 680)
Closing balance	**622 882**	**609 111**

During the current financial year, irregular expenditure amounting to R10.278 million were confirmed during the 2023/2024 financial year but were paid during the 2022/2023 financial year were included in the irregular expenditure register.

Reconciling notes

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	10 278
Irregular expenditure for the current year	13 862	42 662
Total	**13 862**	**52 940**

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

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	622 882	609 111
Irregular expenditure under investigation	-	-
Total	**622 882**	**609 111**

c) Details of irregular expenditure condoned

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

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

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure NOT condoned and removed	91	-
Total	**91**	**-**

e) Details of irregular expenditure recoverable

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

f) Details of irregular expenditure written off (irrecoverable)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure written off	-	3 680
Total	**-**	**3 680**

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
None
Total

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)

Description	2023/2024 R'000	2022/2023 R'000
None	-	-
Total	**-**	**-**

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

Disciplinary steps taken
None

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	11 442	49
Adjustment to opening balance	-	-
Opening balance as restated	11 442	49
Add: Fruitless and wasteful expenditure confirmed	7 168	11 393
Less: Fruitless and wasteful expenditure recoverable[1]	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**18 610**	**11 442**

Reconciling notes

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	7 168	11 393
Total	**7 168**	**11 393**

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

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	18 610	11 442
Fruitless and wasteful expenditure under investigation	-	-
Total	**18 610**	**11 442**

c) Details of fruitless and wasteful expenditure recoverable

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

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

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

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

Disciplinary steps taken
None
Total

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

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024 R'000	2022/2023 R'000
Theft	96	283
Other material losses	-	-
Less: Recoverable	(6)	-
Less: Not recoverable and written off	(26)	(283)
Total	**64**	**-**

b) Details of other material losses

Nature of other material losses	2023/2024 R'000	2022/2023 R'000
Damaged to Assets	7	-
Total	**7**	**-**

c) Other material losses recoverable

Nature of losses	2023/2024 R'000	2022/2023 R'000
Loss of cell phone	6	-
Total	**6**	**-**

d) Other material losses not recoverable and written off

Nature of losses	2023/2024 R'000	2022/2023 R'000
None	-	-
Total	**-**	**-**

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	1 523	190 631
Invoices paid **within** 30 days or agreed period	1 511	190 333
Invoices paid **after** 30 days or agreed period	12	276
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	11	199
Invoices older than 30 days or agreed period (***unpaid and in dispute***)	2	29

- Delays in submission of supporting documents led to late payment of invoices.
- Invoices submitted late by payment clerk.
- 2 x invoices disputed due to incorrect amounts on the invoice.

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

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Request for approval to deviate from normal SCM processes to appoint Wolters Kluwer sole supplier of Teammate Software Licence through limited Bidding.	Wolters Kluwer	Limited Bidding	N/A	R85 676.29
Request for approval to deviate from normal processes for not obtaining at least three (3) written quotations and appoint First Technology Central (Pty) Ltd for renewal of probar 2D Auto Cad extension and full structural set licenses, Dimension X3D, Commvault backup & recovery and additional licenses.	First Technology Central	Less than three (03) quotes	N/A	R620 770.00
Request for approval to deviate from not obtaining at least three (3) written price quotations: SCMQ 420/2022: Conducting of external quality assurance review for Internal Audit.	Kuena Technology advisory Solutions	Less than three (03) quotes	SCMQ420/2022	R220 230.00
Deviation from not obtaining three quotations - SCMQ 156/01/2023: Request for quotations for appointment of a Private Security company to prode Cash In Transit services for a period of three (03) years.	Fidelity Cash Solutions	Less than three (03) quotes	SCMQ156/1/2023	R261 216.72
Deviation from not obtaining three (03) quotations - SCMQ 264/2023: Request for quotations for appointment of a suitably qualified Sanas accredited B-BBEE verification agency for a period of three (03) years.	BEE Ya Rona Rating Agency	Less than three (03) quotes	SCMQ264/2023	R205 022.00
Deviation from not obtaining three (03) quotations - SCMQ 263/2023: Request for quotations for venue and catering for a meeting with the landlords that will be held on the 31st of October 2023.	President Hotel	Less than three (03) quotes	SCMQ263/2023	R49 109.00

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Deviation from not obtaining three (03) quotations - SCMQ 137/2023: Request for quotations from suitably qualified and competent service provider for the repair and servicing of uninterrupted power supply (UPS) system at OR Tambo House.	Frey-T-Trading	Less than three (03) quotes	SCMQ137/2023	R996 000.00
Deviation from not obtaining three (03) quotations - SCMQ 152/1/2023: Request for quotations for electrical refurbishment of burnt down transformer and UPS room at Fidel Castro Building.	Frey-T-Trading	Less than three (03) quotes	SCMQ152/1/2023	R905 505.00
Request to deviate from normal Supply Chain Management procedures in order to appoint Professional Service Provider on emergency basis for the restoration of the Free State House in Bloemfontein	Phetogo Consulting	Emergency	N/A	R762 000.00
Request for approval to procure goods and services by emergency means other than through the invitation of competitive bids and for the payment of R21 166.90 to KMOJ Engineering for emergency supply and installation of a galvanised pipe, elbow, union and clamps at OR Tambo House in Bloemfontein.	KMOJ Engineering (Pty) Ltd	Emergency	N/A	R21 166.90
Deviation from not obtaining three (03) quotations - SCMQ 153/2023: Request for quotations for suitably contractor (2ME) for repair of air conditioning system at Welkom Kopano Complex.	Big 5 Newlife Buidling Construction	Less than three (03) quotes	SCMQ153/2023	R537 510.00
Request for approval to deviate from not obtaining at least three (3) written price quotations: SCMQ 410/2023: Request for quotations from service provider for travelling arrangements for 17 EPWP National Youth Artisan Development and Expansion Participants.	Afrikan Native Travel	Less than three (03) quotes	SCMQ410/2023	R454 410.00
Request for approval to deviate from normal SCM processes and appoint First Technology Central (Pty) Ltd to procure Eset Antivirus for the period of 6 months.	First Technology Central	Limited Bidding	N/A	R81 592.50
Request for approval to deviate from not obtaining at least three (03) written price quotations: SCMQ 311/03/2023: Request for quotations from prospective service provider for supply and delivery of 1 DJI Mini 4 Pro Drone, 3 Standard Laptops and 2 Hybrid Laptops.	Batsha IT Solutions	Less than three (03) quotes	SCMQ311/03/2023	R239 609.40
Request for approval to deviate from not obtaining at least less than three (03) written price quotations: SCMQ 269/2/2023: Request for quotation to perform oil purification on existing power transformer at O.R. Tambo House, Fidel Castro, Medfontein and Pacofs	Transformer Field Services	Less than three (03) quotes	SCMQ269/02/2023	R255 540.33
Request for approval to deviate from not obtaining at least less than three (03) written price quotations: SCMQ 116/1/2023: Supply and Delivery and installation of solar system at no 5 and 7 MPL Houses in Bloemfontein.	Mageza M Holdings	Less than three (03) quotes	SCMQ116/01/2023	R400 000.00
Request for approval to deviate from not obtaining at least less than three (03) written price quotations: SCMQ 327/2023: Supply, Delivery, Installation and Commissioning of solar system at pump house in Qwa-Qwa.	Ayize Electrical and Trading	Less than three (03) quotes	SCMQ327/2023	R496 974.80
Total				**R6 592 332.94**

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
DPWFS E5/2018/2019 (RFQ) 005: Thaba Nchu Bartimea Special School Hostel	Kuje Projects CC	VARIATION (N0:3)	DPWFS E5/2018/2019 (RFQ) 005	R3 364 093.85	R726 270.22	R8 874.55
DPWFS E5/2018/2019 (RFQ) 005: Thaba Nchu Bartimea Special School Hostel	Kuje Projects CC	VARIATION (N0:4)	DPWFS E5/2018/2019 (RFQ) 005	R3 364 093.85	8 875.55	R44 297.77
Thusanong Building	MSK Construction (Pty) Ltd	VARIATION (N0:3)	DPWFS (T) 004/2020	R98 134 297.64	Contingency	R752 819.67
Thusanong Building	MSK Construction (Pty) Ltd	VARIATION (N0:4)	DPWFS (T) 004/2020	R98 134 297.64	R752 819.67	R81 654.00
DPWFS RFP 019/2018 - TRP Phillipolis	Fem Plan (Pty) Ltd	VARIATION (N0:1)	DPWFS RFP 019/2018	R3 272 545.47	0	R187 096.44
DPWFS RFP 019/2018 - TRP Frankfort	Dipabala Consulting Engineers Cc	VARIATION (N0:1)	DPWFS RFP 019/2018	R2 671 123.60	0	R502 574.84
Tshireletshong Children's Home Phase 2	Mosa Consulting	VARIATION (N0:4)	DPWFS (T) 001/2021	R33 289 716.74	R3 491 058.90	R4 520 819.92
Tshireletshong Children's Home Phase 2	Mosa Consulting	VARIATION (N0:5)	DPWFS (T) 001/2021	R33 289 716.74	R4 520 819.92	R4 124 486.67
Tshireletshong Children's Home Phase 2	Mosa Consulting	VARIATION (N0:6)	DPWFS (T) 001/2021	R33 289 716.74	R4 124 486.67	R2 400 000.00
Tshireletshong Children's Home Phase 2	Mosa Consulting	VARIATION (N0:7)	DPWFS (T) 001/2021	R33 289 716.74	R2 400 000.00	R963 913.00
Charles Mopedi Stadium	Group YWO Trading Enterprise cessioned to Khanya Lesedi Trading & Supply	VARIATION (NO:3)	E5/2018/2019 6CE OR 6CE PE RFQ: 007	R36 220 494.31	0	R85 623.47
Ladybrand House	Janrose Trading Enterprise	VARIATION (NO:1)	DPWFS (T) 021/2021	R 2 595 296.22	0	R357 209.17
DPWFS RFP 019/2018- TRP Koppies	Quantum Built Management	VARIATION (NO:1)	DPWFS RFP 019/2018	R4 100 207.82	0	R141 640.09
Construction of OranjeKrag Hostel	Reder Construction Pty Ltd	VARIATION (NO:2)	DPWFS (T) 008/2021	R80 018 560.18	0	R675 653.13
Free State House	Ikageng-Lesedi Trading Enterprise	VARIATION (NO:1)		R348 107.16	0	R14 364.33
Leboneng Special School	Karpah Construction	Extention of Time1	DPWFS (T) 009/2018	R74 322 930.98	0	R401 858.59
Oranjekrag Pimary School	Reder Construction (Pty) Ltd	Extention of Time1	DPWFS (T) 008/2021	R80 018 560.18	0	R226 667.84
Oranjekrag Pimary School	Reder Construction (Pty) Ltd	Extention of Time 2	DPWFS (T) 008/2021	R80 018 560.18	R226 667.84	R32 381.12

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Tshireletshong Children's Home Phase 1& 2	Mosa Consultanting	Extention of Time 5	DPWFS (T) 001/2021	R33 289 716.75	0	R4 124 486.67
Thandanani Clinic	Karpha Construction	Extention of Time1	DPWFS RFP 002/2021	R41 117 467.00	0	R948 931.18
Thandanani Clinic	Karpha Construction	Extention of Time 2	DPWFS RFP 002/2021	R41 117467.00	R948 931.18	R272 681.10
Thandanani Clinic	Karpha Construction	Extention of Time 3	DPWFS RFP 002/2021	R41 117467.00	R272 681.10	R355 671.00
Thandanani Clinic	Karpha Construction	Extention of Time 4	DPWFS RFP 002/2021	R41 117467.00	R355 671.00	R294 021.00
Rheederpark Clinic	Mlaudzi Development Project/ Big 5 New Life Costruction	Extention of Time 3	DPWFS FRP 002/2021	R 38 156 616.40	0	R52 443.60
Rheederpark Clinic	Mlaudzi Development Project/ Big 5 New Life Costruction	Extention of Time 5	DPWFS FRP 002/2021	R 38 156 616.40	R52 443.60	R23 838.00
Rheederpark Clinic	Mlaudzi Development Project/ Big 5 New Life Costruction	Extention of Time 8	DPWFS FRP 002/2021	R 38 156 616.40	R23 838.00	R73 762.96
TRP Phillipolis	Fem Plan (Pty) Ltd	Extention of Time 1	DPWFS RFP 019/2018	R3 272 545.47	0	R59 846.00
Total				**R451 130 970.33**	**R17 904 563.65**	**R21 727 616.11**

PART F:

FINANCIAL INFORMATION

CONTENTS

REPORT OF THE AUDITOR-GENERAL

Report of the auditor-general to Free State Provincial Legislature on vote no. 9: Department of Public Works and Infrastructure

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Public Works and Infrastructure set out on pages 153 to 202, 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) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (Dora)

Basis for opinion

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

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

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

Emphasis of matters

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

Going Concern

7. Note 18 in the financial statements, which deals with the possible effects of the future implications on the department's prospects, performance, and cash flows. Management have also described how they plan to deal with these events and circumstances.

Contingent liabilities

8. With reference to note 16.1 to the financial statements, the Department is the defendant in various claims against the Department. The Department is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities was made in the financial statements.

Payables

9. As disclosed in note 18.2 to the financial statements, payables not recognised of R1 037 567 000 exceeded the payment term of 30 days, as required by Treasury Regulation 8.2.3. This amount, in turn, exceeded the R17 665 000 of voted funds to be surrendered by R1 019 902 000 as per the

statement of financial performance. The amount of R1 019 902 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in time.

Material impairment

10. As disclosed in note 21.2 to the financial statements; there was a material impairment of R24 939 000 (2023: R19 672 000) as a result of irrecoverable accrued departmental revenue.

Irregular expenditure

11. As disclosed in note 22 to the financial statements, irregular expenditure of R13 862 000 (2023: R52 940 000) was incurred, mainly due to contravention of supply chain management (SCM) requirements.

Other matter

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

Unaudited supplementary schedules

13. The supplementary information set out on pages 203 to 214 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

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

15. 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

16. 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.

17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report. This description, which is located at page 149, forms part of our auditor’s report.

Report on the audit of the annual performance report

18. 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.

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

Programmes	**Page numbers**	**Purposes**
Public Works Infrastructure	45	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	59	To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the expanded public works programme.

20. 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.

21. 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.

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

23. I did not identify material findings on the reported performance information for the Public Works Infrastructure and Expanded Public Works Programme.

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

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

26. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 45 to 56.

Public Works Infrastructure

Targets achieved: 55,6% *Budget spent: 99,4%*		
Key service delivery indicators not achieved	**Planned targets**	**Reported achievements**
Number of new construction projects completed (Educational, Health and General).	3	2
Number of capital infrastructure projects completed (*new/upgrades/refurbishments/renovations*).	32	25
Number of planned maintenance projects awarded.	1	0
Number of renewable energy projects awarded.	6	7
Number of renewable energy projects completed.	5	4
Number of infrastructure designs ready for tender.	2	1
Number of facilities provided.	4	2
Number of properties recorded on the immovable asset register.	4 896	4 890
Number of infrastructure upgrades completed.	9	6

Material misstatements

27. 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 Works Programme. Management subsequently corrected all the misstatementsand I did not include any material findings in this report.

Report on compliance with legislation

28. 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.

29. 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.

30. 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.

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

Expenditure management

32. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

Consequence management

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

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

Revenue management

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

Strategic planning and performance management

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

Other information in the annual report

37. 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.

38. My opinion on the financial statements, the report on the audit of the annual performance report andthe 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.

39. My responsibility is to read this other information and, in doing so, consider whether it is materiallyinconsistent 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.

40. The other information I obtained prior to the date of this auditor's report is disclosed in the annualreport for unauthorised, irregular, fruitless and wasteful expenditure. The other information outstanding in the annual report is expected to be made available to us after 31 July 2024.

41. If, based on the work I have performed on the other information that I obtained prior to the date of thisauditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

42. When I do receive and read the annual report of outstanding information, if I conclude that there is amaterial 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

43. 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 formof assurance on it.

44. The matters reported below are limited to the significant internal control deficiencies that resulted inthe material findings on compliance with legislation included in this report.

45. Management did not in some instances implement controls over daily and monthly processing andreconciling of transactions, as material misstatements were identified on the annual financial statements and annual performance report.

46. Management did not in some instances review and monitor compliance with applicable laws andregulations, resulting in instances of material non-compliance being identified.

47. Management did not prepare regular, accurate and complete financial and performance reports thatare supported and evidenced by reliable information.

48. Oversight responsibility regarding financial and performance reporting, compliance and relatedinternal controls, was not effective in instances to prevent internal control deficiencies.

Other reports

49. I draw attention to the following engagements conducted by various parties. These reports did notform part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

50. The Public Protector is in process of investigating allegations of maladministration, financial and procurement irregularities relating to the construction of the Vogelfontein Primary School in Bethlehem by the Department of Public Works Infrastructure. The Department of Education appointed the Department as implementing agent for this project. The project commenced in 2018and the contract was terminated in March 2021, although the project was not complete. The investigation has not been finalised at the reporting date.

51. The Directorate of Priority Crime Investigation (Hawks) commenced with an investigation in the current year into alleged irregularities regarding the agreement entered into during 2016-17 to dispose of a land parcel identified for development, namely the Free State Sport and Science Institute property. The investigation was ongoing at the date of this audit.

Auditor - General

Bloemfontein

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and 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.

6. Compliance with legislation – selected legislative requirements

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii). Section 38(1)(d); 38(1)(f); 38(1)(h)(iii); 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	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). Regulation16A 9.1(d); 16A 9.1(e); 16A9.1(f). Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2.
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	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 to National Treasury Instruction Note 5 of 2020-21	Paragraph 1
Erratum National Treasury Instruction Note 5 of 2020-21	Paragraph 2
National Treasury instruction Note 5 of 2020-21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury SCM Instruction Note 4A of 2016--17	Paragraph 6
National Treasury SCM Instruction Note 3 of 2021-22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction Note 11 of 2020-21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction Note 2 of 2021-22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1;
Practice Note 11 of 2008-09	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 of 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation of 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;
Public service regulation, 2016	Regulation 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
State Information Technology Agency Act 88 of 1998	Section 7(3)

ANNUAL FINANCIAL STATEMENTS

For the year ended

31 March 2024

Table of Contents

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Appropriation per programme									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Programme	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1. Administration	166 412	-	(13 263)	153 149	150 915	2 234	98.5%	142 285	141 348
2. Public Works Infrastructure	1 825 920	-	19 047	1 844 967	1 833 883	11 084	99.4%	1 799 858	1 797 073
3. Expanded Public Works Programme	72 526	-	(5 784)	66 742	62 395	4 347	93.5%	110 311	88 479
Subtotal	**2 064 858**	**-**	**-**	**2 064 858**	**2 047 193**	**17 665**	**99.1%**	**2 052 454**	**2 026 900**
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				-				-	
NRF Receipts				-				-	
Aid assistance				-				-	
Actual amounts per statement of financial performance (Total revenue)				**2 064 858**				**2 052 454**	
Actual amounts per statement of financial performance (Total expenditure)					**2 047 193**				**2 026 900**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Appropriation per economic classification									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**1 473 696**	**(640)**	**2 172**	**1 475 228**	**1 468 293**	**6 935**	**99.5%**	**1 404 175**	**1 400 562**
Compensation of employees	488 772	-	(24 315)	464 457	463 338	1 119	99.8%	455 343	453 876
Goods and services	984 923	(870)	26 717	1 010 770	1 004 955	5 815	99.4%	939 493	937 348
Interest and rent on land	1	230	(230)	1	-	1	-	9 339	9 338
Transfers and subsidies	**491 583**	**-**	**(2 172)**	**489 411**	**487 354**	**2 057**	**99.6%**	**514 998**	**514 942**
Provinces and municipalities	480 600	25	-	480 625	478 574	2 051	99.6%	480 600	480 587
Departmental agencies and accounts	9	3	(12)	-	-	-	-	16	15
Households	10 974	(28)	(2 160)	8 786	8 780	6	99.9%	34 382	34 340
Payments for capital assets	**99 579**	**640**	**-**	**100 219**	**91 291**	**8 928**	**91.1%**	**133 281**	**111 108**
Buildings and other fixed structures	93 234	(1 275)	-	91 959	83 067	8 892	90.3%	125 197	103 040
Machinery and equipment	6 345	1 429	-	7 774	7 738	36	99.5%	7 499	7 483
Software and other intangible assets	-	486	-	486	486	-	100.0%	585	585
Payments for financial assets	**-**	**-**	**-**	**-**	**255**	**(255)**	**-**	**-**	**288**
Total	**2 064 858**	**-**	**-**	**2 064 858**	**2 047 193**	**17 665**	**99.1%**	**2 052 454**	**2 026 900**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 1: Administration									
	2023/24							**2022/23**	
	Approved Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final Budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. Office of the MEC	12 207	327	(1 268)	11 266	10 409	857	92.4%	8 894	8 703
2. Management of the Department	16 727	(460)	(761)	15 506	15 450	56	99.6%	15 495	15 427
3. Corporate Support	137 478	133	(11 234)	126 377	125 056	1 321	99.0%	117 896	117 218
Total for sub programmes	**166 412**	**-**	**(13 263)**	**153 149**	**150 915**	**2 234**	**98.5%**	**142 285**	**141 348**

Economic classification									
Current payments	**160 457**	**6**	**(13 378)**	**147 085**	**144 837**	**2 248**	**98.5%**	**136 802**	**135 811**
Compensation of employees	107 685	-	(5 578)	102 107	101 319	788	99.2%	103 946	103 105
Goods and services	52 771	1	(7 795)	44 977	43 518	1 459	96.8%	32 795	32 645
Interest and rent on land	1	5	(5)	1	-	1	-	61	61
Transfers and subsidies	**416**	**-**	**146**	**562**	**559**	**3**	**99.5%**	**990**	**952**
Departmental agencies and accounts	7	3	(10)	-	-	-	-	8	8
Households	409	(3)	156	562	559	3	99.5%	982	944
Payments for capital assets	**5 539**	**(6)**	**(31)**	**5 502**	**5 477**	**25**	**99.5%**	**4 493**	**4 483**
Machinery and equipment	5 539	(6)	(31)	5 502	5 477	25	99.5%	4 493	4 483
Payments for financial assets	**-**	**-**	**-**	**-**	**42**	**(42)**	**-**	**-**	**102**
Total	**166 412**	**-**	**(13 263)**	**153 149**	**150 915**	**2 234**	**98.5%**	**142 285**	**141 348**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 2: Public Works Infrastructure									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support	9 165	(2)	(2 209)	6 954	6 847	107	98.5%	5 510	5 479
2. Planning	18 117	(23)	(3 395)	14 699	14 618	81	99.4%	46 875	46 857
3. Design	24 350	48	(767)	23 631	23 583	48	99.8%	21 917	21 886
4. Construction	52 209	1 793	(1 505)	52 497	47 688	4 809	90.8%	67 117	65 312
5. Maintenance	132 577	(2 566)	(11 733)	118 278	115 747	2 531	97.9%	116 906	116 165
6. Immovable Asset Management	1 363 305	1 436	44 936	1 409 677	1 407 497	2 180	99.8%	1 327 537	1 327 415
7. Facility Operations	226 197	(686)	(6 280)	219 231	217 903	1 328	99.4%	213 996	213 959
Total for sub programmes	**1 825 920**	**-**	**19 047**	**1 844 967**	**1 833 883**	**11 084**	**99.4%**	**1 799 858**	**1 797 073**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

	2023/24							2022/23	
	Approved Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final Budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Economic classification									
Current payments	**1 264 844**	**(646)**	**21 341**	**1 285 539**	**1 282 072**	**3 467**	**99.7%**	**1 207 101**	**1 205 948**
Compensation of employees	361 976	-	(17 492)	344 484	344 186	298	99.9%	333 603	333 006
Goods and services	902 868	(871)	39 058	941 055	937 886	3 169	99.7%	864 220	863 665
Interest and rent on land	-	225	(225)	-	-	-	-	9 278	9 277
Transfers and subsidies	**491 167**	**-**	**(2 318)**	**488 849**	**486 795**	**2 054**	**99.6%**	**514 008**	**513 990**
Provinces and municipalities	480 600	25	-	480 625	478 574	2 051	99.6%	480 600	480 587
Departmental agencies and accounts	2	-	(2)	-	-	-	-	8	7
Households	10 565	(25)	(2 316)	8 224	8 221	3	100.0%	33 400	33 396
Payments for capital assets	**69 909**	**646**	**24**	**70 579**	**64 803**	**5 776**	**91.8%**	**78 749**	**76 949**
Buildings and other fixed structures	69 109	(1 275)	-	67 834	62 063	5 771	91.5%	75 158	73 364
Machinery and equipment	800	1 435	24	2 259	2 254	5	99.8%	3 006	3 000
Software and other intangible assets	-	486	-	486	486	-	100.0%	585	585
Payments for financial assets	**-**	**-**	**-**	**-**	**213**	**(213)**	**-**	**-**	**186**
Total	**1 825 920**	**-**	**19 047**	**1 844 967**	**1 833 883**	**11 084**	**99.4%**	**1 799 858**	**1 797 073**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 3: Expanded Public Works Programme									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support	20 253	5	(704)	19 554	18 342	1 212	93.8%	18 789	18 736
2. Community Development	36 670	(5)	(2 565)	34 100	30 970	3 130	90.8%	82 534	60 757
3. Innovation and Empowerment	15 603	-	(2 515)	13 088	13 083	5	100.0%	8 988	8 986
Total for sub programmes	**72 526**	**-**	**(5 784)**	**66 742**	**62 395**	**4 347**	**93.5%**	**110 311**	**88 479**

Economic classification									
Current payments	**48 395**	**-**	**(5 791)**	**42 604**	**41 384**	**1 220**	**97.1%**	**60 272**	**58 803**
Compensation of employees	19 111	-	(1 245)	17 866	17 833	33	99.8%	17 794	17 765
Goods and services	29 284	-	(4 546)	24 738	23 551	1 187	95.2%	42 478	41 038
Payments for capital assets	**24 131**	**-**	**7**	**24 138**	**21 011**	**3 127**	**87.0%**	**50 039**	**29 676**
Buildings and other fixed structures	24 125	-	-	24 125	21 004	3 121	87.1%	50 039	29 676
Machinery and equipment	6	-	7	13	7	6	53.8%	-	-
Total	**72 526**	**-**	**(5 784)**	**66 742**	**62 395**	**4 347**	**93.5%**	**110 311**	**88 479**

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024

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

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

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

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

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

4.1 Per programme

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Programme 1: Administration	153 149	150 915	2 234	1.5%
Programme 2: Public Works Infrastructure	1 844 967	1 833 883	11 084	0.6%
Programme 3: Expanded Public Works Programme	66 742	62 395	4 347	6.5%
Total	**2 064 858**	**2 047 193**	**17 665**	**0.9%**

Programme 1: There were no material variances between the final appropriation and actual expenditure.

Programme 2: There were no material variances between the final appropriation and actual expenditure.

Programme 3: The Department submitted certain variation orders regarding the township revitalization projects to Provincial Treasury for a second opinion. This caused a delay in the payment of service providers at year-end.

4.2 Per economic classification

Economic classification	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Current expenditure				
Compensation of employees	464 457	463 338	1 119	0.2%
Goods and services	1 010 770	1 004 955	5 815	0.6%
Interest and rent on land	1	-	1	100.0%
Transfers and subsidies				
Provinces and municipalities	480 625	478 574	2 051	0.4%
Households	8 786	8 780	6	0.1%
Payments for capital assets				
Buildings and other fixed structures	91 959	83 067	8 892	9.7%
Machinery and equipment	7 774	7 738	36	0.5%
Software and other intangible assets	486	486	-	-
Payments for financial assets	**-**	**255**	**(255)**	**-**
Total	**2 064 858**	**2 047 193**	**17 665**	**0.9%**

The Department submitted certain variation orders regarding the township revitalization projects to Provincial Treasury for a second opinion. This caused a delay in the payment of service providers at year-end. Furthermore, some delays were experienced during the implementation of projects.

4.3 Per conditional grant

Conditional grant	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a percentage of Final Budget %
EPWP Integrated Grant for Provinces	5 276	5 273	3	0.1%
Total	**5 276**	**5 273**	**3**	**0.1%**

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

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	1	2 064 858	2 052 454
Departmental revenue	2	-	-
TOTAL REVENUE		**2 064 858**	**2 052 454**
EXPENDITURE			
Current expenditure		**1 468 293**	**1 400 561**
Compensation of employees	3	463 338	453 876
Goods and services	4	1 004 955	937 347
Interest and rent on land	5	-	9 338
Transfers and subsidies		**487 354**	**514 942**
Transfers and subsidies	7	487 354	514 942
Expenditure for capital assets		**91 291**	**111 109**
Tangible assets	8	90 805	110 524
Intangible assets	8	486	585
Payments for financial assets	6	**255**	**288**
TOTAL EXPENDITURE		**2 047 193**	**2 026 900**
SURPLUS/(DEFICIT) FOR THE YEAR		**17 665**	**25 554**
Reconciliation of Net Surplus for the year			
Voted funds		17 665	25 554
Annual appropriation		17 662	25 521
Conditional grants		3	33
SURPLUS/(DEFICIT) FOR THE YEAR		**17 665**	**25 554**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
ASSETS			
Current assets		**20 843**	**64 663**
Cash and cash equivalents	9	3 095	54 158
Receivables	10	17 748	10 505
Non-current assets		**892**	**1 931**
Receivables	10	892	1 931
TOTAL ASSETS		**21 735**	**66 594**
LIABILITIES			
Current liabilities		**19 447**	**64 503**
Voted funds to be surrendered to the Revenue Fund	11	17 665	25 554
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	1 640	38 751
Payables	13	142	198
TOTAL LIABILITIES		**19 447**	**64 503**
NET ASSETS		**2 288**	**2 091**

	Note	2023/24 R'000	2022/23 R'000
Represented by:			
Recoverable revenue		2 288	2 091
TOTAL		**2 288**	**2 091**

STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
Recoverable revenue			
Opening balance		2 091	2 394
Transfers:		197	(303)
Irrecoverable amounts written off	6.1	(9)	-
Debts revised		-	(93)
Debts recovered (included in departmental receipts)		(435)	(793)
Debts raised		641	583
Closing balance		2 288	2 091
TOTAL		**2 288**	**2 091**

CASH FLOW STATEMENT
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 101 174	2 092 479
Annual appropriation funds received	1.1	2 064 858	2 052 454
Departmental revenue received	2	36 157	39 871
Interest received	2.2	159	154
Net (increase)/decrease in net working capital		(7 299)	(5 942)
Surrendered to Revenue Fund		(154 158)	(59 555)
Current payments		(1 468 293)	(1 391 223)
Interest paid	5	-	(9 338)
Payments for financial assets	6	(255)	(288)
Transfers and subsidies paid	7	(487 354)	(514 942)
Net cash flow available from operating activities	14	**(16 185)**	**111 191**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(91 291)	(111 109)
Proceeds from sale of capital assets	2.3	55 177	35 282
(Increase)/decrease in non-current receivables	10	1 039	(1 394)
Net cash flow available from investing activities		**(35 075)**	**(77 221)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		197	(303)
Net cash flows from financing activities		**197**	**(303)**
Net increase/(decrease) in cash and cash equivalents		(51 063)	33 667
Cash and cash equivalents at beginning of period		54 158	20 491
Cash and cash equivalents at end of period	15	**3 095**	**54 158**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

1.	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	**Going concern** The financial statements have been prepared on a going concern basis.
3.	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4.	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6.	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7.	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	**Departmental revenue** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	**Accrued departmental revenue** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department’s debt write-off policy.
8.	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9.	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

10.	**Prepayments and advances** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. The Department does not expense prepayments and advances.
11.	**Receivables** Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
12.	**Financial assets**
12.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost, plus transaction costs that are directlyattributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
12.2	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
13.	**Payables** Payables recognised in the statement of financial position are recognised at cost.
14.	**Capital assets**
14.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

14.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2005 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
14.3	**Intangible capital assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2005 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
14.4	**Project costs: Work-in-progress** Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

15.	**Provisions and contingents**
15.1	**Provisions** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
15.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
15.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
15.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
16.	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
17.	**Irregular expenditure** Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.

18.	**Changes in accounting policies, estimates and errors** Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
19.	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
20.	**Departures from the MCS requirements** Management has concluded that the financial statements present fairly the department's primary and secondary information and that the department complied with the Standard.
21.	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
22.	**Related party transactions** Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
23.	**Inventories *(Effective from date determined by the Accountant-General)*** At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.

24.	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

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

	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropri-ation Received	Funds not requested / not received
Programmes	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Administration	153 149	153 149	-	142 285	142 285	-
Public Works Infrastructure	1 844 967	1 844 967	-	1 799 858	1 799 858	-
Expanded Public Works Programme	66 742	66 742	-	110 311	110 311	-
Total	**2 064 858**	**2 064 858**	**-**	**2 052 454**	**2 052 454**	**-**

1.2. Conditional grants

	Note	2023/24 R'000	2022/23 R'000
Total grants received	30	5 276	6 183

2. Departmental revenue

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services other than capital assets	2.1	35 659	38 810
Interest, dividends and rent on land	2.2	159	154
Sales of capital assets	2.3	55 177	35 282
Transactions in financial assets and liabilities	2.4	498	1 061
Total revenue collected		**91 493**	**75 307**
Less: Own revenue included in appropriation	12	(91 493)	(75 307)
Total		**-**	**-**

2.1. Sales of goods and services other than capital assets

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services produced by the department		35 659	38 794
Sales by market establishment		35 148	38 320
Other sales		511	474
Sales of scrap, waste and other used current goods		-	16
Total	2	**35 659**	**38 810**

2.2. Interest, dividends and rent on land

	Note	2023/24 R'000	2022/23 R'000
Interest		159	154
Total	2	**159**	**154**

2.3. Sales of capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets		55 177	35 282
Buildings and other fixed structures		55 177	35 277
Machinery and equipment		-	5
Total	2	**55 177**	**35 282**

2.4. Transactions in financial assets and liabilities

	Note	2023/24 R'000	2022/23 R'000
Receivables		449	789
Other receipts including Recoverable Revenue		49	272
Total	2	**498**	**1 061**

3. Compensation of employees

3.1. Salaries and wages

	Note	2023/24 R'000	2022/23 R'000
Basic salary		306 201	286 465
Performance award		23	-
Service based		505	607
Compensative/circumstantial		9 989	9 226
Other non-pensionable allowances		61 047	77 850
Total		**377 765**	**374 148**

3.2. Social contributions

Employer contributions	Note	2023/24 R'000	2022/23 R'000
Pension		39 115	36 800
Medical		46 125	42 568
Bargaining council		148	146
Insurance		185	214
Total		**85 573**	**79 728**
Total compensation of employees		**463 338**	**453 876**
Average number of employees		**1 231**	**1 274**

4. Goods and services

	Note	2023/24 R'000	2022/23 R'000
Administrative fees		2 199	2 386
Advertising		98	807
Minor assets	4.1	690	244
Bursaries (employees)		5 952	1 432
Catering		807	627
Communication		5 238	2 958
Computer services	4.2	11 154	7 961
Consultants: Business and advisory services		39 149	29 667
Legal services		2 744	1 597
Contractors		215	143
Agency and support / outsourced services		17 884	29 519
Audit cost - external	4.3	8 615	9 954
Fleet services		3 926	4 462
Inventories	4.4	11 407	13 771
Consumables	4.5	2 790	1 386
Operating leases		319 577	317 308
Property payments	4.6	560 405	498 379
Rental and hiring		1 042	479
Transport provided as part of the departmental activities		70	63
Travel and subsistence	4.7	7 783	5 243
Venues and facilities		32	427
Training and development		2 151	7 508
Other operating expenditure	4.8	1 027	1 026
Total		**1 004 955**	**937 347**

4.1. Minor assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets		**690**	**244**
Machinery and equipment		690	244
Total	4	**690**	**244**

4.2. Computer services

	Note	2023/24 R'000	2022/23 R'000
SITA computer services		1 523	1 536
External computer service providers		9 631	6 425
Total	4	**11 154**	**7 961**

4.3. Audit cost - external

	Note	2023/24 R'000	2022/23 R'000
Regularity audits		8 615	9 954
Total	4	**8 615**	**9 954**

4.4. Inventories

	Note	2023/24 R'000	2022/23 R'000
Clothing material and accessories		2 881	4 571
Farming supplies		599	251
Fuel, oil and gas		702	387
Materials and supplies		5 444	7 078
Other supplies	4.4.1	1 781	1 484
Total	4	**11 407**	**13 771**

4.4.1. Other supplies

	Note	2023/24 R'000	2022/23 R'000
Other		1 781	1 484
Total	4.4	**1 781**	**1 484**

4.5. Consumables

	Note	2023/24 R'000	2022/23 R'000
Consumable supplies		1 645	284
Uniform and clothing		268	29
Household supplies		1 204	198
Building material and supplies		95	29
IT consumables		19	16
Other consumables		59	12
Stationery, printing and office supplies		1 145	1 102
Total	4	**2 790**	**1 386**

4.6. Property payments

	Note	2023/24 R'000	2022/23 R'000
Municipal services		545 841	488 175
Property maintenance and repairs		7 855	4 771
Other		6 709	5 433
Total	4	**560 405**	**498 379**

4.7. Travel and subsistence

	Note	2023/24 R'000	2022/23 R'000
Local		7 766	5 223
Foreign		17	20
Total	4	**7 783**	**5 243**

4.8. Other operating expenditure

	Note	2023/24 R'000	2022/23 R'000
Professional bodies, membership and subscription fees		228	183
Other		799	843
Total	4	**1 027**	**1 026**

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

Name of Commission / Committee of inquiry	Note	2023/24 R'000	2022/23 R'000
Shared Audit Committee		214	238
Risk Committee Chairperson		22	13
Total		**236**	**251**

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

5. Interest and Rent on land

	Note	2023/24 R'000	2022/23 R'000
Interest paid		-	9 338
Total		**-**	**9 338**

6. Payments for financial assets

	Note	2023/24 R'000	2022/23 R'000
Material losses through criminal conduct		26	283
Theft	6.2	26	283
Debts written off	6.1	229	5
Total		**255**	**288**

6.1. Debts written off

Nature of debts written off	Note	2023/24 R'000	2022/23 R'000
Recoverable revenue written off			
Breach of contract		9	-
Total		**9**	**-**
Other debt written off			
Salary overpayment		117	5
Breach of contract		32	-
Tax		70	-
Other		1	-
Total		**220**	**5**
Total debt written off	6	**229**	**5**

6.2. Details of theft

Nature of theft	Note	2023/24 R'000	2022/23 R'000
Losses or damages to assets		26	283
Total	6	**26**	**283**

7. Transfers and subsidies

	Note	2023/24 R'000	2022/23 R'000
Provinces and municipalities	31, Annex 1A	478 574	480 587
Departmental agencies and accounts	Annex 1B	-	15
Households	Annex 1G	8 780	34 340
Total		**487 354**	**514 942**

Households decreased from the prior year due to less claims against the Department in the current financial year. Included in Transfers and Subsidies to Municipalities is an amount of R0.025 million relating to fines and penalties.

7.1. Gifts, donations and sponsorships made in kind (not included in the main note)

	Note	2023/24 R'000	2022/23 R'000
	Annex 1J		
Donations		977	118
Total		**977**	**118**

8. Expenditure for capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets		**90 805**	**110 524**
Buildings and other fixed structures		83 067	103 040
Machinery and equipment		7 738	7 484
Intangible capital assets		**486**	**585**
Software		486	585
Total		**91 291**	**111 109**

8.1. Analysis of funds utilised to acquire capital assets

	2023/24	
Name of entity	**Voted funds R'000**	**Total R'000**
Tangible capital assets	**90 805**	**90 805**
Buildings and other fixed structures	83 067	83 067
Machinery and equipment	7 738	7 738
Intangible capital assets	**486**	**486**
Software	486	486
Total	**91 291**	**91 291**

8.2. Analysis of funds utilised to acquire capital assets

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

8.3. Finance lease expenditure included in Expenditure for capital assets

	Note	**2023/24 R'000**	**2022/23 R'000**
Tangible capital assets			
Machinery and equipment		1 829	2 460
Total		**1 829**	**2 460**

9. Cash and cash equivalents

	Note	**2023/24 R'000**	**2022/23 R'000**
Consolidated Paymaster General Account		2 955	53 990
Disbursements		-	28
Cash on hand		140	140
Total		**3 095**	**54 158**

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

10. Receivables

		2023/24			2022/23		
	Note	**Current R'000**	**Non-current R'000**	**Total R'000**	**Current R'000**	**Non-current R'000**	**Total R'000**
Claims recoverable	*10.1*	15 164	-	15 164	7 926	1 001	8 927
Recoverable expenditure	*10.2*	217	-	217	300	-	300
Staff debt	*10.3*	2 278	892	3 170	2 172	930	3 102
Other receivables	*10.4*	89	-	89	107	-	107
Total		**17 748**	**892**	**18 640**	**10 505**	**1 931**	**12 436**

10.1. Claims recoverable

	Note	**2023/24 R'000**	**2022/23 R'000**
Provincial departments		15 164	8 927
Total	*10*	**15 164**	**8 927**

10.2. Recoverable expenditure

	Note	2023/24 R'000	2022/23 R'000
Employee's Tax Debt		2	1
Contributions deducted from employees' salaries via PERSAL for the payment of PAYE to SARS		207	299
Pension Recoverable		8	-
Total	*10*	**217**	**300**

10.3. Staff debt

	Note	2023/24 R'000	2022/23 R'000
Salary Overpayment Debt		1 022	710
Breach of Contract Debt		1 106	1 367
Losses / Damages Debt		4	6
Communication Debt		6	5
Leave Without Pay Debt		191	154
Deduction Salary Debt		9	22
Government Motor Transport Accident Debt		536	507
Tax Debt		292	328
Subsistence & Travel Claims		4	3
Total	*10*	**3 170**	**3 102**

10.4. Other receivables

	Note	2023/24 R'000	2022/23 R'000
Supplier Debt		89	107
Total	*10*	**89**	**107**

10.5. Impairment of receivables

	Note	2023/24 R'000	2022/23 R'000
Estimate of impairment of receivables		2 370	2 104
Total		**2 370**	**2 104**

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

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

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

11. Voted funds to be surrendered to the Revenue Fund

	Note	2023/24 R'000	2022/23 R'000
Opening balance		25 554	18 166
Prior period error		-	-
As restated		25 554	18 166
Transferred from statement of financial performance (as restated)		17 665	25 554
Voted funds not requested/not received	*1.1*	-	-
Paid during the year		(25 554)	(18 166)
Closing balance		**17 665**	**25 554**

11.1. Reconciliation on unspent conditional grants

	Note	2023/24 R'000	2022/23 R'000
Total conditional grants received	1.2	5 276	6 183
Total conditional grants spent		(5 273)	(6 150)
Unspent conditional grants to be surrendered		3	33
Less: Paid to the Provincial Revenue Fund by Provincial department		-	(33)
Approved for rollover		-	-
Not approved for rollover		-	(33)
Due by the Provincial Revenue Fund		**3**	**-**

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

	Note	2023/24 R'000	2022/23 R'000
Opening balance		38 751	4 833
Prior period error		-	-
As restated		38 751	4 833
Transferred from statement of financial performance (as restated)		-	-
Own revenue included in appropriation		91 493	75 307
Paid during the year		(128 604)	(41 389)
Closing balance		**1 640**	**38 751**

13. Payables - current

	Note	2023/24 R'000	2022/23 R'000
Clearing accounts	13.1	142	198
Total		**142**	**198**

13.1. Clearing accounts

Description	Note	2023/24 R'000	2022/23 R'000
Government Employees Housing Scheme		142	198
Total	13	**142**	**198**

14. Net cash flow available from operating activities

	Note	2023/24 R'000	2022/23 R'000
Net surplus/(deficit) as per Statement of Financial Performance		17 665	25 554
Add back non-cash/cash movements not deemed operating activities		(33 850)	85 637
(Increase)/decrease in receivables		(7 243)	(5 890)
Increase/(decrease) in payables - current		(56)	(52)
Proceeds from sale of capital assets		(55 177)	(35 282)
Expenditure on capital assets		91 291	111 109
Surrenders to Revenue Fund		(154 158)	(59 555)
Own revenue included in appropriation		91 493	75 307
Net cash flow generated by operating activities		**(16 185)**	**111 191**

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

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General account		2 955	53 990
Disbursements		-	28
Cash on hand		140	140
Total		**3 095**	**54 158**

16. Contingent liabilities and contingent assets

16.1. Contingent liabilities

Liable to	Nature	Note	2023/24 R'000	2022/23 R'000
Claims against the department		*Annex 3B*	53 506	77 114
Intergovernmental payables		*Annex 5*	39	-
Total			**53 545**	**77 114**

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

16.2. Contingent assets

Nature of contingent asset	Note	2023/24 R'000	2022/23 R'000
Bulk Infrastructure		-	-
Total		**-**	**-**

Development of Free State Provincial Government Identified Land Parcel (FSSI) – During the 2016/2017 financial year, the Department entered into a three (3) year agreement to dispose property to the value of R48 million. According to the deed of sale the purchaser will pay the Department a cash amount of R28 million and install bulk infrastructure on the property to the value of at least R20 million. By 31 March 2021, the Department received the R28 million cash amount. In the event the value of bulk infrastructure is less than R20 million the purchaser shall pay the balance between R20 million and the value of the bulk infrastructure to the Department at completion of the project. As at 31 March 2024, the project is not yet completed. The transaction is currently under investigation by the relevant authorities.

17. Capital commitments

	Note	2023/24 R'000	2022/23 R'000
Buildings and other fixed structures		74 914	128 777
Total		**74 914**	**128 777**

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

18. Accruals and payables not recognised

18.1. Accruals

Listed by economic classification	Note	2023/24 30 Days R'000	2023/24 30+ Days R'000	2023/24 Total R'000	2022/23 Total R'000
Goods and services		26 535	34 516	61 051	28 352
Interest and rent on land		-	-	-	-
Transfers and subsidies		-	-	-	241
Capital assets		-	-	-	5 310
Other		-	-	-	6
Total		**26 535**	**34 516**	**61 051**	**33 909**

Listed by programme level	Note	2023/24 R'000	2022/23 R'000
Programme 1: Administration		3 242	3 911
Programme 2: Public Works Infrastructure		56 636	24 261
Programme 3: Expanded Public Works Programme		1 173	5 737
Total		**61 051**	**33 909**

R49.564 million (2022/2023: R21.885 million) of the Accruals relates to Municipal Accounts that were outstanding, as the invoices had not yet been received. The Department experienced budget constraints due to the fact that municipal services' increases are higher than the Departmental budget increase.

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

The budget allocation over the MTEF amount to 2024/2025: R2.107 billion, 2025/2026: R2.293 billion and 2026/2027: R2.375 billion, therefore the department will still continue to operate in the foreseeable future.

18.2. Payables not recognised

Listed by economic classification	Note	2023/24 30 Days R'000	2023/24 30+ Days R'000	2023/24 Total R'000	2022/23 Total R'000
Goods and services		52 296	800 265	852 561	895 844
Interest and rent on land		-	-	-	-
Transfers and subsidies		-	237 302	237 302	243 806
Capital assets		824	-	824	-
Other		-	-	-	-
Total		**53 120**	**1 037 567**	**1 090 687**	**1 139 650**

Listed by programme level	Note	2023/24 R'000	2022/23 R'000
Programme 1: Administration		613	269
Programme 2: Public Works Infrastructure		1 090 023	1 139 366
Programme 3: Expanded Public Works Programme		51	15
Total		**1 090 687**	**1 139 650**

R979.024 million (2022/2023: R1 029.733 million) of the payables not recognised relates to Municipal Accounts that were outstanding, as the invoices had not yet been received. The Department experienced budget constraints due to the fact that municipal services increases are higher than the Departmental budget increase. The accounts could therefore not be settled as at 31 March 2024.

The extent of payables may create a significant doubt on the Department's ability to meet its financial obligations as they fall due and the achievement of service delivery as outlined in the Annual Performance Plan, as the payables decreases the budget available for spending in the next financial year.

The budget allocation over the MTEF amount to 2024/2025: R2.107 billion, 2025/2026: R2.293 billion and 2026/2027: R2.375 billion, therefore the department will still continue to operate in the foreseeable future.

Included in the above totals are the following:	*Note*	**2023/24 R'000**	**2022/23 R'000**
Confirmed balances with other departments	*Annex 5*	3	78
Confirmed balances with other government entities	*Annex 5*	1 082	-
Total		**1 085**	**78**

The balance of R0.206 million regarding confirmed balances with Departments is disclosed under Employee benefits.

19. Employee benefits

	Note	**2023/24 R'000**	**2022/23 R'000**
Leave entitlement		19 179	19 508
Service bonus		12 903	12 206
Capped leave		10 256	10 435
Other		1 830	644
Total		**44 168**	**42 793**

Other employee benefits constitute long services awards amounting to R1.624 million and salary related accruals & payables amounting to R0.206 million. At this stage the department is not able to reliably measure the long term portion of the long service awards.

The current year figure for leave entitlement includes a negative balance of R0.821 million (2022/2023: R0.547 million).

Included in the above totals are the following:	*Note*	**2023/24 R'000**	**2022/23 R'000**
Confirmed balances with other departments	*Annex 5*	206	-
Total		**206**	**-**

20. Lease commitments

20.1. Operating leases

	2023/24		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	335 824	3 797	339 621
Later than 1 year and not later than 5 years	1 150 248	5 840	1 156 088
Later than 5 years	219 303	-	219 303
Total lease commitments	**1 705 375**	**9 637**	**1 715 012**

	2022/23		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	254 749	2 497	257 246
Later than 1 year and not later than 5 years	850 920	2 110	853 030
Later than 5 years	270 962	-	270 962
Total lease commitments	**1 376 631**	**4 607**	**1 381 238**

The Department rents 58 (2022/2023: 61) office buildings as part of its mandate to provide office accommodation to other Departments in the province. There are currently 31 (2022/2023: 34) fixed term lease contracts that ranges between 5 to 10 years and 27 (2022/2023: 27) expired contracts. The escalation rate applicable to these fixed term lease contracts ranges from 7% to 10% per annum.

The Department currently lease 72 vehicles from Fleet Management for a period that ranges between 3 to 4 years.

The Department has 88 3G cards on a month-to-month basis.

Operating lease commitments was restated with R3.997 million to rectify amounts incorrectly calculated.

No asset is sub-leased at fair value. All buildings are provided to Provincial Government Departments to occupy free of charge.

The Department does not have any sale and leaseback arrangements.

20.2. Finance leases

	2023/24	
	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	724	724
Later than 1 year and not later than 5 years	34	34
Later than 5 years	-	-
Total lease commitments	**758**	**758**

	2022/23	
	Machinery and equipment	**Total**
	R'000	**R'000**
Not later than 1 year	1 463	1 463
Later than 1 year and not later than 5 years	438	438
Later than 5 years	-	-
Total lease commitments	**1 901**	**1 901**

The Department leases 2 (2022/2023: 2) photocopy machines over a lease term of 36 months. There are no escalations applicable to these leases.

The Department has 151 (2022/2023: 207) cellular phone contracts and 18 (2022/2023: 8) 3G cards. There are no escalations applicable to these leases.

The Department does not sub-lease any of the assets. The Department does not have any renewal or purchase options. There are no restrictions imposed on the Department through any lease agreement. The Department does not have any sale and leaseback arrangements.

20.3. Operating lease future revenue

	2023/24	
	Buildings and other fixed structures	**Total**
	R'000	**R'000**
Not later than 1 year	20 725	20 725
Later than 1 year and not later than 5 years	50 100	50 100
Later than 5 years	-	-
Total operating lease revenue receivable	**70 825**	**70 825**

	2022/23	
	Buildings and other fixed structures	**Total**
	R'000	**R'000**
Not later than 1 year	19 161	19 161
Later than 1 year and not later than 5 years	43 497	43 497
Later than 5 years	9 035	9 035
Total operating lease revenue receivable	**71 693**	**71 693**

The Department rents out 123 (2022/2023: 124) properties to various lessees. There are currently 19 (2022/23: 10) fixed term contracts that escalates between 6% and 8% per annum and 104 month-to-month contracts.

The Department does not sub-lease any of the assets.

The Department has renewal options for lease future revenue contracts ranging between one (1) year and five (5) years.

21. Accrued departmental revenue

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services other than capital assets		32 395	25 290
Sales of capital assets		15 027	70 199
Total		**47 422**	**95 489**

The current year figure for Accrued Departmental Revenue included negative balances of R0.983 million (2022/2023: R0.932 million). The Department is in the process of investigating these negative balances.

Sales of goods and services other than capital assets was restated with R0.108 million due to a debtor that was not included on the register.

21.1. Analysis of accrued departmental revenue

	Note	2023/24 R'000	2022/23 R'000
Opening balance		95 489	21 747
Less: amounts received		(82 820)	(66 093)
Add: amounts recorded		34 753	139 835
Closing balance		**47 422**	**95 489**

During the 2022/2023 financial year the Department entered into a Land Exchange Agreement with the Central University of Technology (CUT). In terms of the agreement, the Department will exchange portions of Erven 1921 and 1961 known as Free State Psychiatric Complex together with certain buildings in exchange for CUT's vacant Erf 24720 in Cecelia Park. The CUT will pay the Department an amount of R104 857 425.10 in three equal instalments over a three year period to compensate the Department for the replacement of buildings occupied by the Free State Department of Sport, Arts, Culture and Recreation as erected on the said portions of land. During the 2023/2024 financial year, the Department received R55 047 524.67 (2023: R34 952 475.33) which has been included in Departmental Revenue and the balance of R14 857 425.10 has been included as part of Accrued Departmental Revenue. The last payment is due on 31 March 2025.

21.2. Impairment of accrued departmental revenue

	Note	2023/24 R'000	2022/23 R'000
Estimate of impairment of accrued departmental revenue		24 939	19 672
Total		**24 939**	**19 672**

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

22. Irregular and Fruitless and wasteful expenditure

	Note	2023/24 R'000	2022/23 R'000
Irregular expenditure		13 862	52 940
Fruitless and wasteful expenditure		7 168	11 393
Total		**21 030**	**64 333**

Information on any criminal or disciplinary steps taken as a result of irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

Irregular Expenditure was restated with R10.278 million from R42.662 million to R52.940 million due to irregular expenditure identified in the current year that relates to the 2022/2023 financial year.

23. Key management personnel

	2023/24 R'000	2022/23 R'000
Political office bearer	2 121	2 004
Officials:		
Level 15 to 16	4 038	3 948
Level 14 (Incl CFO)	9 701	10 761
Family members of key management personnel	89	551
Total	**15 949**	**17 264**

24. Provisions

	Note	2023/24 R'000	2022/23 R'000
Retention fees on capital projects		7 871	9 593
Notice of civil claim for service rendered		-	1 016
Total		**7 871**	**10 609**

The retention provision created is in cases where a contractual arrangement stipulates that a certain percentage should be withheld from payments in respect of capital infrastructure projects. The amount is retained as a guarantee and is released after final completion of the project.

In the current financial year the civil claim was received and has now been recognised under claims against the department.

24.1. Reconciliation of movement in provisions - Current year

	2023/24		
	Retention withheld R'000	Notice of civil claim R'000	Total provisions R'000
Opening balance	9 593	1 016	10 609
Increase in provision	2 408	-	2 408
Settlement of provision	(3 710)	-	(3 710)
Unused amount reversed	(420)	-	(420)
Change in provision due to change in estimation of inputs	-	(1 016)	(1 016)
Closing balance	**7 871**	**-**	**7 871**

Reconciliation of movement in provisions - Prior year

	2022/23		
	Retention withheld R'000	Notice of civil claim R'000	Total provisions R'000
Opening balance	2 742	-	2 742
Increase in provision	7 420	1 016	8 436
Settlement of provision	(556)	-	(556)
Unused amount reversed	(13)	-	(13)
Closing balance	**9 593**	**1 016**	**10 609**

25. Non-adjusting events after reporting date

Nature of the event	Note	2023/24 R'000
None		-
Total		-

26. Movable Tangible Capital Assets

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

	2023/24				
	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	**61 167**	**-**	**5 909**	**(1 912)**	**65 164**
Transport assets	15	-	-	-	15
Computer equipment	30 209	-	3 127	(707)	32 629
Furniture and office equipment	20 158	-	1 004	(892)	20 270
Other machinery and equipment	10 785	-	1 778	(313)	12 250
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**61 167**	**-**	**5 909**	**(1 912)**	**65 164**

Movable Tangible Capital Assets under investigation

	Note	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Machinery and equipment		195	3 711
Total		**195**	**3 711**

The assets could not be verified during the asset counts and are therefore under investigation. After the investigation is concluded, it will be handed over to the Loss Control.

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

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**56 533**	**-**	**5 024**	**(390)**	**61 167**
Transport assets	15	-	-	-	15
Computer equipment	27 642	(354)	3 025	(104)	30 209
Furniture and office equipment	19 683	19	568	(112)	20 158
Other machinery and equipment	9 193	335	1 431	(174)	10 785
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**56 533**	**-**	**5 024**	**(390)**	**61 167**

26.1.1. Prior period error

Nature of prior period error	*Note*	**2022/23 R'000**
Relating to 2021/22 *(affecting the opening balance)*		-
Reclassifications – Computer Equipment		(354)
Reclassifications – Furniture and Office Equipment		19
Reclassifications – Other Machinery and Equipment		335
Relating to 2022/23		32
Reclassifications – Computer Equipment		(1 261)
Reclassifications – Furniture & Office Equipment and Other Machinery & Equipment		1 261
Assets incorrectly written off		32
Total prior period errors	*26.1*	**32**

The opening balance was restated to correct the misclassifications between Computer equipment, Furniture and office equipment and Other machinery and equipment.

Prior period error for 2022/2023 relates to misclassifications between Computer Equipment, Furniture & Office Equipment and Other Machinery & Equipment. Computer Equipment and Other Machinery & Equipment assets were also incorrectly written off.

26.2. Minor assets

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

	2023/24		
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	3	16 486	16 489
Additions	-	690	690
Disposals	-	(144)	(144)
Total Minor assets	**3**	**17 032**	**17 035**

	2023/24		
	Intangible assets	**Machinery and equipment**	**Total**
	R'000	**R'000**	**R'000**
Number of R1 minor assets	-	5	5
Number of minor assets at cost	1	12 219	12 220
Total number of minor assets	**1**	**12 224**	**12 225**

Minor capital assets under investigation

	Note	**Number**	**Value R'000**
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Machinery and equipment		7	8

The assets could not be verified during the asset counts and are therefore under investigation. After the investigation is concluded, it will be handed over to the Loss Control.

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

	2022/23		
	Intangible assets	**Machinery and equipment**	**Total**
	R'000	**R'000**	**R'000**
Opening balance	3	16 658	16 661
Prior period error	-	-	-
Additions	-	244	244
Disposals	-	(416)	(416)
Total Minor assets	**3**	**16 486**	**16 489**

	2022/23		
	Intangible assets	**Machinery and equipment**	**Total**
	R'000	**R'000**	**R'000**
Number of R1 minor assets	-	5	5
Number of minor assets at cost	1	12 067	12 068
Total number of minor assets	**1**	**12 072**	**12 073**

26.2.1 Prior period error

Nature of prior period error	*Note*	**2022/23 R'000**
Relating to 2022/23		1
Assets incorrectly written off		1
Total prior period errors	*26.2*	**1**

26.3. Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	2023/24		
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	2 023	2 023
Total movable assets written off	**-**	**2 023**	**2 023**

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23		
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	383	383
Total movable assets written off	**-**	**383**	**383**

Included in the R2.023 million disclosed as at 31 March 2024 is the amount of R0.313 million for Machinery and Equipment that was written off due to the fire that broke out at one of the prestige houses.

The assets written off for the 2022/2023 financial year reduced by R0.033 million due to assets that were incorrectly written off. Prior period adjustment has been done for the assets.

27. Intangible Capital Assets

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

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	2 227	486	-	2 713
TOTAL INTANGIBLE CAPITAL ASSETS	**2 227**	**486**	**-**	**2 713**

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

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 642	-	585	-	2 227
TOTAL INTANGIBLE CAPITAL ASSETS	**1 642**	**-**	**585**	**-**	**2 227**

28. Immovable Tangible Capital Assets

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

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**10 875 378**	**211 893**	**-**	**11 087 271**
Dwellings	110 123	15 198	-	125 321
Non-residential buildings	10 765 255	196 695	-	10 961 950
Other fixed structures	-	-	-	-
HERITAGE ASSETS	**31 680**	**-**	**-**	**31 680**
Heritage assets	31 680	-	-	31 680
LAND AND SUBSOIL ASSETS	**615 727**	**-**	**-**	**615 727**
Land	615 727	-	-	615 727
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**11 522 785**	**211 893**	**-**	**11 734 678**

Additions consist of the following:

- *Own projects capitalised amounting to R50.457 million.*
- *Section 42 (PFMA) transfers amounting to R149.871 million received from user Departments.*
- *The Department purchased prestige houses for R11.615 million during the 2023/2024 financial year. The houses have been included in the Immovable Asset Register.*

Disposals consist of the following:

- *The R55.178 million disclosed in note 2.3 is cash received that relates to properties that were sold in instalments, the change of ownership will only occur when the final amount is received by the Department.*

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

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**10 583 312**	**34**	**363 573**	**(71 541)**	**10 875 378**
Dwellings	109 839	554	-	(270)	**110 123**
Non-residential buildings	10 473 473	(520)	363 573	(71 271)	**10 765 255**
Other fixed structures	-	-	-	-	**-**
HERITAGE ASSETS	**31 680**	**-**	**-**	**-**	**31 680**
Heritage assets	31 680	-	-	-	**31 680**
LAND AND SUBSOIL ASSETS	**569 487**	**(2 520)**	**49 600**	**(840)**	**615 727**
Land	569 487	(2 520)	49 600	(840)	**615 727**
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**11 184 479**	**(2 486)**	**413 173**	**(72 381)**	**11 522 785**

28.1.1. Prior period error

Nature of prior period error	Note	2022/23 R'000
Relating to 2021/22 *[affecting the opening balance]*		(2 486)
Reclassifications - Dwellings		554
Reclassifications - Non- residential buildings		(520)
Reclassifications and Reallocations - Land		(2 520)
Relating to 2022/23		(12 861)
Additions: Non-residential buildings		(12 861)
Total prior period errors	28.1	**(15 347)**

The restatement was to rectify the misclassifications between the asset classes and reallocation of amount to correct asset list.

28.2. Immovable tangible capital assets: Capital Work-in-progress

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

	Note Annex 7	2023/24 Opening balance 1 April 2023 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2024 R'000
Buildings and other fixed structures		141 064	71 451	(88 985)	123 530
Total		**141 064**	**71 451**	**(88 985)**	**123 530**

Included in the R88.985 million disclosed in the column "Ready for use (Assets to the AR) / Contracts terminated" is R50.457 million that was capitalised in the Immovable Asset Register, R38.528 million relates to projects completed for other spheres of Government.

Payables not recognised relating to Capital WIP	Note	2023/24 R'000	2022/23 R'000
Tshireletsong Children's Home		293	-
Ficksburg TRP		176	-
Frankfort TRP		355	-
Fidel Castro Mini Substation		16	-
Total		**840**	**-**

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/23 Opening balance 1 April 2022 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2023 R'000
Buildings and other fixed structures		83 974	-	103 040	(45 950)	141 064
Total		**83 974**	**-**	**103 040**	**(45 950)**	**141 064**

The "Ready for use (Asset to the AR) / Contract terminated" amount for buildings and other fixed structures was restated with R11.898 million. This is as a result of a project being stopped. The closing balance therefore reduced from R152.962 million to R141.064 million.

Included in the R45.950 million disclosed in the column "Ready for use (Assets to the AR) / Contracts terminated" is R11.673 million that was capitalised in the Immovable Asset Register, R23.459 million relates to projects completed on land not owned by the Free State Provincial Government, R10.818 million relates to projects completed for other spheres of Government.

28.3. Immovable capital assets (additional information)

			Note	2023/24	2022/23
		Estimated completion		**Area**	**Area**
a)	**Unsurveyed land**	**date**			
	None			-	-
b)	**Properties deemed vested**		*Annex 9*		
	Land parcels			70	70
	Facilities				
	Schools			70	70
	Clinics			2	2
	Hospitals			-	-
	Office buildings			13	13
	Dwellings			12	12
	Storage facilities			1	1
	Other			10	10
c)	**Facilities on unsurveyed land**	**Duration of use**	*Annex 9*		
	Schools			-	-
	Clinics			-	-
	Hospitals			-	-
	Office buildings			-	-
	Dwellings			-	-
	Storage facilities			-	-
	Other			-	-
d)	**Facilities on right to use land**	**Duration of use**	*Annex 9*		
	Schools			762	760
	Clinics			199	199
	Hospitals			1	1
	Office buildings			38	38
	Dwellings			4	4
	Storage facilities			-	-
	Other			172	161

The Department incurred capital expenditure under its EPWP Township Revitalization Projects as well as improvements to prestige accommodation and community halls. These properties are not registered in the Free State Provincial Governments name.

As at 31 March 2024, the improvements to these properties amounted to R390.391 million (2022/2023: R351.863 million) which does not form part of the closing balance disclosed in Note 28. Transfer certificates were prepared by the Department; however, it was not yet accepted and signed by the relevant spheres of Government.

e) Agreement of custodianship	*Annex 9*		
Land parcels		-	-
Facilities			
Schools		8	132
Clinics		-	1
Hospitals		-	-
Office buildings		-	-
Dwellings		-	-
Storage facilities		-	-
Other		-	-

Development of Free State Provincial Government Identified Land Parcel (FSSI) – During the 2016/2017 financial year, the Department entered into a three (3) year agreement to dispose a property to the value of R48 million. According to the deed of sale the purchaser will pay the Department a cash amount of R28 million and install bulk infrastructure on the property to the value of at least R20 million. As at 31 March 2021, the Department received the entire R28 million cash amount. In the event the value of bulk infrastructure is less than R20 million the purchaser shall pay the balance between R20 million and the value of the bulk infrastructure to the Department at completion of the project. As at 31 March 2024, the project is not yet completed. The transaction is currently under investigation by the relevant authorities.

During the 2022/2023 financial year the Department entered into a Land Exchange Agreement with the Central University of Technology (CUT). In terms of the agreement, the Department will exchange portions of Erven 1921 and 1961 known as Free State Psychiatric Complex together with certain buildings in exchange for CUTs vacant Erf 24720 in Cecelia Park. The CUT will pay the Department an amount of R104 857 425.10 in three equal instalments over a three-year period to compensate the Department for the replacement of buildings occupied by the Free State Department of Sport, Arts, Culture and Recreation as erected on the said portions of land.

During the 2023/2024 financial year, the Department received R55 047 524.67 (2023: R34 952 475.33) which has been included in Departmental Revenue and the balance of R14 857 425.10 has been included as part of Accrued Departmental Revenue.

On 11 September 2022, a dam collapsed at a diamond mine in Jagersfontein. The disaster caused damage to 22 properties which are included in the immovable asset register.

On 23 March 2023, a fire broke out at the Free State House which houses the Premier. The Department is in the process of restoring the building.

29. Prior period errors

29.1. Correction of prior period errors

		2022/23		
	Note	**Amount before error correction R'000**	**Prior period error R'000**	**Restated R'000**
Assets:				
Movable Tangible Assets: Computer equipment	26.1.1	31 800	(1 591)	30 209
Movable Tangible Assets: Furniture & Office Equipment	26.1.1	20 068	90	20 158
Movable Tangible Assets: Other Machinery & Equipment	26.1.1	9 252	1 533	10 785
Immovable Assets: Dwellings (Opening balance)	28.1.1	109 839	554	110 393
Immovable Assets: Non-residential Buildings (Opening balance)	28.1.1	10 473 473	(520)	10 472 953
Immovable Assets: Non-residential Buildings (2022/2023 Additions)	28.1.1	376 434	(12 861)	363 573
Immovable Assets: Land	28.1.1	569 487	(2 520)	566 967
Capital work in progress: Buildings and other fixed structures	28.2.	152 962	(11 898)	141 064
Minor assets: Other Machinery & Equipment (2022/2023 Disposals)	26.2.1	417	(1)	416
Accrued Departmental Revenue: Sales of goods and services other than capital assets	21	25 182	108	25 290
Movable tangible capital assets written-off	26.3	416	(33)	383
Net effect		**11 768 330**	**(27 139)**	**11 742 191**

Movable Tangible Assets: The opening balance was restated to rectify incorrect misclassifications between asset classes and reallocate amount to correct asset.

Capital work in progress: Buildings and other fixed structures - The "Ready for use (Asset register) / Contract terminated" amount for non-residential buildings was restated with R11.898 million. This is as a result of a project being stopped. The closing balance therefore reduced from R152.962 million to R141.064 million.

Accrued Departmental Revenue: Sales of goods and services other than capital assets was restated with R0.108 million due to a debtor that was not included in the register.

Movable tangible capital assets written-off: Assets were incorrectly written-off in the prior year.

		2022/23		
	Note	**Amount before error correction R'000**	**Prior period error R'000**	**Restated R'000**
Liabilities:				
Operating Lease Commitments	20.1	1 377 241	3 997	1 381 238
Net effect		**1 377 241**	**3 997**	**1 381 238**

The operating lease opening balance was restated to rectify amounts incorrectly calculated.

		2022/23		
		Amount before error correction	**Prior period error**	**Restated**
	Note	**R'000**	**R'000**	**R'000**
Other:				
Irregular Expenditure	22	42 662	10 278	52 940
Net effect		**42 662**	**10 278**	**52 940**

Irregular Expenditure was restated with R10.278 million from R42.662 million to R52.940 million due to irregular expenditure identified in the current year that relates to the 2022/2023 financial year.

30. Statement of conditional grants received

	2023/24									2022/23	
	GRANT ALLOCATION					SPENT					
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under- / (Overspe nding)	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Amount spent by depart-ment
Name of grant	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**	**R'000**
EPWP Integrated Grant for Provinces	5 846	-	(570)	-	5 276	5 276	5 273	3	99.9%	6 183	6 150
TOTAL	**5 846**	**-**	**(570)**	**-**	**5 276**	**5 276**	**5 273**	**3**		**6 183**	**6 150**

31. Statement of conditional grants and other transfers paid to municipalities

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Dihlabeng	12 608	-	(891)	11 717	11 716	-	-	11 283	11 282
Kopanong	7 769	-	6 449	14 218	13 964	-	-	7 438	7 438
Letsemeng	2 935	-	(140)	2 795	2 796	-	-	2 550	2 550
Mafube	2 766	-	12	2 778	2 778	-	-	2 595	2 594
Maluti-A-Phofung	35 449	-	(3 575)	31 874	31 874	-	-	33 469	33 469
Mangaung	196 498	-	4 714	201 212	201 210	-	-	217 243	217 243
Mantsopa	3 934	-	1 088	5 022	4 976	-	-	3 604	3 603
Masilonyana	8 149	-	161	8 310	8 309	-	-	7 869	7 865
Matjhabeng	145 476	-	(11 935)	133 541	133 540	-	-	133 541	133 540
Metsimaholo	12 776	-	(68)	12 708	12 708	-	-	12 116	12 115
Mohokare	629	-	2 397	3 026	2 878	-	-	441	441
Moqhaka	15 735	-	1 749	17 484	17 484	-	-	15 337	15 336
Nala	5 398	-	(99)	5 299	3 733	-	-	5 213	5 213
Ngwathe	8 592	-	(1 099)	7 493	7 493	-	-	7 378	7 377
Nketoana	843	-	327	1 170	1 169	-	-	1 064	1 063
Phumelela	2 502	-	1	2 503	2 502	-	-	2 379	2 379
Setsoto	15 295	-	264	15 559	15 528	-	-	13 615	13 615
Tokologo	429	-	10	439	439	-	-	414	413
Tswelopele	2 817	-	660	3 477	3 477	-	-	3 051	3 051
TOTAL	**480 600**	**-**	**25**	**480 625**	**478 574**	**-**	**-**	**480 600**	**480 587**

Included in the actual transfer is an amount of R24 724.50 incurred for fines and penalties.

32. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

33. Natural disaster or relief expenditure

	Note	2023/24 R'000	2022/23 R'000
Goods and services		-	97
Transfers and subsidies		-	457
Total	*Annex 11*	**-**	**554**

The R0.554 million expenditure incurred in the 2022/2023 financial year relates to COVID-19.

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Dihlabeng	12 608	-	(891)	11 717	11 716	-	-	-	-	-	-	11 283	11 282
Kopanong	7 769	-	6 449	14 218	13 964	-	-	-	-	-	-	7 438	7 438
Letsemeng	2 935	-	(140)	2 795	2 796	-	-	-	-	-	-	2 550	2 550
Mafube	2 766	-	12	2 778	2 778	-	-	-	-	-	-	2 595	2 594
Maluti-A-Phofung	35 449	-	(3 575)	31 874	31 874	-	-	-	-	-	-	33 469	33 469
Mangaung	196 498	-	4 714	201 212	201 210	-		-	-	-	-	217 243	217 243
Mantsopa	3 934	-	1 088	5 022	4 976	-	-	-	-	-	-	3 604	3 603
Masilonyana	8 149	-	161	8 310	8 309	-	-	-	-	-	-	7 869	7 865
Matjhabeng	145 476	-	(11 935)	133 541	133 540	-	-	-	-	-	-	133 541	133 540
Metsimaholo	12 776	-	(68)	12 708	12 708	-	-	-	-	-	-	12 116	12 115
Mohokare	629	-	2 397	3 026	2 878	-	-	-	-	-	-	441	441
Moqhaka	15 735	-	1 749	17 484	17 484	-	-	-	-	-	-	15 337	15 336
Nala	5 398	-	(99)	5 299	3 733	-	-	-	-	-	-	5 213	5 213
Ngwathe	8 592	-	(1 099)	7 493	7 493	-	-	-	-	-	-	7 378	7 377
Nketoana	843	-	327	1 170	1 169	-	-	-	-	-	-	1 064	1 063
Phumelela	2 502	-	1	2 503	2 502	-	-	-	-	-	-	2 379	2 379
Setsoto	15 295	-	264	15 559	15 528	-	-	-	-	-	-	13 615	13 615
Tokologo	429	-	10	439	439	-	-	-	-	-	-	414	413
Tswelopele	2 817	-	660	3 477	3 477	-	-	-	-	-	-	3 051	3 051
TOTAL	**480 600**	**-**	**25**	**480 625**	**478 574**	**-**	**-**	**-**	**-**	**-**	**-**	**480 600**	**480 587**

Included in the actual transfer is an amount of R24 724.50 incurred for fines and penalties.

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2023/24						2022/23	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
COM: LICENCES	9	-	(9)	-	-	-	16	15
TOTAL	**9**	**-**	**(9)**	**-**	**-**		**16**	**15**

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
Household	**Adjusted Budget**	**Roll overs**	**Adjustments**	**Total Available**	**Actual transfer**	**% of available funds transferred**	**Final Budget**	**Actual transfer**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Transfers								
Claims & Other Transfers	7 259	-	(33)	7 226	7 226	100.0%	31 339	31 302
Employee Social Benefit	3 715	-	(2 155)	1 560	1 554	99.6%	3 043	3 038
TOTAL	**10 974**	**-**	**(2 188)**	**8 786**	**8 780**		**34 382**	**34 340**

ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2023/24 R'000	2022/23 R'000
Made in kind		
Donations		
Donation of food parcels to destitute families	248	30
Donation of school uniform	225	11
Donation of food parcels to farm dwellers	-	75
Donation of wreath for a funeral	-	2
Donation of blankets	166	-
Donation of recreational supply	15	-
Donation of gardening equipment & hardware	68	-
Donation of toiletries	255	-
Total donations	**977**	**118**
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	**977**	**118**

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

Nature of liability	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Castle Bridge School Association NPC (Repairs and replacements)	2 681	-	-	-	2 681
Christian Revival Church (Damage to property)	3 201	-	-	-	3 201
E'tsho Civils (Pty) Ltd (Rental and damage to property)	5 397	-	-	-	5 397
Kroon Pannelbeaters (Damage to property)	17	-	-	-	17
Mangaung Urban Renewal Company (Pty) Ltd (Breach of contract)	32 791	-	-	-	32 791
Ntsoaki Joyce Mokoena (Recovery of deductions)	82	-	-	-	82
Phela Umsebenzi Trading 48 CC (Breach of contract)	5 473	-	-	-	5 473
Puleng Anna Tsephe (Damages for injury)	-	1 400	-	-	1 400
R & B Construction (Services rendered)	2 210	-	-	-	2 210
RADM Construction (Pty) Ltd (Service rendered)	-	1 051	(1 051)	-	-
Montd'or Clarens (Pty) Ltd (Service rendered)	-	1 017	(1 017)	-	-
Lerotholi and Associates (Service rendered)	-	254	-	-	254
Uvuko Civils (Pty) Ltd (Service rendered)	25 262	-	(25 262)	-	-
WHBO Construction (Pty) Ltd (Service rendered)	-	2 053	(2 053)	-	-
TOTAL	**77 114**	**5 775**	**(29 383)**	**-**	**53 506**

ANNEXURE
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Community Safety, Roads & Transport	86	-	-	305	86	305	-	-
Health	1 017	-	-	1 001	1 017	1 001	-	-
Education	-	-	-	7 442	-	7 442	-	-
Social Development	187	-	11 458	179	11 645	179	-	-
Sport, Arts, Culture and Recreation	2 053	-	354	-	2 407	-	-	-
Free State Legislature	-	-	9	-	9	-	-	-
Subtotal	**3 343**	**-**	**11 821**	**8 927**	**15 164**	**8 927**	**-**	**-**
TOTAL	**3 343**	**-**	**11 821**	**8 927**	**15 164**	**8 927**	**-**	**-**

ANNEXURE
INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Office of the Premier	3	78	-	-	3	78	-	-
COGTA	124	-	-	-	124	-	-	-
Community Safety, Roads and Transport	82	-	-	-	82	-	-	-
Total Departments	**209**	**78**	**-**	**-**	**209**	**78**	**-**	**-**
OTHER GOVERNMENT ENTITIES								
Current								
Fleet Management	1 082	-	39	-	1 121	-		
Total Other Government Entities	**1 082**	**-**	**39**	**-**	**1 121**	**-**		
TOTAL INTERGOVERNMENT PAYABLES	**1 291**	**78**	**39**	**-**	**1 330**	**78**		

ANNEXURE
INVENTORIES

Inventories for the year ended 31 March 2024	Material & Supplies R'000	Total R'000
Opening balance	275	**275**
Add/ (Less): Adjustments to prior year balances	-	**-**
Add: Additions/Purchases - Cash	11 926	**11 926**
Add: Additions - Non-cash	-	**-**
(Less): Disposals	(6)	**(6)**
(Less): Issues	(12 120)	**(12 120)**
Add/ (Less): Received current, not paid; (Paid current year, received prior year)	-	**-**
Add/ (Less): Adjustments	26	**26**
Closing balance	**101**	**101**

Inventory cash additions under goods and services amount to R11.407 million and under capital projects R0.991 million (Total: R12.398 million). An Inventory reconciliation between BAS and LOGIS was performed.

Inventories for the year ended 31 March 2023	Material & Supplies R'000	Total R'000
Opening balance	302	**302**
Add/ (Less): Adjustments to prior year balances	-	**-**
Add: Additions/Purchases - Cash	14 560	**14 560**
Add: Additions - Non-cash	-	**-**
(Less): Disposals	(56)	**(56)**
(Less): Issues	(14 569)	**(14 569)**
Add/ (Less): Received current, not paid; (Paid current year, received prior year)	10	**10**
Add/ (Less): Adjustments	28	**28**
Closing balance	**275**	**275**

Inventory cash additions under goods and services amount to R13.771 million and under projects R2.177 million (Total: R15.949million). An Inventory reconciliation between BAS and LOGIS was performed.

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2024

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**141 064**	**71 451**	**(88 985)**	**123 530**
Dwellings	2 539	6 285	(4 488)	4 336
Non-residential buildings	114 264	44 162	(45 969)	112 457
Other fixed structures	24 261	21 004	(38 528)	6 737
TOTAL	**141 064**	**71 451**	**(88 985)**	**123 530**

Included in the R88.985 million disclosed in the column "Ready for use (Assets to the AR) / Contracts terminated" is R50.457 million that was capitalised in the Immovable Asset Register, R38.528 million relates to projects completed for other spheres of Government.

Movement in capital work in progress for the year ended 31 March 2023

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**83 974**	**-**	**103 040**	**(45 950)**	**141 064**
Dwellings	1 036	-	2 754	(1 251)	2 539
Non-residential buildings	77 535	-	70 610	(33 881)	114 264
Other fixed structures	5 403	-	29 676	(10 818)	24 261
TOTAL	**83 974**	**-**	**103 040**	**(45 950)**	**141 064**

The "Ready for use (Asset register) / Contract terminated" amount for non-residential buildings was restated with R11.898 million. This is as a result of a project being stopped. The closing balance therefore reduced from R152.962 million to R141.064 million.

Included in the R45.950 million disclosed in the column "Ready for use (Assets to the Asset Register) / Contract terminated" is R11.673 million that was capitalised in the Immovable Asset Register, R23.459 million relates to projects completed on land not owned by the Free State Provincial Government and R10.818 million relates to projects completed for other spheres of Government.

ANNEXURE 9
ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

1. Unsurveyed land

The Free State Department of Public Works and Infrastructure is not aware of any unserveyed land.

2. Deemed vested

Properties deemed to vest in the province in terms of the Constitution, but for which the vesting process has not been completed are not included in the asset register of the department, but a separate register, as title has not been endorsed as yet. However, as a result of the provincial function, the properties are managed by the provincial government and include the following:

Properties deemed vested	*Note 28.3*	**2023/24 Area**	**2022/23 Area**
Land parcels		70	70
Facilities			
Schools		70	70
Clinics		2	2
Hospitals		-	-
Office buildings		13	13
Dwellings		12	12
Storage facilities		1	1
Other		10	10

3. Facilities on land not surveyed

The Free State Department of Public Works and Infrastructure is not aware of any facilities on unsurveyed land.

4. Facilities on right to use land

The following service delivery facilities were constructed on the land parcels of other custodians.

Facilities on right to use land	*Note 28.3*	**2023/24 Number**	**2022/23 Number**
Schools		762	760
Clinics		199	199
Hospitals		1	1
Office buildings and Libraries		38	38
Dwellings		4	4
Storage facilities		-	-
Other		172	161

The Department incurred capital expenditure under its EPWP Township Revitalization Projects as well as improvements to prestige accommodation and community halls. These properties are not registered in the Free State Provincial Governments name.

As at 31 March 2024, the improvements to these properties amounted to R390.391 million (2022/2023: R351.863 million) which does not form part of the closing balance disclosed in Note 28. Transfer certificates were prepared by the Department; however, it was not yet accepted and signed by the relevant spheres of Government.

5. Agreement of custodianship reached

Where agreement of custodianship has been reached the properties were transferred in accordance with the requirements of Section 42 of the Public Finance Management Act.

Agreement of custodianship	*Note 28.3*	2023/24 Number	2022/23 Number
Land parcels		-	-
Facilities		-	-
Schools		8	132
Clinics		-	1
Hospitals		-	-
Office buildings		-	-
Dwellings		-	-
Storage facilities		-	-
Other		-	-

6. Contingent assets

Development of Free State Provincial Government Identified Land Parcel (FSSI) – During the 2016/2017 financial year, the Department entered into a three (3) year agreement to dispose property to the value of R48 million. According to the deed of sale the purchaser will pay the Department a cash amount of R28 million and install bulk infrastructure on the property to the value of at least R20 million. By 31 March 2021, the Department received the R28 million cash amount. In the event the value of bulk infrastructure is less than R20 million the purchaser shall pay the balance between R20 million and the value of the bulk infrastructure to the Department at completion of the project. As at 31 March 2024, the project is not yet completed. The transaction is currently under investigation by the relevant authorities.

7. Other Information

During the 2022/23 financial year the Department entered into a Land Exchange Agreement with the Central University of Technology (CUT). In terms of the agreement, the Department will exchange` portions of Erven 1921 and 1961 known as Free State Psychiatric Complex together with certain buildings in exchange for CUTs vacant Erf 24720 in Cecelia Park. CUT will pay the Department an amount of R104 857 425.10 in instalments over a three-year period to compensate the Department for the replacement of buildings occupied by the Free State Department of Sport, Arts, Culture and Recreation as erected on the said portions of land.

During the 2023/2024 financial year, the Department received R55 047 524.67 (2023: R34 952 475.33) which has been included in Departmental Revenue and the balance of R14 857 425.10 has been included as part of Accrued Departmental Revenue.

On 11 September 2022, a dam collapsed at a diamond mine in Jagersfontein. The disaster caused damage to 22 properties which are included in the immovable asset register.

On 23 March 2023, a fire broke out at the Free State House which houses the Premier. The Department is in the process of restoring the building.

ANNEXURE 11
NATURAL DISASTER OR RELIEF EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2023/24					2022/23
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	**-**	**-**	**-**	**-**	**-**	**97**
P/P: Pest Cntrl/Fumigation Ser	-	-	-	-	-	97
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**457**
H/H: Other Transfers (Cash)	-	-	-	-	-	457
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE	**-**	**-**	**-**	**-**	**-**	**554**

The R0.554 million expenditure incurred in the 2022/23 financial year relates to COVID-19.