2024/2025 Annual Report

Province of the
EASTERN CAPE
PUBLIC WORKS & INFRASTRUCTURE

EXPANDED PUBLIC WORKS PROGRAMME
CONTRIBUTION TO A NATION AT WORK

2030 NDP

Province of the
EASTERN CAPE
PUBLIC WORKS & INFRASTRUCTURE

EASTERN CAPE DEPARTMENT OF PUBLIC WORKS & INFRASTRUCTURE

Annual Report 2024/25
Vote 05

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PART A

General Information

1.1 Department's General Information

Full name of the Department

Department of Public Works & Infrastructure

Physical Address of Head Office

Qhasana Building

Independence Avenue

Bhisho

5605

Postal Address of Head Office

Private Bag x 0022

Bhisho

5605

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Facebook page: Eastern Cape Department of Public Works & Infrastructure

1.2. List of Abbreviations/Acronyms

AC	Audit Committee
AES	Automated Export System
AGSA	Auditor-General of South Africa
AIP	Audit Improvement Plan
AFS	Annual Financial Statements
APP	Annual Performance Plan
APTCoD	Accelerated Professional and Technical Competency Development
AR	Annual Report
ARP	Annual Recruitment Plan
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment Act
BCMM	Buffalo City Metropolitan Municipality
BEC	Bid Evaluation Committee
CAE	Chief Audit Executive
CBM	Customer Business Management
CGICT	Corporate Governance of Information and Communication Technology
CIDB	Construction Industry Development Board
COAF	Communication of Audit Findings
COE	Compensation of Employees
COGTA	Cooperative Governance and Traditional Affairs
DDM	District Development Model
DOE	Department of Education
DOH	Department of Health
DORA	Division of Revenue Act
DPWI	Department of Public Works & Infrastructure
DPSA	Department of Public Service and Administration
DRDAR	Department of Rural Development Agrarian Reform
DSRAC	Department of Sports, Recreation, Arts and Culture
DTT	Departmental Task Teams
EC	Eastern Cape
ECDoE	Eastern Cape Department of Education
ECDoH	Eastern Cape Department of Health
ECDoSD	Eastern Cape Department of Social Development
EE	Employment Equity
ECPG	Eastern Cape Provincial Government
ECPL	Eastern Cape Provincial Legislature
ECSA	Engineering Council of South Africa
EL	East London
EMEs	Exempt Micro Enterprises
EPWP	Expanded Public Works Programme
EXMA	Executive Management Committee
EOT	Extension of Time
FSM	Facility & Security Management
FY	Financial Year
GEPF	Government Employee Pension Fund
GIAMA	Government Immovable Assets Management Act

GIS	Geographic Information System
GITO	Government Information Technology Officer
GPSSBC	General Public Service Sector Bargaining Council
HDI	Historically Disadvantaged Individuals
HIV	Human Immunodeficiency Virus
HOD	Head of Department
HRD	Human Resource Development
IAM	Immovable Asset Management
IAR	Immovable Asset Register
IAF	Internal Audit Function
ICT	Information and Communication Technology
ICDP	Integrated Contractor Development Programme
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Planning
IGR	Intergovernmental Relations
IOD	Injury on Duty
IPIPs	Infrastructure Project Implementation Plan's
IPMP	Infrastructure Programme Management Plan
IR&P	Integrated Research and Planning
ISO	International Organization for Standardization
ISSC	Integrated Shared Services Contracts
IT	Information Technology
KRI	Key Risk Indicators
KSD	King Sabata Dalindyebo
KWT	King William's Town
LED	Local Economic Development
LMF	Labour Management Forum
LOGIS	Logistical Information System
MEC	Member of the Executive Council
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MMS	Middle Management Service
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NIP	National Infrastructure Plan
NT	National Treasury
NYDA	National Youth Development Agency
NYS	National Youth Service
OHS	Occupational Health and Safety
OMF	Operations Management Framework
OPA	Opening of Parliament Address
ORW	Other Remunerative Work
OSD	Occupation Specific Dispensation
OTP	Office of the Premier
PDP	Provincial Development Plan
PFMA	Public Finance Management Act
PICC	Provincial Infrastructure Coordinating Committee
PICC	Premier Infrastructure Coordinating Committee

PIMO	Provincial Infrastructure Management Office
PISC	Pre-Investment Screening Committee
PMIS	Project Management Information System
PMS	Property Management Strategy
PMSME	Provincial, Medium, Small and Micro Enterprises
PPP	Public-Private Partnership
PPR	Procurement Preferential Regulations
PS	Primary School
PSA	Public Servants Association
PSC	Public Service Commission
PT	Provincial Treasury
PUP	Public-Public Partnership
PV	Photovoltaic
PWD	People With Disabilities
QSE	Qualifying Small Enterprises
RAIM	Risk, Anti-Corruption & Integrity Management
RPL	Recognition of Prior Learning
RWOPS	Remunerative Work Outside the Public Service
SACAP	South African Council for the Architectural Profession
SANRAL	South African National Roads Agency Limited
SACQSP	South African Council for the Quantity Surveying Profession
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDG	Sustainable Development Goals
SHERQ	Safety, Health, Environment, Risk and Quality
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SOP	Standard Operating Procedure
TIC	Transversal Infrastructure Coordination
ToR	Terms of Reference
VO	Variation Order
WIP	Work in Progress

1.3. Foreword by MEC of the Department

The financial year 2024/25 straddled the 6th Term of Administration and the onset of the 7th Term of Administration through which the Department of Public Works and Infrastructure (DPWI) had to provide pointers on strategic planning priorities that will transition the Department to the 7th Administration as well as demonstrate progress made during the last year of the 6th Term.

During the financial year under review, the Department remained steadfast in its commitment to drive an 'Infrastructure-led economy' that would advance the economic fortunes of the Province, whilst responding to the socio-economic needs of its citizenry. The interventions implemented in the 2024/25 Financial Year were informed and resonated with the policy directives that were outlined in various National and Provincial platforms which *inter alia,* include the National Development Plan-Vision 2030, the 2019-2024 Medium Term Strategic Framework (MTSF) , the 2020-2025 Provincial Term Strategic Framework (P-MTSF), the Provincial Development Plan (PDP), including its Programme of Action, the President's Opening of Parliament Address (OPA) and the Premier's Opening of Eastern Cape Provincial Legislature Address (OPLA) in 2024.

In the 2024/25 financial year, DPWI took cognisance of the Provincial Medium Term Strategic Framework priorities which were predicated on the need to develop:

- A Capable, Ethical and Developmental State;
- Economic Transformation and Job Creation; and
- Education, Skills & Health and Spatial Transformation.

These were driven through specific interventions such as Building of Institutional Capacity and Capability, Infrastructure Delivery, Expanded Public Works Programme (EPWP) and Transversal Infrastructure Coordination (TIC).

Resonance with policy directives was also achieved through alignment with the pronouncements made by the President and the Premier. In his Opening of Parliament Address (OPA) in 2024, His Excellency President Cyril Ramaphosa made the following policy pronouncements which have a visceral relevance to the mandate of DPWI. These are as follows:

1. Positioning the Construction Sector as a major employment stimulus to create jobs and support livelihoods;
2. Massive roll-out of infrastructure throughout South Africa;
3. Focus on infrastructure expenditure as a lever for economic growth;
4. Strengthening of infrastructure coordination to ensure integration of resources and streamlining of infrastructure projects. Emphasis should be on a Single Point of Entry for infrastructure projects and infrastructure skills;
5. Packaging of catalytic projects for sourcing of alternative funding;
6. Infrastructure procurement from local suppliers;
7. Massive increase in local production of infrastructure material; and
8. Expansion of energy generation and green energy solutions.

These political imperatives were also evoked by the Honourable Premier Oscar Mabuyane, in his Opening of the Eastern Cape Provincial Legislature Address (OPLA), wherein he elevated the following commitments for DPWI:

1. Construction of office parks prioritising the implementation of Provincial Government Office Precinct Strategy and the acceleration of the Bhisho Office Precinct development;
2. Strengthening of infrastructure development delivery in the Province;
3. Creation of work opportunities through the Expanded Public Works Programme (EPWP);
4. Exploration of the Port St Johns Fishing Harbour for the development of Small Harbour and Beachfront Water development projects and contribution to the Ocean's Economy;
5. Development of rural and township economies by supporting Medium, Small and Micro Enterprises (MSMEs);
6. Availing of land to private investors for economic development; and
7. Acceleration of the resolution of the energy crisis to end loadshedding as well as the need to restore energy security.

During the financial year under review, the Department continued to implement its mandate and ensured that it is aligned to the policy directives and the 'developmental agenda' of Government.

DPWI 5-year Change Agenda and Strategic Focus was used as a touchstone through which the mandate of the Department was embedded on four (4) broad roles which are:

- A preferred implementing agent that drives infrastructure delivery as a Nerve Centre;
- A reliable custodian of Immovable Assets that provides and manages Provincial land and buildings;
- A contributor to socio-economic transformation through the Expanded Public Works Programme (EPWP) with the view to maximise Job opportunities for designated groups, Enterprise & Supplier development and Skills development; and
- A coordinator of public infrastructure development value-chain across the Province.

The Department has further responded to these political and policy directives by vigorously pursuing eight (8) outcomes which were used as a reminder for improved service delivery, transformation and changing the lives of the people of the Eastern Cape. DPWI outcomes and priorities were aligned to policy directives and were expressed as follows:

1. Responsive and citizen-centric DPWI;
2. Resilient and capacitated DPWI;
3. Dignified user experience;
4. Sustainable infrastructure investment;
5. Productive assets;
6. Transformed built environment;
7. Integrated planning and coordination; and
8. Optimised job opportunities

These outcomes were further translated into measurable Departmental key focus areas whose achievement and inchoate performance is reflected upon below.

During the period under review, **achievements** were recorded in the following areas:

In relation to building a **Resilient and Capacitated Public Works and Infrastructure**, the Department managed to attain Level 5 in respect of Risk Management Maturity Assessment score. This depicts that DPWI is 'risk intelligent' in the sense that identified risks are embedded in strategy setting, planning, early warning systems, reporting and monitoring.

This bodes well for DPWI as it illustrates that exposure to risks is managed effectively and maturely, thus ensuring the desired level of enterprise-wide risk monitoring, measuring and reporting.

Another achievement worth mentioning in this regard is that the Department ensured that seven (7) candidates against the target of five (5) attained professional registration status in the disciplines of Electrical Engineering, Quantity Surveying, Construction Project Management and Town Planning. The Department is pleased to report that out of the seven (7) candidates who acquired their professional status, five (5) are women and two (2) are men. This achievement portends positively as DPWI moves incrementally towards being the implementor of choice for infrastructure delivery in the Province. Contiguous to this preceding achievement is that the Education Portfolio within the Department managed to surpass the target of 30/70 of the Ratio on utilsation of Internal vs External professional services by achieving 52/48 ratio in this regard.

During the period under review, the Department is also pleased to report that Women constituted 58% at the SMS level against the target of 50%. This shows that DPWI is intentional in its efforts to reverse the historical marginalisation of women representation at decision-making echelons of the Department. In so far as the equity status for the persons with disabilities, the Department continues to make steady gains in the employment of this designated group. For the 2024/25 Financial Year, targeted recruitment ensured that 2.7% of persons with disabilities formed part of the total workforce of DPWI. The target set for the year under review was 2%.

In order to inculcate **Dignified User Experience**, the Department ensured the provision of 27 state-owned facilities in the Building Infrastructure that adhere to norms and standards for people with disabilities. These relate to new state buildings that are constructed and upgraded to comply with accessibility features for persons with disabilities. Furthermore, under Facility Operations, the Department successfully implemented all the five (5) planned Facilities Management Services which include Customer Business Management Services, Prestige Management Services, Occupational Health & Safety, Security & Protection Services, and Hygiene & Environmental Services.

During the 2024/25 Financial Year, the Department ensured the realisation of the outcome on **Productive Assets** by conducting 150 land surveys to improve the accuracy and credibility of the Department's Immovable Asset Register. Land surveys will also establish existing tenure rights and conditions in order to confirm ownership, official extent and cadastral description. As the Department continues to update the Immovable Asset Register with value-added data, opportunities for enhanced revenue collection will be created going forward.

On the outcome related to the **Transformed Built Environment**, DPWI made a significant contribution to local economic growth and development by awarding 100% of goods and services contracts to local suppliers. Furthermore, 99% of capital expenditure items were awarded to and sourced from local suppliers, manufacturers and contractors. This was against the annual target of 60%. The transformation of the sector was also effected through the implementation of the Artisan Development Programme (APTCoD) which managed to enrol and train 1 200 participants against the target of 1 060. Of critical importance in this regard is the fact that a commendable 112 APTCoD learners against the annual target of 88 passed the trade test to be fully-fledged artisans in the various disciplines of the built environment. This will go a long way towards replenishing the much-needed artisanal skills in our Province.

To give effect to the outcome on **Integrated Planning and Coordination,** the Department continued during the year under review to strengthen its Transversal Infrastructure Coordination (TIC) function. TIC provided vital support to the Premier's Infrastructure Coordinating Committee (PICC) which seeks to effectively utilise and solidify Provincial responses to infrastructure development.

Through the coordination of infrastructure governance structures, this function also yielded improvements in the adherence to infrastructure prescripts, expenditure patterns and identification of early warning interventions in order to improve infrastructure performance in the Province. For the 2024/25 financial year, the TIC function of the Department attained Level 2 assessment score in terms of its maturity for transversal infrastructure coordination. This level depicts a well-developed capability to perform integrated infrastructure planning and coordination in the Province.

During the year under review, the Department also made positive strides in the outcome on **Optimised Job Opportunities**. Paid work opportunities were created for 5 117 participants against the target of 5 000.

Serious **challenges** during the year under review were mostly experienced on indicators related to two outcomes. The first one is the outcome on **Responsive and citizen-centric DPWI**. In this area, the Department continues to under-perform on the implementation of resolutions emanating from Inter-governmental structures. Only 85% of such resolutions were implemented against the target of 100%. Also, the implementation of one (1) recommendation of the User Satisfaction Survey was not achieved.

The second and of particular concern, is the under-achievement of most targets associated with the outcome on **Sustainable Infrastructure Investment**. Worth mentioning in this Annual Report is the incessant under-performance on revenue generation mainly due to slow progress in the implementation of long-term leasing strategy because of funding constraints experienced by awarded developers. The other contributory factor to the truncated and poor performance of this outcome is the failure to meet targets on the number of capital infrastructure and maintenance projects under construction and completed across all portfolios of Public Works Infrastructure delivery. Reasons for non-achievement of targets are attributable to stoppages in the execution of projects due to budget constraints, changes in procurement strategies, termination of poor performing contractors and suspension of works due to non-payment of contractors.

As the Executive Authority of the Department of Public Works and Infrastructure, I have noted these areas of sub-optimal performance with grave concern and I have as such directed officials of the Department to develop an Infrastructure Delivery Recovery Plan with measurable action plans and timeframes which will be closely monitored on a regular basis.

The Department notes and appreciates the invaluable support and guidance provided by the Premier, members of the Executive Council and the entirety of its stakeholders, in ensuring that the Department carries through its Vision of being a Leader in Provincial Infrastructure Delivery, Coordination and Socio-Economic Investment.

In conclusion, as the Member of the Executive Council entrusted with the political stewardship of the Department of Public Works & Infrastructure, I fully endorse the contents of this Annual Report and attest to the veracity of the information contained herein.

Thank you.

Ms. S. Lusithi
MEC for Public Works and Infrastructure

1.4. Report of the Accounting Officer

Overview of the operations of the Department

The operations of the Department of Public Works and Infrastructure (DPWI) are based on the 2023 approved Service Delivery Model (SDM) which is a requirement in terms of the Public Service Regulations no. 36 issued in terms of the Public Service Act no. 103 of 1994, as amended by Act No. 30 of 2007. The SDM unpacks how the Department is to deliver on the services and products it offers based on DPWI Strategy and Plans. For the SDM to be credible and effective, it must address the Transformation Agenda of the Department which is rooted in four key delivery areas:

- DPWI as the Nerve Centre for public infrastructure delivery, maintenance and investment;
- Driver for socio-economic transformation;
- Custodian of Immovable Assets and Infrastructure; and
- DPWI as coordinator for Provincial Public Infrastructure (social and economic)

In implementing the above, the Department is configured into three (3) service areas, namely, Head Office, District offices and Maintenance Depots. The Head Office, which is based in Bhisho is responsible for, policy and systems development for all budget programmes as well as providing support and oversight in the implementation of infrastructure delivery in the Districts. On the other hand, Districts are at the coal face of service delivery and are responsible for interacting with clients and stakeholders at District level. The SDM puts emphasis on the role of Districts as centres of service delivery and operational excellence and should be capacitated in line with this thrust. The Department's eight Districts Offices are aligned with District and Metro Municipal Boundaries.

Further, the Department is charged with the responsibility of ensuring the maximum lifespan of assets through conducting maintenance at regular intervals. In ensuring the achievement of this pivotal role, the Department has established maintenance Depots in line with the spatial distribution of facilities to ensure reasonable response rates to maintenance.

In order to discharge its mandate effectively, DPWI has three Programmes namely; Programme 1: (Office of the MEC, Office of the Head of Department, Strategy and Systems, Corporate Support and Financial Management), Programme 2: (Transversal Infrastructure Coordination, Buildings Infrastructure: DPWI & Other Clients, Health and Education Portfolios, Immovable Asset Management, Facilities and Security Management), and Programme 3 (Expanded Public Works Programme).

During the year under review, the Department did not achieve the Provincial performance targets of between 90%-98%, as the overall performance is at 77%. This is a 15% decline compared to 92% reported performance in the previous year. This under-performance is mainly attributable to infrastructure delivery programmes which experienced immense challenges as Implementing Agents for the Health and Education Portfolios. Driving these challenges is the non-compliance with the implementation of Service Delivery Agreements between DPWI and Client Departments, delays in some projects in receiving concurrency to award and changes in the Infrastructure Project Implementation Plans (IPIPs). Furthermore, Ikamva Court Judgement, Case Number: 596/2008 which was granted in favour of the Plaintiff, Ikamva Architects, meant that R78. 302 million inclusive of costs and interest was redirected from capital infrastructure projects of the Department towards settlement of the court case judgement.

The 77% performance was realised through budget expenditure of R2. 653 billion which is 98,9% against the total adjusted appropriation of R2. 683 billion and recorded under expenditure of R29. 470 million. Despite the drop in performance by 15% in the year under review, the Department has recorded pockets of excellence in its performance.

The Department has sustained the unqualified audit opinion for the 2024/25 FY Audit. I would like to express gratitude to Management and the Audit Committee towards all efforts in contributing to the

opinion. Despite the achievement, it is critical to note that DPWI has regressed due to a number of issues raised that include amongst others:

- Material misstatements on the Annual Financial Statements (AFS), even though corrected, and audit of Annual Performance Report (APR) with material misstatements;
- Matters in areas such as expenditure management, internal control deficiency, compliance with legislation and contingency liabilities.

This calls for greater agility in the development of a comprehensive Audit Improvement Plan (IAIP) covering both financial and non-financial aspects, which will be closely monitored and its impact evaluated.

Under Corporate Management (Programme 1), DPWI continued in 2024/25 with the implementation of the organizational structure as part of capacitating the Department to be able to deliver on its mandate. A total of 278 posts were prioritised for filling as part of the Department's Annual Recruitment Plan (ARP) for 2024/2025, and 261 critical and funded posts were filled, resulting in 30.2% vacancy rate, against the baseline of 45% before the filling of these posts. Key to the capacitation drive is the deliberate focus on core service delivery programmes and targeting of the newly created units namely, Transversal Infrastructure Coordination (TIC), Facilities Management (Customer Business Unit Management), Property Development & Investment and District Programme Managers. In line with DPWI's SDM, capacitation of Depots has also been key and as a result eight (8) vacant Chief Artisan and eight (8) Chief Works Inspector posts were identified and have been filled, including thirty (30) posts of production artisans in different trades.

Furthermore, DPWI remains committed to maintain an ethical workforce through the implementation of policies, procedures and systems by the Risk, Anti-Corruption, and Integrity Management Unit (RAIM). In 2024/25, DPWI continued to comply through achieving zero officials trading with the state with reports proving compliance with Public Administration Management Act and Public Service Regulations.

Despite the financial challenges by Client Departments (Health and Education) as well as the Ikamva Court Judgement being the impediments in the full realization of targets for infrastructure as planned in 2024/25, infrastructure delivery contributed to socio-economic development.

DPWI & Other Portfolio through the construction of Office Precincts (Mqanduli and Emaxesibeni) and Makhanda Artisan Development Centre resulted in the participation of 39 MSMEs with an investment of R50 million yielding to the creation of 256 jobs. Moreover, the construction of these high-impact projects has unlocked opportunities for 18 Built Environment Graduates and 22 Artisans benefiting from their respective Districts. A total number of 46 Women, 107 Youth and 3 Persons with Disabilities have benefited from the construction of these high-impact projects.

Under the Health Portfolio, the infrastructure projects benefitted 56 MSMEs directly with an investment of R45 million allocated through sub-contracting opportunities. The projects have generated 210 employment opportunities for skilled and semi-skilled workers as at end March 2025.

For the Education Portfolio, a total of 269 employment opportunities have been generated from the portfolio of projects under construction, benefiting 64 females and 94 young individuals in the year under review.

Through Immovable Asset Management (IAM), the Department transferred 12 farms to Ncora Land Claimants, at Intsika Yethu Local Municipality under Chris Hani District Municipality, measuring 36.498 hectares as part of land restitution and social justice. The Department also through its disposal strategy contributed to Transport Planning by transferring land to SANRAL for road widening projects, and one case in point being the area of O.R. Tambo District Municipality at Vidgesville.

The Department continued with the land audit and land survey programme to ensure a credible Immovable Asset Register that will provide baseline information within which to base the Property rates and taxes allocation. In terms of progress in the year under review, the land audits have been successfully completed for 32 municipalities with only Amahlathi Local Municipality outstanding, which will be completed during 2025/26 financial year. Further of note, DPWI has achieved 100% participation of Black Developers against a target of 65% for 2024/25 financial year.

As part of the Department's commitment to institutionalising a Facilities Management Model, the DPWI operates an 8-hour Call Centre for the logging of defects and complaints. The Department, through its Customer Business Management Unit (CBM) Call Centre, directs the complaints/defects to relevant Districts and Programmes for maintenance and redress until a complaint and/or defect is resolved and completed.

In the 2024/25 financial year, 3 687 defects were registered and the Department managed to resolve 1 395 defects with 2 292 pending budget availability. Further, the total number of complaints received for the year under review is 52, with resolved/closed cases sitting at 48 and open/pending cases being 4. The Department's Hybrid Total Facilities Management Solution with elements of in-house through artisans located in various depots across the Districts and outsourced facilities management (term contracts) to create a tailored approach, DPWI is poised to incrementally maintain State Assets in a timely and responsive manner.

The Department's coordinating capability of Public Bodies in implementing the Expanded Public Works Programme has resulted in the Province successfully achieving 103, 896 (108%) work opportunities created in 2024/25, surpassing the annual target of 96, 621 set for the first year of EPWP Phase V. Additionally, the Province, along with the National Departments executing projects within its jurisdiction, created 152, 818 work opportunities by the end of the financial year.

There are however concerns over under-performance in particular Programmes. In Financial Management (Programme1), DPWI has consistently been under-collecting revenue from the identified revenue enhancement initiatives (linked to Immovable Asset Management under Programme 2). During the year under review, R18. 287 million was generated against a target of R 92. 778 million. The underachievement is due to several issues that include:

- Slow construction of awarded bids for the installation of Cell-Masts due to delays by municipalities in issuing of permits required for Cell-Masts. Out of 50 sites awarded in March 2023, construction was only completed in five (5) sites;
- Non-payment of market rentals by tenants;
- Poor Developer response to conventional procurement processes;
- Challenges in the provision of bulk infrastructure by Municipalities; and
- Illegally occupied state properties.

As a solution, the Department is participating in an Intergovernmental Committee led by the Office of the Premier (OTP) and Provincial Treasury (PT), to address and unlock bottlenecks such as tariffs for short-term leases and other revenue enhancement interventions. Furthermore, the appointment of a debt-collector to fast-tract the collection of arrear debt is targeted at OR Tambo, Amathole and BCM tenants, which make up 90% of total debt owed to the Department. DPWI will embark on a marketing strategy which is not limited to open bid processes in the Eastern Cape but, also using both Provincial and National platforms, Local Newspapers and social media platforms. In this regard, Districts will collaborate with Head Office Programmes to ensure that revenue initiatives are implemented.

As evidenced by the under-achievement in the delivery of infrastructure, it is clear that financial related reasons had a causal effect. These are related to budgetary constraints due to Client Departments' non-fulfillment of payment obligations, cost containment measures and Ikamva Court Judgement. It has thus become necessary that the Department introspects on its financial management processes and embarks on a Financial Recovery Plan. Furthermore, where the under-achievement is as a result of project management and contract management inefficiencies, the Department will ensure that it employs relevant strategies such as Operational Qwalasela to address under-performance in infrastructure delivery.

Overview of the financial results of the department

Departmental receipts

Items	2024/25			2023/24		
	Estimate	Actual collection	(Over)/Under collection	Estimate	Actual collection	(Over)/Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Rentals Dwelings	92 778	17 874	74 904	79 157	14 662	64 495
Interest	-	-	-	-	1 862	-1 862
Sale of capital assests	-	154	-154	-	777	-777
Transactions in Financial Assets and Liabilities	-	259	-259	-	53	53
Total	**92 778**	**18 287**	**74 491**	**79 157**	**17 354**	**61 803**

For the period under review, the Department under collected the projected revenue by R74. 491 million.

Main sources of revenue collection include Cell masts, Parking and Leases both residential and commercial properties. Other sources include the sale of capital assets in the form of properties and other assets. In the year of reporting the sale of two motor vehicles through auction was done. The non-responsiveness and poor response of the property market continues to hamper the Department in its efforts to maximise the revenue collection. Furthermore, slow progress in the implementation of the long-term lease strategy due to funding challenges of developers and slow construction on awarded bids for the installation of cell-masts due to delays by municipalities is also hampering the collection of revenue.

This has resulted in few awards made for long-term leasing and the development of advertised state-owned sites. The Department is currently exploring other ways to attract the market.

There has been an increase in rental collection when compared to previous year due to settlement of arrear debt of cell masts and tenants through the arrear debt payment arrangements as a result of improved collection systems implemented by the Department.

Programme Expenditure

In the period under review (2024/25 financial year), the Department posted expenditure of R2. 653 billion which is 98,9% against the total adjusted appropriation of R2. 683 billion and recorded under expenditure of R29. 470 million. The table below provides the expenditure trend per programme.

Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	627 467	622 774	4 693	553 605	552 368	1 236
2. Public Works Infastructure	1 899 772	1 881 688	18 084	1 815 176	1 763 814	51 362
3. Expanded Public Works Programme	155 497	148 804	6 693	147 072	144 904	2 168
Total	**2 682 736**	**2 653 266**	**29 470**	**2 515 853**	**2 461 087**	**54 766**

Virements and rollovers

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

From Programme 3: Expanded Public Works Programme:- R13. 521 million and Programme 2: Public Works infrastructure: - R249 thousand to Programme 1: Administration for the Integrated Shared Services Contract. The table below provides a summary of the virements that were effected in the period under review.

Appropriation per programme									
Voted funds and Direct Charges	2024/25							2023/24	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000					R'000	R'000
1. Administration	613 697	-	13 770	627 467	622 774	4 693	99,3%	553 605	552 368
2. Public Works Infastructure	1 900 021	-	(249)	1 899 772	1 881 688	18 084	99,0%	1 815 176	1 763 814
3. Expanded Public Works Programme	169 018	-	(13 521)	155 497	148 804	6 693	95,7%	147 072	144 904
Total	**2 682 736**	**-**	**-**	**2 682 736**	**2 653 266**	**29 470**	**98,9%**	**2 515 853**	**2 461 087**

Reasons for recorded under expenditure of R29. 470 million:

Programme 1: Administration
Goods and Services:
Due to delayed verification process of invoices received from SITA.

Machinery & Equipment:
Due to delayed verification of invoices received from Government Fleet Entity.

Programme 2: Public Works Infrastructure
Goods and Services:
Due to delayed submission of invoices by the Buffalo City Metropolitan, OR Tambo and King Sabata Dalindyebo Municipalities on the utilities bills.

Provinces and Municipalities:
Due to the delayed process of ownership verification for properties in KSD Municipality that were billed by the Municipality but not in the Asset Register. These were later included in the Departmental Asset Register after verification process was finalized.

Programme 3: Expanded Public Works Programme

Goods & Servives

Due to delayed procurement of Personal Protective Equipment and Tools for the students.

Rollover request:
The Department has requested the **committed** unspent funds amounting to **R 25. 688 million** to be rolled over for the following items:

- SITA - R4.695 million;
- Government Fleet - R1.053 million;
- Municipal Services - R14.416 million; and
- Rates and Taxes - R5.524 million.

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

Financial year	Analysis	Amount	Movements (Recoveries and Resolved)	Balance	Description
2024/25	No show	1,520.00	-	1,520.00	Non-utilization of booked accommodation
	Other wasteful	20,515,639.79	-	20,515,639.79	Capital amount payment due to court order
	Interest	57,830,872.21	-	57,830,872.21	Interest on capital payment due to court order
Total 2024/25		**78,348,032.00**	**-**	**78,348,032.00**	
Prior Years	No show	164,685.18	100,734.00	63,951.18	Non-attendance of trainings
	Other wasteful	373,817.18	301,470.34	72,346.84	Trips wrongly classified as business trips, Accommodation exceeded tariff and claiming of lunch packs while lunch is served
	Interest	1,111,101.52	945,114.72	165,986.80	Interest on late payment of Eskom, Telkom, government fleet, GEPF and property rentals.
Total (prior year) 2023/24		**1,649,603.88**	**1,347,319.06**	**302,284.82**	
2024-25 Closing Balance				**78,650,316.82**	

Steps to prevent occurrence

Enhanced training of staff on financial management policies was conducted in the year under review and awareness workshops will continue and consequence management will be implemented.

The strategic focus over the short to medium term period

The Department is committed to implement the following priorities which have been packaged into specific interventions per programme as follows:

Programme 1: Administration

The Department will intensify efforts to build a capable, ethical and developmental state with a particular focus on:

1. Empowerment of designated groups through Gender Equity in recruitment and targeted beneficiation initiatives in programmes prioritizing Women, Youth, Persons with Disabilities and Military Veterans;
2. Optimising entrepreneurship opportunities for socio-economic transformation through the Local Economic Development Framework. The Department will support building material manufacturers and suppliers and implement a Property Incubator Programme;
3. Continue to build capacity in the built environment through:
    - Graduate Professional Development Programme focused on the built environment and property sectors;
    - Artisan Skills Development Programme (APTCoD); and
    - In partnership with the OTP and MERSETA (Manufacturing, Engineering and Related Services Sector Education and Training Authority), one thousand young people (1 000) will be trained in various skills such as welding, introduction to automotive manufacturing and wheel and tyre repairs.

- Awarding of thirty (30) external bursaries under the auspices of the Dr Mxolisi Majombozi Bursary Fund in order to improve the infrastructure skills pipeline;

Programme 2: Public Works Infrastructure

Building Infrastructure

The Department's Public Works Infrastructure Programme focusses on the following:

1. Implementation of infrastructure projects for the three Portfolios, namely DPWI & Other Departments, Department of Education and Department of Health.
2. Changing of Rural and Small Towns landscape through expanding Cluster Office footprint for the provision of office accommodation to Government Departments.
3. Strengthening of Integrated Infrastructure Delivery through Capital Infrastructure and Maintenance projects;
4. Improve User experience to ensure State-owned facilities adhere to Access Norms and Standards for persons with disabilities;
5. In the 2025/26 financial year, the Department will convene the Inclusive Economic Growth Working Group which will ensure that infrastructure contributes meaningfully to economic growth; and
6. The Department's efforts will ensure that the delivery of infrastructure contributes to socio-economic development.

Transversal Infrastructure Coordination (TIC)

For improved Provincial infrastructure planning, delivery and investment, focus will be on:

1. Strengthening the TIC function by extending its technical support to other infrastructure institutions in the Provincial and Local Government space, through the Infrastructure, Human Settlement and Broadband Working Group in collaboration with the Department of Human Settlements;
2. The Department will continue to provide technical support and secretariat services to the Premier's Provincial Infrastructure Coordinating Committee (PICC); and
3. The Department, through TIC will undertake infrastructure research and contribute towards the use of innovative sustainable building technologies in infrastructure development.

Immovable Asset Management (IAM)

Towards ensuring productive use of immovable assets, the Department will implement the following priorities:

1. Optimal utilisation of state asset portfolio as a contribution to:
   - Student accommodation
   - Ocean's Economy and Eastern Seaboard initiatives
   - Safe Houses / Rehabilitation Centres
   - Early Childhood Development Centres
   - Economic development and investment
   - Transformation of the property sector
   - Enhanced Revenue Generation
2. Identification and transferring of land parcels to rightful owners;
3. Utilisation of Government land and buildings as a catalyst for spatial transformation and social justice;
4. Construction of the Bhisho Office Precinct is scheduled to start in the 2025/26 financial year; and
5. The Department will continue to process the remaining eviction orders by ensuring collaboration with all relevant stakeholders, of particular importance is the collaboration with the Department of Human Settlements to ensure alternative accommodation for qualifying evicted persons is made available.

Facilities Management

The Department through this Programme, will inculcate dignified user experience:

1. To enhance the ability to maintain State facilities, DPWI has started to implement a Hybrid Total Facilities Management Solution which combines elements of in-house and outsourced services;
2. The Department has a long-term plan of establishing and utilising its maintenance depots for all types of maintenance. DPWI introduced an “ideal depot’ concept that will be utilised as a tool to improve maintenance processes in all Districts. An ideal depot is a maintenance facility that will be equipped with all necessary tools and equipment, systems for inventory dispatching and well as necessary human resources for periodic and preventative maintenance;
3. The Department will make use of the 264 Artisans placed across the depots in Districts which will increase the rate of response to Client Departments’ requirements; and
4. The Department will continue to manage the Prestige Portfolio and complete the construction works at the Legislature as well as the Ministerial Complex houses. These are in line with the reconfiguration requirements due to increase in the number of Members of the Provincial Legislature.

Programme 3: Expanded Public Works Programme (EPWP)

EPWP will continue to contribute towards job creation in the following ways:

1. Optimise the creation of work opportunities through Phase V of the Expanded Public Works Programme (EPWP) to create sustainable jobs;
2. Conduct awareness creation and advocacy activities to Public Bodies to ensure full participation and accurate reporting on jobs created in the Expanded Public Works Programme; and
3. Enterprise development through the following:
   - Support to the Integrated Contractor Development Programme (ICDP);
   - Implementation of MSME Development Strategy; and
   - Providing support to MSMEs for building material manufacturing and supply.

Public Private Partnerships

DPWI embarked on the Bhisho Office Precinct Project as a Public-Private Partnership (“PPP”). However, feedback was recieved from National Treasury with approval of the Public-Public Partnership (PUP). Negotiations are currently underway for the conclusion of the Agreement. The project site handover and construction are scheduled to commence during the 2025/26 financial year.

Discontinued key activities / activities to be discontinued

There were no activities discontinued during the year under review.

New or proposed key activities

There were no new or proposed activities during the year under review.

Supply Chain Management

List all unsolicited bid proposals concluded for the year under review

Not Applicable

Indicate whether SCM processes and systems are in place to prevent irregular expenditure

Supply Chain Management (SCM) processes and systems are in place to prevent irregular expenditure in the Department. These are mandated by the Public Finance Management Act (PFMA), which requires adherence to principles of fairness, transparency, and competitiveness in procurement. The Department is implementing internal controls, such as segregation of duties, training and capacity building, clear SOPs, formal quotation processes, and regular audits, to mitigate risks of fraud and non-compliance and strengthen consequence management.

Challenges experienced in SCM and how they were resolved

The Department is currently experiencing staff shortages. Although a limited number of positions have recently been advertised and filled, capacity remains constrained.

Additionally, several service providers have reported incidents of individuals impersonating (SCM) or (DPWI) officials in an attempt to scam them.

As a precautionary measure, an alert has been included in all bid documents issued by the Department to warn stakeholders about this fraudulent activity.

Gifts and Donations received in kind from non-related parties

During the 2024/25 financial year, there were no gifts received and declared by any DPWI official.

Exemptions and deviations received from the National Treasury

No exemptions or deviations have been received from National Treasury.

Events after the reporting date

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

Other significant events

The Head of Department in the year under review was Mr T.L. Manda and was put on leave by the Honourable Premier through a Media Notice, from 06th October 2024 until his contract expired on the 30th November 2024. Ms N. Nomandela was appointed to act as the Head of Department from the 07th October 2024 until 31st March 2025 and the new Head of Department (Ms P.P. Penxa) was appointed from the 1st April 2025.

Acknowledgements and/ or Appreciations

I wish to take this opportunity to express my sincere appreciation for the leadership and support provided by the MEC in driving the ideal Public Works Change Agenda. Let me also thank the Departmental Management and all staff for their dedication and commitment in ensuring that the Department delivers on its mandate. The immense support provided by Oversight Bodies within DPWI: the Risk Management Committee, Information and Communication Technology Committee, the Audit Committee, all Chapter Bodies and Committees of both Provincial Legislature and National Parliament for the immense support provided in improving service delivery to the people of the Eastern Cape is appreciated.

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

Conclusion

The Department presents this report in terms of the Public Finance Management Act. This report offers the Accounting Officer the opportunity to fully account for both the financial and non-financial activities for the year under review (2024/25) and the results thereof as contained in detail in this Annual Report. The Annual Financial Statements have been prepared in terms of the Guide to the Preparation of the Annual Financial Statements as issued by the National Treasury.

Yours faithfully

Ms P.P. Penxa
Head of Department
29 August 2025

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

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

All information and amounts disclosed throughout the Annual Report are consistent.

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

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

The Annual Financial Statements (Part 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 2025.

Yours faithfully

Ms P.P. Penxa
Head of Department
29 August 2025

1.6. Strategic Overview

The following information for the department must be provided:

Vision: Leader in the provincial infrastructure delivery, coordination and socio–economic investment

Mission: A custodian of provincial government immovable assets, a coordinator and provider of sustainable infrastructure resulting in socio-economic transformation and development

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

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

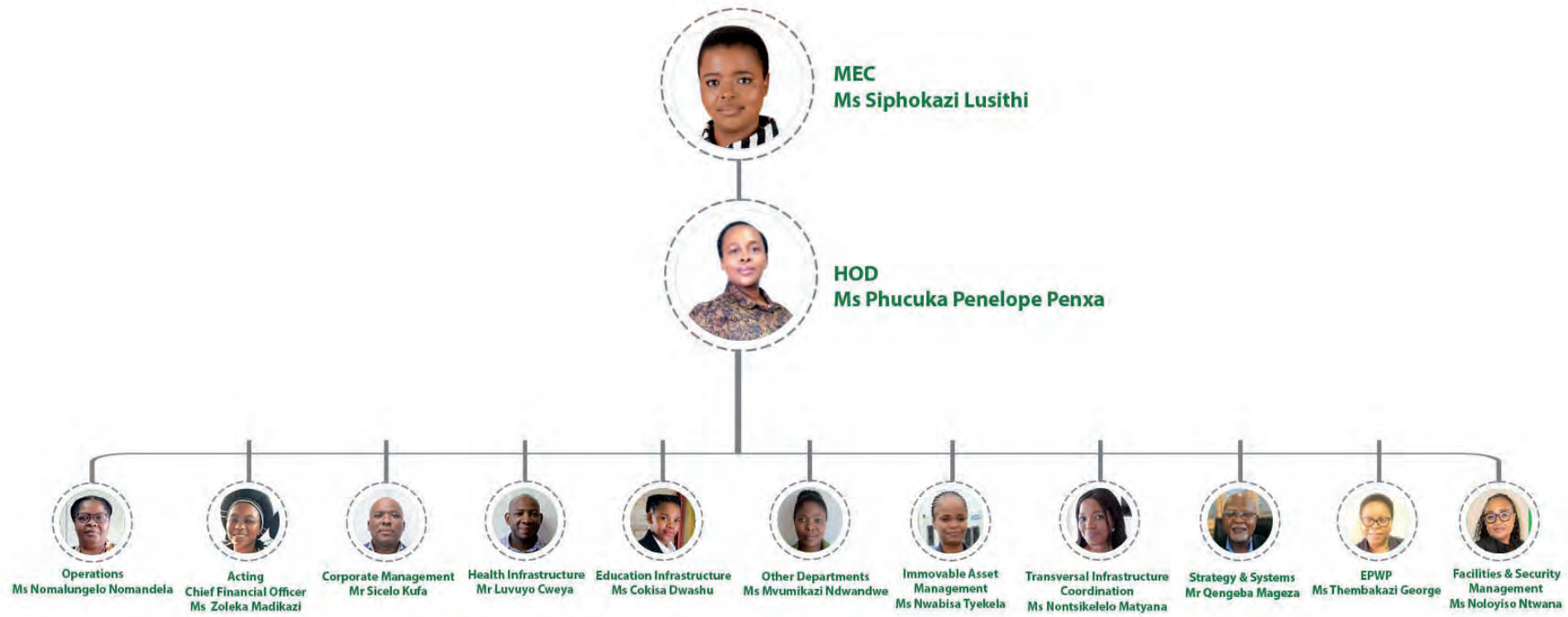
1.7. Legislative and Other Mandates

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

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

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

1.8. Organisational Structure



1.9. Entities Reporting to the MEC

There are no entities reporting to the MEC.

PART B

Performance Information

2. Part B: Performance Information

2.1. Auditor-General's Report: Predetermined Objectives

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

2.2. Overview of Departmental Performance

2.2.1. Service Delivery Environment

The service delivery environment within which the Department operated had to respond to external factors which required the provision of a balanced and equitable Provincial government infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive. This environment necessitated the Department to position itself as an Implementation Agent of Choice for Client Departments to enhance infrastructure delivery, coordination and socio-economic investment.

Also key in the external service delivery environment is the coordination and management of Provincial land information, immovable asset register and monitoring of state-owned properties.

Transversal Infrastructure Coordination

The Department spearheaded the formulation and implementation of the new Eastern Cape IDMS Protocol (2024), thereby superseding the antiquated 2014 Provincial Infrastructure Development Framework. This pivotal milestone established intergovernmental roles and presented a renewed infrastructure governance, compliance, and delivery standards framework. To extend its impact, the Department expanded its transversal support beyond the initial four departments (DOH, DOE, DHS, DOT), enhancing collaboration with local government, Provincial Treasury, and the Office of the Premier. It also laid the groundwork for sustainable infrastructure planning through the Inclusive Economic Growth Key Integration Area and initiated work on integrating innovative and environmentally sustainable building technologies.

Although the unit was plagued with both financial and human resources challenges, the performance of the TIC Chief Directorate in this period directly contributed to the departmental outcome of improved infrastructure planning, coordination and efficiency. It also advanced the government's strategic priorities of job creation, inclusive growth, and enhanced service delivery, particularly in historically marginalised communities. In addition, the Department has contributed towards Infrastructure Research on the use of innovative sustainable building technologies in infrastructure development.

Building Infrastructure

Health Portfolio

The health infrastructure programme operates within a dynamic and complex service delivery environment that includes urban, peri-urban, and rural areas across the Eastern Cape. A considerable segment of the population lives in remote or rural regions that have traditionally experienced inadequate access to healthcare infrastructure, with outdated healthcare facilities requiring urgent refurbishment. The Department, together with Department of Health (DoH) have targeted such communities, and facility upgrades through construction, renovations, and maintenance of the following hospitals and clinics;

- Construction of Ugie Clinic;
- Upgrade of Madwaleni Hospital; and
- S.S. Gida Hospital.

The success of these projects relies heavily on collaboration between DPWI, ECDOH, local municipalities, and external contractors, creating a multi-stakeholder implementation context. Therefore, the successful implementation of these projects yields positive results as they collectively improve service quality, reduce travel distances for rural communities, and enhance safety and dignity for patients and staff.

Despite the favourable results of these projects, the following challenges were encountered:

- The service environment is highly susceptible to extreme weather events. In the 2024/25 financial year, storm-related damage impacted 24 facilities, resulting in service continuity disruptions; and
- High unemployment and community expectations for job opportunities at project sites frequently cause social disruptions, especially when payment delays affect local labour.

The Department is driving tangible economic benefits through infrastructure projects in response to social issues. By the end of 31 March 2025, 56 MSME's benefited directly with an investment of R45 million allocated through sub-contracting opportunities. The projects have generated 210 employment opportunities for skilled and semi-skilled workers.

Education Portfolio

The Department offers professional services for the design, construction, oversight, and completion of capital and maintenance projects for the Department of Education. The value chain for delivering these services entails collaboration between school management, community stakeholders, professional service providers, contractors, and the client department to provide functional and appropriate educational facilities.

During the review period, the Department handed over two capital projects and four disaster response projects to the designated contractors to initiate construction according to the specified scope of work. The projects were developed in accordance with the most recent Norms and Standards for Educational Facilities established by the National Department of Basic Education, as well as the latest enrollment data from the schools. The projects executed by the Department as an implementing agent offer world class facilities, frequently comprising media rooms/libraries, laboratories, and versatile classrooms designed to meet the contemporary curriculum requirements of schools, while also guaranteeing accessibility for students with disabilities. A total of 269 employment opportunities have been generated from the portfolio of projects under construction, benefiting 64 females and 94 young individuals.

The Department has been adversely impacted by the limited financial resources from the client department, resulting in the non-payment of Service Providers for the fourth quarter of the 2024/2025 fiscal year. Several Service Providers were compelled to cease operations due to adverse cash flow effects, while others have chosen to implement a work slowdown on-site. In the 2023/24 fiscal year, the same event led to the Department revising the expected targets to correspond with the client's budget. The afore-mentioned financial constraints also resulted in the incomplete execution of critical projects and caused delays in the initiation of planned projects. To alleviate the consequences of non-payment, the program has pledged to prioritize the allocated funding for the completion of long-overdue projects before initiating new ones.

Public Works Infrastructure & Other

The Department is a custodian of state-owned properties and an implementing agent for infrastructure delivery to other departments. In ensuring that there is synergy and continuity in providing services to the communities, the Department is charged with the obligation of providing habitable office accommodation that adheres to all building norms and standards including adherence to norms for people with disabilities. The following existing infrastructure is what the Department services throughout the financial years through the repairs and maintenance programs of the Department:-

Type of Government Property/asset	Number
Office Accommodation	151
Elevators/ lifts	73
Back-up Generators	60
Electrical Transformers	37
Total	**321**

These assets are treated differently in terms of the methods of maintenance necessary due to their varying sizes and ages. The majority of these buildings necessitate refurbishment and enhancements due to the evolving building norms and standards in response to factors such as climate change and Occupational Health and Safety (OHS). The Department was able to continue the refurbishment and upgrading of two (2) offices in OR Tambo District Municipality, KD Matanzima, which accommodate four departments, and the Botha Sigcau Building, which accommodates ten departments, in the current financial year. The Occupational Health and Safety of these buildings is being addressed through these significant enhancements, which ensure that the users can provide services in a safe environment. The Department implements these enhancements in multi-year phases due to financial constraints. The Department also continues to provide repairs and maintenance to the plant (lifts, back-up generators and Electrical Transformers).
The Department serves as an implementing agent for various departments that require building infrastructure support. The departments encompass the Department of Sports, Recreation, Arts and Culture, the Department of Social Development, the Department of Cooperative Governance and Traditional Affairs, and the Department of Transport.

DPWI executed the following projects for Department of Sports, Recreation, Arts and Culture:

- Fingo Library – Sarah Baartman District
- Somerset East Museum – Sarah Baartman District
- Uitenhage Museum – Nelson Mandela Bay District

For the Department of Social Development, DPWI is planning and implementing the following building infrastructure projects

- Seymour Service Office – Amathole District
- Emalahleni Service office – Chris Hani District
- Engcobo Service Station – Chris Hani District
- Middleburg Service Office - Chris Hani District
- Humansdorp Service Office – Sarah Baartman District

On behalf of the Department of Transport, DPWI is planning and implementing the following building infrastructure projects:-

- Mthatha Airport Fire Station

On behalf of CoGTA, the Department is implementing the following projects: -

- Mvumelwano Traditional Council

Immovable Asset Management

Disposals

The transfer of 12 farms to the Ncora land claimants represents a significant advancement in economic development for the region. These farms, as commercial assets, will facilitate a variety of economic activities, including dairy farming, benefiting both the claimants and the broader community. The creation of employment opportunities and the enhancement of skills are anticipated to address the issues of unemployment and poverty within the Ncora and the entire Intsika Yethu Local Municipality.

The Provincial government has sanctioned the transfer of 18 hectares of nature reserve land on Dwesa Cwebe to restitution land claimants. These claimants will subsequently possess a portion of the nature reserve and participate in its management for economic objectives. This initiative will additionally create employment opportunities, enhance skill sets, and yield various advantages, while also improving tenure and fostering property ownership among these historically disadvantaged individuals, as stipulated in Section 25 of the Constitution.

The Department acknowledges the valuable assistance rendered by entities such as Provincial Treasury in expeditiously reviewing disposal applications submitted to them before receiving the Premier's approval. Similarly, the Department frequently encounters delays in securing the requisite approvals and support from OTP. It would be beneficial if the disposal applications are prioritised by assigning them to a Special Unit at OTP for urgent consideration. Engagement with municipalities is essential for the issuance of Council Resolutions that will enable the approval and transfer of properties designated for transfer, particularly the land intended for township development.

The collaboration of programmers with external Departments, including Agriculture, Rural Development, and Land Reform, regarding the resolution of restitution claims, as well as with municipalities on the registration of townships, is poised to have a substantial effect on the overarching service delivery initiatives of the state. This encompasses critical areas such as land reform and social housing. This encompasses additional disposals pertinent to transport planning, such as the transfer of land to SANRAL for road widening, which is currently under the Department's consideration. Some projects e.g. SANRAL are envisaged to generate the much-needed revenue for the state as the Disposals will be implemented at market value.

Lease Management

The Department of Public Works and Infrastructure (DPWI) manages leased office accommodation to ensure that government departments operate efficiently, enabling uninterrupted service delivery to citizens. Key initiatives include reducing reliance on private office accommodation through strategic renegotiations, optimising space utilisation, and redirecting saved funds to critical infrastructure projects. In an attempt to reduce spending on leases, improve provision of government services in one stop and ensure utilisation of available state-owned facilities, during 2024/25 financial year, the Department's lease register has decreased by five (5) leases. Regular space occupancy audits have been established to identify underutilized properties. The Department in the 2024/25 financial year has been able to achieve 100% participation of Black Landlord in its expense leasing.

Office Accommodation

The Department's Office Accommodation Plan prioritises transitioning to state-owned facilities, ensuring cost-effective and sustainable infrastructure. The Bhisho Precinct project (a flagship initiative) and district-level Cluster Offices (e.g. Mqanduli and eMaxesibeni) will ensure centralised services, reduce leasing costs, and create integrated precincts that improve accessibility for citizens. The historically skewed access to services in rural areas will be addressed through the Office Accommodation Plan aiming at 60/40 state-private split in Districts, which will then foster equitable service delivery.

Land Audits

The Department is ensuring the credibility of information in the Immovable Asset Register (IAR) by continuously verifying and recording updated information in accordance with the mandatory requirements of National Treasury. Thus, the Department conducted land audits on state land to ensure credibility of Provincial Immovable Asset Register at provincial-wide scale. Amongst other things, land audit will assist with the verification of value-added information on the IAR, test completeness, tenure verification and identify land for revenue generation. This does not exclude state land being utilised for State Domestic Functions that the Department is currently paying rates and taxes to municipalities. The completion of the land audits will assist DPWI in accounting for its assets within the province and also be able to implement necessary steps in ownership allocation of land within the asset register and support full utilisation of state land.

In terms of progress, the land audits have been successfully completed for 32 out of 33 municipalities, including both metropolitan municipalities. Only Amahlathi Municipality remains outstanding with anticipated completion during 2025/26 financial year.

Land Surveys

In the 2024/25 financial year, the Department identified 845 unsurveyed State Domestic Facilities (SDFs). Out of these, 150 surveys have already been completed during the financial year, the remaining 695 will be addressed over the term. For the 2025/26 financial year, 160 surveys are targeted for completion, reaffirming our commitment to ensuring a complete and verified immovable asset inventory. In the past, development projects have been implemented without following proper land administration processes, this has later resulted in inability to capitalise and record completed projects in the IAR.

Revenue Enhancement Strategy

In the implementation of the Department's Revenue Strategy, 100% participation of Black developers, against a target of 65% for the 2024/25 financial year has been achieved. By the end of the 2024/25 financial year, the Department had successfully concluded four long-term lease agreements, collectively projected to generate R82 million in revenue over 30 years. In addition, five short-term lease agreements were finalized, with projected revenue of R11 million over 9 years and 11 months for telecommunications infrastructure, and R1.4 million over five years for outdoor advertising billboards. Furthermore, long-term lease projects still encounter challenges of access to development funding and availability of bulk infrastructure in the municipalities for awarded Developers.

Facilities & Security Management

The Department is committed to providing a safe, secure and well-maintained environment that supports the Department's operations, protects its assets, and promotes the well-being of its stakeholders. Through effective facilities management and security services, DPWI strive to create a conducive environment that fosters productivity, efficiency and excellence.

Customer Business Management

The Customer Business Management Directorate (CBM) has been established to ensure effective and efficient management of client complaints, track the progress on the queries and provide a systems generated report on the resolution of queries. The Customer Business Management has a functioning 8-hour call centre through which all the clients (Prestige, Province and District) of the Department can log and trace calls. In the period under review, **3687** defects were registered and managed to resolve **1395** defects with 2292 pending budget availability.

The call centre is an enabler towards providing a Hybrid Total Facilities Management Solution, which combines the benefits of in-house facilities management with outsourced services. This helps with improving efficiency by leveraging the expertise of specialised service providers. This has been achieved

in collaboration with EPWP, where the Department had an intake of full-time artisans at the Ministerial Complex to enable the Department to reduce its turnaround time in attending to defects. Since the Customer Business Management Call Centre was established, the Customer Business Management policy has been developed and approved for implementation.

Security Management

Through the Security and Protection Directorate, the Department has successfully safeguarded all 185 facilities under its custodianship across the province at an annual cost of R266 million. This function has been outsourced to 28 private security companies, resulting in the creation of employment opportunities within the private security sector. There were nine (9) Security Cooperatives that were engaged during the year under review. The Security Co-operatives were deployed in 29 sites across the Province and 187 job opportunities were created. The total expenditure incurred in relation to the cooperatives amounted to R41, 909 million. The Department has commenced with two (2) projects of security installation systems in Botha Sigcau Building (95% complete) and KD Matanzima Building (70% complete).

These projects were initiated to ensure safe and effective access control. The Department continues to provide security services with fully operational control rooms in Lillian Diedericks House, Provincial Legislature, Ministerial Complex as well as monitoring of alarm systems in the prestige houses. The Departmental Security Committee was established in the 2024/25 financial year. The purpose of the Committee is to assist the DPWI Security Manager with the effective implementation of the Security Policy, strategies and procedures established in support of the policy. This is in accordance with the Minimum Physical Security Standards (MPSS) and the Minimum Information Security Standards (MISS) of 1996.

Prestige Services

In fulfilling its mandate of providing residential accommodation to Prestige Clients, the Department commenced with the project of converting two houses into twelve (12) apartments in the Ministerial Complex. These apartments will assist in ensuring that Members of the Legislature are provided with suitable residential accommodation in a safe and guarded manner. Notwithstanding the budgetary constraints that the Department experienced, a total of 40 Members of Provincial Legislature have been provided with residential accommodation.

In collaboration with EPWP, the Programme provides garden maintenance services around Bhisho, Ministerial Complex including State House, Eastern Cape Legislature and Bhisho Massacre Memorial (including cleaning services).

Occupational Health and Safety

The OHS assessment process for State facilities is being executed in two phases:

- Preliminary OHS Assessment through Condition Assessments

In the 2024/25 financial year, OHS audits were conducted for 300 facilities, including schools, hospitals, clinics, and office buildings. Condition assessment reports are available upon request.

- Detailed OHS Evaluations

High-risk facilities are subjected to a second, more detailed OHS audit. Due to capacity constraints within the Facilities Management Unit, these audits are performed by external service providers. The Buildings Infrastructure is responsible for implementing mitigation actions, thereby enabling effective and efficient maintenance of state-owned facilities in the province.

The following facilities underwent detailed OHS audits in the 2024/25 financial year. A portfolio of evidence has been submitted;

- ✓ Albertina Sisulu Building
- ✓ Phalo House Building
- ✓ Sarah Baartman and Nelson Mandela Bay DPWI District Office
- ✓ Joe Gqabi DPWI District Office
- ✓ Chris Hani DPWI District Office

Conditions Assessments

In the 2024/25 financial year, condition assessments were conducted for 305 facilities, using the GIAMA rating system. Table A below depicts ratings that were utilised to provide an indication of the physical state of each facility.

Condition rating	Meaning
C5 (excellent)	The facility has no defects. It is in as-new condition and appearance.
C4 (good)	The facility has minor defects. There is some superficial wear and tear. There is some deterioration to finishes. Major maintenance is not required.
C3 (fair)	The facility is in a generally acceptable condition. There are some significant defects. Some worn finishes require maintenance. Some services are functional but need attention. Some maintenance work needs to be done.
C2 (poor)	The facility is badly deteriorated to the point that it is no longer in an acceptable condition. There are potential structural problems. The facility has an inferior appearance. There are some major defects. Components fail frequently.
C1 (very poor)	The facility has failed. Some parts are not operational or are unfit for occupancy or normal use.

This information is essential for guiding the Immovable Asset Management Unit's accommodation planning and will support the development of the User Asset Management Plan (U-AMP) and the Custodian Asset Management Plan (C-AMP) for the 2025/26 financial year. Where applicable, the condition assessment reports also include estimated maintenance costs per facility. These estimates should be utilised by the relevant Chief Directorates to inform maintenance planning and to facilitate engagement with the Departments of Education (DoE) and Health (DoH) in preparation for capital and maintenance budget allocations in future financial years.

Utilisation Inspections

During the 2024/25 financial year, utilisation assessments were conducted for 75 office facilities. This information is critical for the Immovable Asset Management Unit to incorporate into future accommodation plans, and it will also support the Department's preparation of the User Asset Management Plan (U-AMP) and Custodian Asset Management Plan (C-AMP) for the 2025/26 financial year.

Expanded Public Works Programme

South Africa is currently facing economic growth stagnation, with limited job opportunities created. The most affected people are first-time job seekers, which makes it difficult for them to be absorbed into the formal economy due to a lack of job experience. During the period under review, the Eastern Cape recorded the largest rise in unemployment of 41.3% (using the narrow definition) and 52.8% (using the expanded definition). Youth unemployment remained a pressing challenge as the rate decreased only by 0.6% from 60.2% to 59.6% during Quarter 4 of 2024. It is within this external environment and context that the Expanded Public Works Programme's primary objective is to afford job seekers with work experience and temporary income to improve their employability and livelihood.

During 2024/25, the Province successfully created 103,896 work opportunities, surpassing the target of 96,621 set for the first year of EPWP Phase V, achieving a completion rate of 108%. Additionally, the Province, along with the National Departments executing projects within its jurisdiction, created 152,818 work opportunities by the end of the financial year. EPWP focuses on designated groups to foster a transformative society. Of the total jobs that were intended to be created, 60% aimed at benefiting women, 55% at youth, and 2% at persons with disabilities.

During the year under review, the province surpassed its targets for women for work opportunities created, achieving a rate of 66%. However, it did not meet the targets for youth and individuals with disabilities, reporting only 30% and 1% respectively. Although the Province has surpassed its annual target, some public entities within the Province, such as Provincial Departments and Municipalities, are still not achieving their job creation goals, which impedes progress in addressing the triple challenges of poverty, inequality, and unemployment. The Department also acknowledges the constraints of its structural design, noting that many of the projects fail to appeal to young individuals and do not adequately accommodate people with disabilities. EPWP has made a notable impact on job creation and poverty alleviation, while also providing skills and training to improve future employability. EPWP continues to play a crucial role in linking the unemployed with opportunities in the formal economy.

In recent years, the Department has focused on developing improvement strategies aimed at fostering innovations for the inclusion of designated groups. To tackle the ongoing underperformance of youth objectives, the Department will undertake research on employment generation strategies aimed at engaging young individuals in the EPWP Programmes. Furthermore, as a mitigation strategy, the Department is collaborating with the Department of Labour, National Youth Development Agency (NYDA), Eastern Cape Department of Social Development (ECDoSD), South African Youth Council, and youth and disability organisations to improve the engagement of these two demographics in EPWP Programmes. Moreover, Public Bodies are urged to engage with both the Public and Private Sectors to enhance performance in these two categories.

In the year under review, the Programme embarked on a programme to support the Technical Schools Programme by constructing two classroom blocks with Graphic Design Laboratories in the Alfred Nzo Region for Puthalichaba Technical School in Matatiele. Furthermore, the Department experienced delays in finalizing the ICDP database because of the lack of responsiveness from prospective Contractors regarding the initial expression of interest issued by the Department. The delays have led to the failure to achieve another indicator, specifically the number of ICDP contractors upgraded in the Construction Industry Development Board (CIDB) grading, which is contingent upon the finalisation of the database. The Programme will expedite the completion of the ICDP database. The completion of this process is expected by the end of first quarter 2025/26.

2.2.2. Service Delivery Improvement Plan

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provide support to client departments by implementing of building Projects for User Departments	Client Departments	68% of Infrastructure Projects were implemented i.e. The total number of planned infrastructure projects for 2023/24 financial year was 44 projects and 30 projects were completed.	100% of all Infrastructure Projects implemented within the stipulated timeframes as per the project plan.	69% of Infrastructure Projects were completed i.e. the total number of planned Infrastructure projects for 2024/25 financial year was 110 projects and the total number of implemented projects was 76.
Provide Residential accommodation - Income Lease	Eastern Cape Government	100% of Residential Accommodation provided within the stipulated timeframe: 90 days.	100% of Residential Accommodation provided within the stipulated timeframe: 90 days.	100% of Residential Accommodation provided within the stipulated timeframe: 90 days.
Provide office accommodation for Provincial client Departments - Expense Lease	Eastern Cape Government	250 of all new requests for office accommodation is provided within 6-24 months.	314 of all new requests for office accommodation is provided within 6-24 months.	380 of all requests for office accommodation is provided within 6-24 months.

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Utilize government property portfolio for generation of revenue for the Provincial Government	Eastern Cape Government	The Department collected an amount of R17.354 million for 2023/24 financial year.	R92.778 million	The Department has managed to collect an amount of R18. 287 million. The underachievement is due to the following: • Slow construction of awarded bids for the installation of Cell-Masts due to delays by municipalities in issuing of permits required for Cell-Masts. Out of 50 sites awarded in March 2023, construction was only completed in 5 sites. • Non-implementation of the Long-Term Lease Strategy. Slow progress in implementation of the long-term lease strategy due to funding challenges experienced by developers. • Non-payment of market rentals by tenants.

2.2.3. Batho Pele arrangements with beneficiaries (Consultation access etc.)

Key Service 1: Provide support to client departments by implementing infrastructure projects for user Departments

Batho Pele Principle	Current/actual arrangement	Desired Standard	Actual Achievement
		2024/2025	2024/2025
Consultation	Infrastructure Forum meetings were conducted on monthly basis with Client Departments.	Infrastructure Forum meetings will be conducted on a monthly basis. IDP Forums will be conducted at Municipality level on a quarterly basis.	Infrastructure Forum meetings were conducted on monthly basis with Client Departments. IDP Forums were also conducted at Municipality level on a Quarterly basis, where district departmental officials were invited.
Access	Sitting arrangement of customer care officers and security officers is monitored. Frontline personnel, customer care staff, programme managers were trained on “Batho Pele Principles” regarding on how to deal with stakeholders. The sitting arrangement of customer care officers and security officers is monitored continuously.	Frontline personnel, Customer Care staff, Programme Managers will be trained on “Batho Pele Principles” regarding how to deal with stakeholders. The sitting arrangement of Customer Care Officers and Security Officers will continue to be monitored to ensure that it is user- friendly.	Frontline personnel, Customer Care staff, Programme Managers were trained on “Batho Pele Principles” regarding how to deal with stakeholders. The sitting arrangement of Customer Care Officers and Security Officers was monitored continuously.
Courtesy	Frontline personnel, customer care staff, programme managers, were trained on ‘Batho Pele Principles’ on how to handle stakeholders with care.	Frontline personnel, customer Care staff, Programme Managers, will continue to be trained on ‘Batho Pele Principles’ on how to handle stakeholders with care.	Frontline personnel, Customer Care staff, Programme Managers, were trained on ‘Batho Pele Principles’ on how to handle stakeholders with care.
Openness and Transparency	Monthly forum meetings at district / municipal level through District Directors were utilised to provide information.	The Department will continue to provide information during monthly Forums at District Municipality level, through District Directors. There will be continuous Public Service Week, Internal Newsletter, external Flyers, Notice Boards, Website Notices, e-mail Notices and MEC / HoD consultation Sessions APP, MEC’s Budget.	Monthly Forum meetings at District Municipality level, through District Directors, were utilised to provide information. Internal Newsletter, external flyers, Notice Boards, Website Notices, e-mail Notices and MEC / HoD consultation Sessions.

Batho Pele Principle	Current/actual arrangement	Desired Standard	Actual Achievement
		2024/2025	2024/2025
Information	The Department conducted monthly infrastructure forum meetings with all stakeholders.	Information will continue to be disseminated monthly through Infrastructure Forum meetings.	Information was disseminated monthly through Infrastructure Forum meetings that are held by the Department with its stakeholders.
Redress	MEC outreach programmes / HOD Consultation sessions to consult with the affected communities, offer an apology where necessary, give a full explanation and commit to rectify the situation if there are problems encountered.	The Department will continue to communicate back to communities through Portfolio Committee meetings and Forums to consult with the affected communities, give full explanation and commit to rectify the situation if there are problems encountered. Community Liaison Officer will continue to be appointed from the same community in order to be able to update the community.	MEC outreach programmes / HOD Consultation sessions took place to consult with the affected communities.
Value for Money	The procurement and in-house activities are assessed to ensure that the service is provided in an economical manner. Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and streamlined to ensure the provision of this service in an efficient and effective manner.	The procurement and in-house activities will be assessed to ensure that the service is provided in an economical manner. Business Process Mapping and Standard Operating Procedures are reviewed to identify waste and with the view to streamline processes to ensure that, the provision of infrastructure is in an efficient and effective manner.	The procurement and in-house activities are assessed to ensure that the service is provided in an economical manner. Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and streamlined to ensure the provision of this service in an efficient and effective manner.
Service Standards	Service recipients are informed about the level, cost (if any), and quality of infrastructure delivery.	Service recipients will be informed about the level, cost (if any), and quality of infrastructure delivery.	Service recipients were informed about the level, cost (if any), and quality of infrastructure delivery.

Key Service 2: Manage Leases (Income Lease and Expense Lease)

Batho Pele Principle	Current/actual arrangement	Desired Standard	Actual Achievement
		2024/2025	2024/2025
Consultation	The Department engaged with User Departments for office space through user forum meetings, bilateral meetings and quarterly meetings during the 2023/24 financial year.	The Department will continue to engage with User Departments on the office accommodation issues through User Forums, Property Summits, Annual and Quarterly Imbizos and Monthly meetings will be held with tenants.	The Department completed Provincial Office Accommodation Plan for all User Departments. The Department also consulted the plan with all various User Departments on state-owned and leased accommodation. The consultations provided the DPWI and User to identify new needs and problems within the various buildings that needed attention. Consultations were taken further in Work streams between the two departments, where interventions were taken by both departments to enhance office accommodation.
Access	Forums where tenants participated took place to address issues pertaining to lease agreements. Complaints Registers were accessed at District Offices Forums where tenants participated took place to address issues pertaining to lease agreements.	The Department will develop Provincial Office Accommodation Plan for all User Departments. The Department will also consult the plan with all various User Departments on state-owned and leased accommodation. The consultation programmes will be conducted between the DPWI and User to identify new needs and problems within the various buildings that need attention. Tenant Forums and Complaints Registers will be accessed at Regional Offices.	The Department developed Provincial Office Accommodation Plan for all User Departments Forums where tenants participated took place to address issues pertaining to lease agreements. Complaints Registers were accessed at District Offices.

Batho Pele Principle	Current/actual arrangement	Desired Standard	Actual Achievement
Courtesy	Client Departments and tenants are welcomed by the departmental staff and front-line customer care officials at Head Office/ district offices. All officials are provided with name tags to ensure ease of identification should unsatisfactory service is received by our clients.	Property Management staff and Front-line customer care officials will continue to interact courteously with User Departments and Tenants. All these officials will be provided with personalized name tags to ensure ease of identification should the client be dissatisfied.	Client Departments and tenants are welcomed by the Departmental staff and front-line customer care officials at Head Office/ Regional offices. All these officials were provided with a name tag to ensure ease of identification should dissatisfactory service was received by our clients. Clients of the Department were also allocated a spacious.
	Clients of the Department are also allocated a spacious waiting area at Head Office prior to consultation.	Clients will be allocated a spacious waiting area.	Waiting area at head office prior to consultation.
Openness and Transparency	User forum meetings, bilateral meetings and quarterly meetings were utilised to make information available to all users. Work Stream meetings are held with client Departments to discuss and report on issues related to office accommodation. Work Stream report to Head of Departments bi- monthly.	User Forum meetings, Bilateral meetings and Quarterly meetings were utilised to make information available to the users. Further, at Head Office level regular work stream meetings were held with client departments to discuss and report on issues related to office accommodation. Work stream meetings report to the Heads of Departments bi-monthly.	User forum meetings, bilateral meetings and quarterly meetings were utilised to make information available to all users. Work Stream meetings are held with Client Departments to discuss and report on issues related to office accommodation. Work Stream report to Head of Departments bi-monthly.
Information	The Customer complaint handling system is utilised as a redress mechanism. Effective utilisation of work streams meetings assisted with access to information and sharing. The management of existing suggestion boxes through the appointment of Complaints Management Committee was managed by Customer Care Unit.	Information will be disseminated annually through Immovable quarterly sessions and Outreach Programmes.	Information was circulated annually through Immovable quarterly sessions and Outreach Programmes.

Batho Pele Principle	Current/actual arrangement	Desired Standard	Actual Achievement
Redress	Customer complaint handling system is utilized as a redress mechanism. Effective utilisation of Work Streams meetings assisted with redress. The management of existing suggestion boxes through the appointment of Complaints Management Committee was managed by Customer Care Unit.	Redress will continue to be done through a Customer Compliments and Complaints Register that is managed by a fully - fledged Customer Care Unit. All complaints received through the Presidential Hotline, DPW's Hotline, walk-ins and electronically will continue to be escalated to the relevant Head of Programmes and Districts.	Customer complaint handling system is utilised as a redress mechanism. Effective utilisation of work streams meetings assisted with redress. The management of existing suggestion boxes through the appointment of Complaints Management Committee was managed by Customer Care Unit.
Value for money	The procurement and in-house activities are assessed to ensure that the service is provided in an economical manner. Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and streamlined to ensure the provision of this service in an efficient and effective manner. The Department implemented various activities to derive value for money: - New Space Norms and Standards are reviewed and implemented, - Market-related rentals are implemented to all tenants to pay. - The Department is implementing approved Revenue Strategy. - Revenue Strategy was also rolled out to all User Departments for collection of revenue.	The procurement and in-house activities will be assessed. Business Process Mapping and Standard Operating Procedures will be reviewed to identify waste and streamlined to ensure the provision of this service in an efficient and effective manner.	The procurement and in-house activities were assessed to ensure that the service is provided in an economical manner. Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and with the view to streamline processes to ensure that, the provision of lease management is efficient and effective. The Department implemented various activities to derive value for money: - review and implement New Space Norms and Standards - implement market-related rentals implement approved Revenue Strategy.

Batho Pele Principle	Current/actual arrangement	Desired Standard	Actual Achievement
Service standards	Service recipients are informed about the cost and quality of infrastructure being leased.	Service recipients will be informed about leases contracts cost, and the quality of infrastructure being leased.	Service recipients were informed about the cost and quality of infrastructure being leased.

Key Service 3: Utilize government property portfolio to generate revenue for the Provincial Government

Batho Pele Principle	Current/actual arrangement	Desired Standard	Actual Achievement
		2024/2025	**2024/2025**
Consultation	Tenants' Forum meetings were conducted on a monthly basis with tenants.	Tenants' Forum meetings will be conducted on a monthly basis with tenants.	Tenants' Forum meetings were conducted on monthly basis with tenants.
Courtesy	The Department notifies its tenants 3 months prior to the lease expiry date. The Department issues monthly statement to tenants by e-mail and hand delivery.	The Department to notify its tenants 3 Months prior lease expiry date. The Department to issue monthly statements to tenants.	The Department notifies its tenants 3 months prior lease expiry date. The Department issues monthly statements to tenants.
Access	The Department notifies its tenants 3 months prior lease expiry date. The Department issues monthly statement to tenants by E-mail and hand delivery.	The Department to notify its tenants 3 Months prior lease expiry date. The Department to issue monthly statements to tenants.	The Department notifies its tenants 3 months prior lease expiry date. The Department issues monthly statements to tenants.
Information	The Department notifies its tenants 3 Months prior lease expiry date The Department issues monthly statement to tenants by E-mail and hand delivery.	The Department to notify its tenants 3 Months prior lease expiry date. The Department to issue monthly statements to tenants.	The Department notifies its tenants 3 months prior lease expiry date. The Department issues monthly statements to tenants.
Openness & Transparency	Tenants' Forum meetings were conducted on a monthly basis with tenants.	Tenants' Forum meetings to be conducted on monthly basis with tenants.	Tenants' Forum meetings were conducted on monthly basis with tenants.

Batho Pele Principle	Current/actual arrangement	Desired Standard	Actual Achievement
		2024/2025	2024/2025
Value for Money	Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and streamlined to ensure the provision of this service in an efficient and effective manner. The Department implemented various activities to derive value for money: - New Space Norms and Standards are reviews and implemented,market-related rentals are implemented to all tenants to pay. - The Department is implementing the approved Revenue Strategy. Revenue Strategy was also rolled-out to all User Departments for collection of revenue.	Business Processes & Standard Operating Procedures will continuously be reviewed to identify waste and be streamlined and also optimized to ensure the provision of this service in an efficient and effective manner. The Department will also continue to implement various other activities to derive value for money such as: review & implement new Space Norms & Standards, implement market- related rentals and approved Revenue Strategy.	Business Process Mapping and Standard Operating Procedures were reviewed to identify waste and with the view to streamline processes. The Department implemented various activities to derive value for money: - review and implement New Space Norms and Standard implement market related rentals. - implement approved Revenue Strategy. - The Revenue Strategy has been rolled out to User Departments for collection of Revenue.
Redress	Customer complaint handling system is utilised as a redress mechanism. Effective utilisation of Work Streams meetings assisted with redress. The management of existing suggestion boxes through the appointment of Complaints. Management Committee was managed by Customer Care Unit.	Redress will continue to be done through a customer compliments & complaints register that is managed by Customer Care Unit.	Customer complaint handling system is utilised as a redress mechanism for the department. Effective utilisation of work stream meeting assisted with redress.
Service Standards	Developed revenue generation strategies for continuous improvement, acquiring new clients and retention of existing clients.	Revenue generation strategies will be implemented for continuous improvement, acquiring new clients and retention of existing clients.	Implement revenue generation strategies for continuous improvement, acquiring new clients and retention of existing clients.

2.2.4. Service Delivery Information Tool

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

2.2.5 Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
The Department operates an 8-hour Call Centre for defects and complaints. The department, through its Customer Business Management Unit Call Centre, refers the complaints/ defects to relevant Districts / Programmes for maintenance and redress until a complaint / defect is resolved and completed.	• The Department still desires to operate a 24-hour Call Centre. • The Department has taken a decision to implement ideal depos to strengthen day to day maintenance that will expediate the resolve rate	The total number of **complaints** received for the year under review is 52 Resolved/ Closed: 48 Pending/ Open: 4 Resolved rate: 92%. The total number of **defects** received is 3 687. Closed calls: 1 395 Open: 2 292

2.2.6. Organisational Environment

The organisational environment entails support programmes that are responsible for creating an enabling environment for core programmes to be capable of delivering their services effectively and efficiently. The Department ended the financial year with budgetary constraints which affected its ability to deliver on commitments as set out in the Annual Performance Plan.

The Department of Public Works and Infrastructure (DPWI) proceeded with the project of implementing the newly approved organogram during 2024/25. Although the project was initially scheduled to be finalised by the end of the 2023/24 financial year, the extent of work required that the project continued during 2024/25. Parallel to the finalisation of the process the Department had identified over one thousand two hundred and eighty-two (1 282) vacant posts after the placement of both Senior Management Services (SMS) and non-SMS (salary levels 2 to 12).

As part of capacitating the Department, a total of 278 posts were prioritised for filling as part of the Department's Annual Recruitment Plan for 2024/2025, however by end of March 2025, 261 critical and funded posts were filled resulting to 30.2% vacancy rate. The Department continued to build technical and professional capacity through its professional development and seven (7) candidates against the five (5) that was planned attained their professional registration in different built environment disciplines.

A total of 100 staff were identified for different training interventions for the year under review to upgrade their qualifications in line with the job profiles of the posts they were placed on. Due to limited budget, only 35 internal and permanent staff were awarded bursaries to study for qualifications in various institutions of higher learning.

The Department remains committed to achieving the Employment Equity (EE) targets prioritising designated groups by achieving 58% women in SMS, 23,3% Youth and 2.7% people with disabilities. The recruitment plan was ring-fenced to ensure that the EE targets are maintained.

The year under review saw the growth and expansion of Risk, Anti-Corruption and Integrity Management (RAIM) through the widening of its scope and introduction of functions that were not implemented such as the Business Continuity functions. Risk Management introduced the identification of Key Risk indicators (KRI) which are used as a lens for the monitoring of risks, as well as risk impact analysis and incident analysis. The Anti-Corruption & Ethics Management functions were widened to cover the entire Department which included the depots. The Department continued to uphold high levels of integrity management by -ensuring that no officials traded with the state. Reports were issued by Provincial Treasury proving the compliance with Public Administration Management Act and Public Service Regulations.

During the year under review, the Department operated with limitation with regards to the functioning of the Audit Committee due to expiry of contracts in June 2024 and termination of contracts of some Audit Committee members in October 2024 due to non-attendance of meetings. This challenge was addressed towards the end of the financial year by the appointment of members of the Audit Committee to ensure effective oversight in the new financial year.

The Department managed to implement Cyber Resilience for Emails Solution, ensuring service continuity for emails and providing a first layer of protection against cyber-attacks.

Additionally, the ICT Strategy has been reviewed to align with the Digital Transformation Agenda, and this is despite delays in the finalisation of the Provincial Digital Transformation Strategy. In line with the ICT Strategy, the Department reprioritised and digitised the following critical departmental initiatives:

- Development of an Electronic Contract Management system;
- Customisation and configuration of Integrated Portfolio Management System; and
- Implementation of Electronic Submission System.

At the governance level, the Directorate ensured the alignment of the Corporate Governance of ICT Policy and Project Management Frameworks with version 2 of DPSA's CGICT Policy Framework.

The internal organisational environment was also impacted by the placement on leave of the Head of Department Mr T.L. Manda. He was placed on leave by the Honourable Premier through a Media Notice, from 06th October 2024 until his contract expired at end November 2024. Ms N. Nomandela was appointed to act as the Head of Department from 07th October 2024 until the 31st March 2025.

2.2.7 Key policy developments and legislative changes

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

2.3 Progress towards Achievement of Institutional Impacts and Outcomes

This Annual Report marks the end of the 6th Administration and provides an overview of the performance of the Department in the 2024/25 financial year towards the 5-year outcomes.

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

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

Building a resilient, and capable Public Works and Infrastructure is of paramount importance to the Department as it ensures that the planning process and the resultant plans are an outcome of meaningful consultation and engagement with all key internal and external stakeholders of the Department. This resulted in the development and tabling of functional, efficient and integrated plans that are consistently implemented and monitored by Management and the Executive Authority. The 2024/25 Annual Performance Plan demonstrated the maturity of the Department to produce an APP that takes into cognisance the need to integrate global, national, sector, provincial and local government priorities that are in line with the Sustainable Development Goals (SDGs), the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF), the Provincial-Medium Term Strategic Framework (P-MTSF) the Provincial Development Plan (PDP) and the District Development Model (DDM).

DPWI did not manage to achieve the Provincial performance target of between 90%-98% as the overall performance was at 77% by the end of the 2024/25 financial year. There is a decline in performance compared to 92% reported in the previous year, this is attributed to the budgetary constraints that were experienced by the Department during the year under review.

In respect of the outcome on inculcating the Department's institutional posture to be **responsive and citizen-centric**, DPWI continued through the Office of the MEC to roll-out outreach programmes. These outreach programmes are platforms used by the MEC to enhance Intergovernmental Relations (IGR) and engagements with citizens. During the year under review, 40 outreach programmes were conducted by the Office of the MEC. This clearly shows that the Department is on an upward trajectory towards being positively attuned to the needs and aspirations of citizens.

The quest to build a resilient and capacitated Department of Public Works and Infrastructure received further impetus when the Department registered seven (7) professionals through its Professional Development Programme. This will go a long way towards the creation of much needed professional skills pipeline in various disciplines of the built environment.

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

The approved organogram presented the Department with a good opportunity to improve the achievement of its equity targets. For instance, the Department surpassed the employment equity target of 50% of women in the SMS echelon. Women in SMS positions are now at 58%, compared to the 57% in the previous financial year. Furthermore, 2.7% of employees in the Department are in the PWD category, and this achievement is against the target of 2%.

In so far as financial capability is concerned, the Department has shown improvements in some areas of financial management. Key among these is the rand value of cost savings made through retention strategies. In this regard, R80.4 million cost savings were realized against the target of R20 million. Another commendable area that showed fiscal responsibility is the percentage of total budget spent on approved rates invoices from municipalities. Consistently over the years, the Department has paid 99% of the allocated budget for rates and taxes, and this remained the case in the 2024/25 financial year. The Department continued implementing the LED framework and a total of 100% awards of goods and services and 99% of infrastructure items were made to local suppliers to support the SMMEs with positive economic benefits and opportunities to create the much needed jobs in the Province.

However, it must be noted that the Department still has to improve on key areas of financial capability. These relate to the revenue generated and invoices paid within 30 days. In respect of the former, the Department only managed to collect revenue to the amount of R18. 287 million against the annual target of R92. 778 million.

This under-performance calls for the Department to urgently fast-track the revenue enhancement initiatives as contained in the approved Revenue Strategy. Also, the lack of significant progress in the invoices paid within 30 days is of great concern as the Department only paid 92% of invoices within the stipulated 30 days during the period under review.

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

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

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

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

For the period under review, DPWI provided 380 fit for purpose facilities for efficient, effective and sustainable office accommodation for User Departments.

The second intervention was in the form of condition assessments conducted. These condition assessments were done to determine the extent of User Departments' facilities that are in a very poor to excellent condition. During the 2024/25 financial year, the Department conducted 305 condition assessments on 300 state-owned buildings. Going forward, the results of these assessments will be used to determine the departmental maintenance strategy.

The third intervention was the implementation of revenue enhancement strategy initiatives through the Immovable Asset Portfolio. These revenue enhancement strategies involved long-term, short-term & residential and commercial leases. For the year under review, the Department targeted to implement four (4) revenue enhancement strategies, and this was achieved. However, no revenue has been generated yet from the long-term development projects leases and student accommodation. Revenue was only collected from two sources, that is, from Cell Masts and the Residential portfolio.

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

- Customer Business Management Services;
- Prestige Management Services;
- Occupational Health and Safety;
- Security and Protection Services; and
- Hygiene and Environmental Services

During the period under review, the Department set a target of implementing five (5) facilities management initiatives, and the target was met in all the above-mentioned initiatives.

The fifth and final intervention to be implemented to determine the productivity of assets was the conducting of utilisation inspections to assess the optimal use of office accommodation. The target of 75 utilisation inspections was set and it was met. However, of great concern is the Department's failure to achieve the target on energy efficient DPWI buildings. In this regard, the Department had targeted to have 53 energy efficient buildings and only achieved 31 during the financial year under review. This under-performance will no doubt continue to cast a shadow on the Department's efforts to mitigate the effects of energy insecurity in the Province.

Furthermore, 27 facilities adhering to access to norms and standards for people with disabilities was achieved across all portfolios. The Department acknowledges that on the Dignified User Experience outcome, more still needs to be done to improve performance in this regard.

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

- 100% achievement against the target of 65% of leases concluded with Black Developers;
- 99% achievement against the target of 60% of awards of infrastructure capital expenditure items sourced from local suppliers, manufacturers and contractors including (EMEs and QSEs); and
- 100% achievement against the target of 100% of awards of goods and services sourced from local suppliers, manufacturers and contractors including (EMEs and QSEs).

However, the Department registered a shortfall on the planned support in the form of training and infrastructure projects awarded to 160 ICDP Contractors and this underachievement is as a result of delays in the finalisation of the ICDP database. The delay also affected the ICDP contractors that were targeted for upgrade in the CIDB register of contractors to improve the skills level and economic participation of the MSMEs in the Province.

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

For **Sustainable Infrastructure Investment**, the Department was unable to achieve all planned indicators in the three (3) Portfolios of Building Infrastructure due to budget constraints, non-performance of service providers and changes in the project lists by the Client Departments. The following is the performance of the three (3) portfolios:

Public Works Infrastructure & Other

1. Four (4) infrastructure designs were ready for tender against the target of four (4);
2. 93/07 ratio on utilisation of internal vs external professional services was achieved against the target of 90/10;
3. Nineteen (19) projects were under construction against the target of 35;
4. Also, one (1) new project was completed against the target of three (3);
5. Only eight (8) maintenance projects were completed against the target of 14; and
6. Eight (8) Maintenance projects were under construction against the target of 12.

Education Portfolio

1. 52/48 ratio on utilisation of internal vs external professional services was achieved against the target of 30/70;
2. Two (2) planned maintenance projects were completed against the target of 3;
3. The target of 16 infrastructure designs ready for tender was not achieved as only 10 designs were ready;
4. Furthermore, 18 capital projects were under construction at the end of the financial year against the target of 19;
5. Three (3) new construction projects were completed against the target of 11; and
6. Zero (0) Maintenance projects were under construction against the target of 5.

Health Portfolio

1. 59/41 ratio on utilisation of internal vs external professional services was achieved against the target of 30/70;
2. Sixteen (16) planned maintenance projects were completed against the target of 24;
3. The target of 24 infrastructure designs ready for tender was not surpassed as the Department recorded 24 designs ready for tender;
4. Furthermore, 20 capital projects were under construction at the end of the financial year against the target of 34;
5. Three (3) new construction projects were completed against the target of eight (8); and
6. 27 Maintenance projects were under construction against the target of 43.

The achievement of the outcome on **Optimised Job Opportunities** is mainly driven through the Expanded Public works Programme (EPWP). This entails coordination of efforts to maximize the creation of work opportunities by Public Bodies implementing EPWP in the Province and the implementation of EPWP amenable projects and interventions by DPWI. During the period under review, the Department ensured that 50 Public Bodies reporting on their EPWP targets was achieved. Furthermore, 5 117 work opportunities were created against the target of 5 000.

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

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

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

During the period under review the Department led the development and adoption of the new Eastern Cape IDMS Protocol (2024), replacing the outdated 2014 Provincial Infrastructure Development Framework. This key milestone formalised intergovernmental roles and introduced a refreshed approach to infrastructure governance, compliance, and delivery standards.

Furthermore, the Department expanded its transversal support beyond the initial four departments, enhancing collaboration with local government, Provincial Treasury, and the Office of the Premier. It also laid the groundwork for sustainable infrastructure planning through the Inclusive Economic Growth Key Integration Area and initiated work on integrating innovative and environmentally sustainable building technologies.

2.4 Institutional Programme Performance Information

2.4.1 Programme 1: Administration

Purpose

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

The Programme consists of the following Sub-Programmes:

1.1 Office of the MEC

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

1.2 Management of the Department

Purpose: To provide overall management and support of the department

1.3 Corporate Support

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

List of Outcomes

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme/Sub-Programme

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviations
PROGRAMME 1: ADMINISTRATION									
OFFICE OF THE MEC									
Responsive and citizen centric Public Works and Infrastructure	Outreach programmes undertaken for Political oversight	1.1.1	Number of planned outreach programmes undertaken by the office of the MEC	65	33	40	40	N/A	N/A
MANAGEMENT OF THE DEPARTMENT-OFFICE OF THE HEAD OF DEPARTMENT									
Responsive and citizen centric Public Works and Infrastructure	Resolutions from intergovernmen-tal structures implemented	1.2.1	% Resolutions from intergovernmental structures implemented	95%	97%	100%	85%	-15%	The under-achievement is due to two Resolutions that have dependency on other departments and have short to medium time frames. The two unachieved Resolutions are as follows: • A communique to be written to the National Government to request the province to continue to build bridges with SANDF to shorten the completion timeframes.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviations
									• The proposal for the relocation of the Correctional Centre in East London to Ntabozuku must be resuscitated so that the land can be released for industrialization and development The Department has written to the National Department of Public Works to initiate discussion as per the resolutions. These two Resolutions will form part of the agenda items for the upcoming Technical MinMEC to be hosted by the province for further discussions.
Resilient and capacitated Public Works and Infrastructure	District Operating Model interventions implemented	1.2.2	Number of District Operating Model interventions implemented	_	Phase 1 3	4	3	-1	The under-achievement is due to the refurbishment of Cofimvaba depot which was initially a Capital project and due to budgetary constraints the project was re-categorised as a maintenance project and allocated to In House Construction team.
Resilient and capacitated Public Works and Infrastructure	Implemented empowerment programmes for designated groups	1.2.3	Number of mainstreamed programmes for designated groups implemented	13	9	10	10	N/A	N/A

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviations
MANAGEMENT OF THE DEPARTMENT-INTERNAL AUDIT									
Resilient and capacitated Public Works and Infrastructure	Co-ordination Combined Assurance Programme	1.2.4	Level of Combined Assurance Programme Maturity Assessment Score attained	Level 2	Level 2	Level 3	Level 2	-Level 1	During the period starting on 01 June 2024 to 31 January 2025, the Department did not have a functional Audit Committee (due to expiry of service contracts and later terminations due to non-performance). As a result, the reports that were prepared by the Combined Assurance Forum for consumption by the Audit Committee during this period could not be received by a functional Audit Committee.
MANAGEMENT OF THE DEPARTMENT-RISK, ANTI-CORRUPTION & INTEGRITY MANAGEMENT									
Resilient and capacitated Public Works and Infrastructure	Departmental Enterprise Risks managed	1.2.5	Level of Risk Management Maturity Assessment Score Attained	Level 4	Level 4	Level 5	Level 5	N/A	N/A
		1.2.6	% implementation of Ethics and Anti-Corruption functions in the department	95%	100%	100%	100%	N/A	N/A
MANAGEMENT OF THE DEPARTMENT-STRATEGY & SYSTEMS									
Resilient and capacitated Public Works and Infrastructure	Strategic ICT initiatives implemented	1.2.7	Number of strategic ICT initiatives implemented	New Indicator	2	5	4	-1	The under-achievement is due to Cyber Security solution project that had to be re-advertised as a result of non-responsive service providers.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviations
CORPORATE SUPPORT-FINANCIAL MANAGEMENT									
Transformed built environment	Local Economic Growth	1.3.1	% awards of goods and services (monetary value) sourced from local suppliers, manufacturers and /or contractors (including EMEs and QSEs)	92%	81%	100%	100%	N/A	N/A
		1.3.2	% awards of infrastructure capital expenditure items (monetary value) sourced from local suppliers, manufacturers and /contractors (including EMEs and QSEs)	78%	89%	60%	99%	+39%	The over-achievement is due to the positive response from service providers and the establishment of databases for infrastructure projects.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviations
Sustainable Infrastructure Investment	Generated Revenue	1.3.3	Rand value of revenue generated	R18,320 million	R17,354 million	R92,778 million	R18, 287 million	-R74,491 million	The under-achievement is due to: **Rental stock** - Under collecting rentals on the current residential and commercial leases. Tenants refuse to pay market-related rentals, not pay at all or refuse to sign lease agreements. The Department is implementing eviction procedures. **Revenue generation** - The slow construction on awarded revenue bid for the installation of cell-masts. This is due to delays by the municipalities in the issuing of permits required for construction. Out of 50 sites awarded in March 2023 only five (5) sites construction have been completed. - Also, the billboard revenue award was terminated by the service provider. - Slow progress in implementation of the long-term lease strategy due to funding challenges of developers. Slow implementation of the disposal strategy due to the delegation framework outside the Department's threshold.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviations
	Cost savings made	1.3.4	Rand value of cost savings made through retention strategies	R28,917 million	R218 million	R20 million	R80, 413 million	+R60,413 million	The over-achievement is as a result of analysis of invoices extended to more municipalities resulting in more savings for water and energy. Also, appeals for property rates and taxes were undertaken contributing to the savings realized.
Resilient and capacitated Public Works and Infrastructure	Improved Financial Management Capability	1.3.5	% implementation of Procurement Plan	71%	100%	100%	78%	-22%	The under-achievement in project delivery during the reporting period was primarily due to the cancellation of four projects. One (1) project was put on hold due to the reprioritization of initiatives. Another one (1) project, initially expected to be funded by the Department of Health (DoH), was later cancelled due to budgetary constraints on their end. Two (2) additional projects were cancelled as a result of non-responsive bids.
		1.3.6	% of total budget spent on approved property rates invoices from municipalities	100%	99%	100%	99%	-1%	The 1% under-achievement is due to unavailability of cash resources in January, February and March 2025 to pay budgeted municipal invoices. The unavailability of cash resulted from the Department of Education not refunding DPWI
		1.3.7	% of invoices paid within 30 days	94%	94%	100%	84%	-16%	The under-achievement is twofold: - Transversal system failures in April and May 2024. - Unavailability of cash resources to pay valid invoices in January, February and March 2025. The Ikamva court order contributed to the non-payment of infrastructure invoices.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviations
Transformed built environment	Optimized entrepreneurship opportunities	1.3.8	% infrastructure budget set-aside for direct contracting (ICDP) SMMEs (EMEs & QSEs) prioritizing designated groups (women, youth, people with disabilities)	32%	8%	20%	20%	N/A	The achievement was attributed to expenditure incurred and awards made to ICDP contractor (Puthalichaba Technical School) during the year under review, notwithstanding the expiration of the Integrated Contractor Development Programme (ICDP) database.
CORPORATE SUPPORT-CORPORATE MANAGEMENT									
Resilient and capacitated Public Works and Infrastructure	DPWI Business Architecture in place	1.3.9	Level of OMF Maturity Assessment Score attained	Level 3	Level 3	Level 3	Level 2	-Level 1	The under-achievement is due to Business Process Mapping and Standard Operating Procedures activities that were not achieved due to cost containment measures and as well the capacity constraints.
	Candidate attained the professional status	1.3.10	Number of candidates attained the professional status	28	11	5	7	+2	The over-achievement is a result of two candidates that were previously deferred by their Professional Councils. Professional primary & secondary mentors were appointed & continued to guide the candidates toward professional registration.
Responsive and citizen centric Public Works and Infrastructure	User satisfaction survey recommendation implemented	1.3.11	Number of interventions of user satisfaction survey implemented	1	1	1	0	-1	The Department had a comprehensive plan in place to facilitate the implementation and rollout to all DPWI employees, the under-achievement is as a result of cost containment measures that stalled delivery of the plan.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviations
Resilient and capacitated Public Works and Infrastructure	Gender, youth and people with disabilities mainstreamed and empowered	1.3.12	% achievement of employment equity targets for women at SMS level	56%	57%	50%	58%	+8%	The over-achievement is due to the decrease in the number of men in the SMS category as a result of the following: • Expiry of contract of the HOD, • Two (2) resignations • One (1) retirement.
		1.3.13	% achievement of employment equity targets for youth	19,8%	55%	31%	23.3%	-7.7%	The under-achievement is due to non-filling of posts earmarked for youth as a result of person to post matching which is part of the implementation of the approved Organogram.
		1.3.14	% achievement of employment equity targets for persons with disabilities	1.3%	1.9%	2%	2.7%	+0.7%	The over-achievement is because of targeted recruitment and there were no resignations submitted for Persons with Disabilities (PWD) for 2024/25 financial year. Furthermore, the 2024/25 Employment Equity Plan targeted more PWDs to mitigate the risk of resignations.

Summary of Programme Performance

The Programme supports the Department towards becoming a responsive citizen centric Public Works and Infrastructure by strengthening the oversight role of the Executive Authority. To this end, a total of 40 outreach programmes were conducted to engage DPWI clients, local government agencies, the property and construction industry, communities and EPWP participants. Amongst these outreach programmes, the Department managed to hold the Women in Construction Summit and Indaba, where the Department was able to engage with women in the construction industry.

The Programme continued to implement the Local Economic Development Framework (LED) whereby 100% awards of goods and services were awarded to local suppliers prioritising designated groups.

The Organizational Development function has been positioned as a strategic partner to the Organization creating an enabling environment for capacitation and performance excellence. In the year under review, the programme has developed a culture change programme as an intervention arising from the Employee Engagement Survey that was conducted in 2022/23 financial year. The culture change programme was launched in August 2024 and is one of the flagship programmes that are driven by the MEC. DPWI revolutionized its employee wellness program by expanding services to include 24/7 confidential counseling, accessible to all employees, across regions, through Life Health Solutions.

Employment Equity remains the priority of the Department and during the period under review, the Programme reported 58% Women in SMS, 23,3% Youth and 2,7% People with disabilities in the employ of the Department.

Although the Programme has significantly achieved its performance targets, cost containment measures, budgetary constraints affected its ability to deliver fully on its planned outputs.

Linking performance with budgets

Sub-Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4. Office of the MEC	8 501	8 501	-	10 947	10947	-
5. Management of the Department	27 201	27 201	-	28 449	28 449	-
6. Corporate Support	591 765	587 072	4 693	514 209	512 973	1 236
Total	**627 467**	**622 774**	**4 693**	**553 605**	**552 369**	**1 236**

The Programme recorded a total expenditure of 99% of its allocated budget, which contributed to 83% achievement of performance targets. Of the reported R622. 774 million expenditure for the Programme, 57% is for the personnel costs, 13% towards the legal costs and 30% towards operational costs for the Department (White fleet, Audit costs, communication and ICT).

Strategy to overcome areas of under performance

For the Management:

1.2.1. To prevent future occurrences of underperformance on Stakeholder Engagement the Department will develop resolutions matrix to be used to monitor resolutions of those IGR structures.

1.2.2. For District Operating Model interventions implemented, the Department will implement the project in the next financial year, site handover and excavations on site have already been undertaken. Work on site is in progress whilst the order is awaited for the delivery of materials.

1.2.4. For Level of Combined Assurance Programme Maturity, the Department in the event that one of the structures does not convene, the reports for Combined Assurance will be prepared and submitted for ratification when that particular structure convenes.

1.2.7. To address the under-performance, the ICT Directorate has taken a decision to initiate procurement during the first month of the financial year to ensure that any future barriers are mitigated on time.

For Financial Management underperformance, the Department will implement the following strategies namely:

1.3.3. Rand value of revenue generated.

a) Appointment of a debt collector to fast-track collection of arrear debt and is targeted at OR Tambo, Amathole and BCM regional tenants which make up 90% of total debts owed to the Department.

a) Improved marketing strategy not limiting open bid process to the Eastern Cape but using both Provincial and National platforms Local Newspapers, social media and others available.

b) In consultation with the Provincial Treasury, allow for the implementation of unsolicited revenue bids.

1.3.5. % implementation of Procurement Plan.

Improved turnaround times on all specifications to be finalized by end of Q1 and all awards to be implemented as per the projected timeframes in the approved procurement plan. No changes will be allowed in the procurement plan and consequence management will be implemented for non-compliance.

1.3.6. % of total budget spent on approved property rates invoices from municipalities

Improved cashflow management through amendments of the Client Departments (DoE and DoH) SLA's to only process payments once advance tranche has been received.

1.3.7. % of invoices paid within 30 days.

Improved cashflow management through amendments of the Client Departments (DoE and DoH) Service Level Agreements (SLA's) to only process payments once advance tranche has been received.

1.3.9. For Operations Management Framework (OMF) Maturity Assessment Index, the Department will implement the outstanding BPM & SOP in Q1 & 2 of the new financial year.

1.3.11. Further, to that an employee engagement intervention, four (4) interventions have been identified, an implementation plan and costing done. Budget has been set aside to ensure that the programme is fully implemented. The programme has been elevated into a Programme of Action from the MEC Policy Speech which will ensure that it is prioritized.

1.3.13. In response to % achievement of employment equity targets for youth- the Department has deliberately targeted youth employment during appointments and also setting those targets as part of DPWI Employment Equity Plan. Furthermore, indicate the specific posts that are targeting right from advertisement and graduate recruitment scheme that will be piloted by DPWI targeting only youth.

2.4.2 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.

The Programme consists of the following Sub-Programmes:

2.1 Programme Support

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

2.2 Planning

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

2.3 Design

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

2.4 Construction

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

2.5 Maintenance

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

2.6 Immovable Asset Management

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

2.7 Facility Operations

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

List of Outcomes

- Resilient and capacitated Public Works and Infrastructure
- Sustainable Infrastructure Investment
- Productive Assets
- Transformed Built Environment
- Dignified User Experience
- Integrated planning and co-ordination

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme/Sub-Programme

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE									
PROGRAMME SUPPORT-TRANSVERSAL INFRASTRUCTURE COORDINATION									
Integrated planning and co-ordination	Transversal infrastructure coordinated	2.1.1	Level of adherence to endorsed Terms of Reference (ToR) by DPWI convened infrastructure governance structures	Level 3	Level 3	Level 3	Level 3	N/A	N/A
		2.1.2	Level of Transversal Coordination Capability Maturity Assessment Score attained	Level 2	Level 2	Level 2	Level 2	N/A	N/A
DPWI & OTHER DEPARTMENTS INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO									
Resilient and capacitated Public Works and Infrastructure	DPWI professionals utilised	2.2.1	Ratio on utilization of internal vs external professional services for DPWI /Public Infrastructure projects	New indicator	84/16	90/10	93/07	+3/-03	The over-achievement of internal professional services is due to 28 projects that were implemented, only two (2) projects were implemented utilising external professionals and 26 projects utilising internal professionals.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
Dignified user experience	State Owned facilities accessible to persons with disabilities	2.2.2	Number of state-owned facilities adhering to access norms and standards for persons with disabilities	New indicator	11	9	3	-6	The under achievement is due to projects that have not yet reach the construction stage that will indicate adherence to access norms and standards for people with disabilities namely: • Lusikisiki Kings House • Seymor Service Office • Fingo Library • Humansdorp Service Office • Mqhekezweni TC • Mvumelano TC
Sustainable Infrastructure Investment	Designs ready for tender	2.3.1	Number of infrastructure designs ready for tender	New indicator	21	4	4	N/A	N/A

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
Sustainable Infrastructure Investment	Projects under construction	2.4.1	Number of capital infrastructure projects under construction	New indicator	17	35	19	-16	The under-achievement of seven (7) projects is due to the following reasons: • Somerset East Museum was delayed due to the late approval by the Heritage council. • Engcobo Service Office was delayed due to the non-responsiveness of the bidder. • Mthatha Airport Fire Station was delayed due to the concurrence letter from the client department • Lusikisiki King House was withdrawn by the client department, • Two (2) projects were deferred due to budget constraints (Wilton Mkwayi Renovations and upgrading Bathandwa Ndondo.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
									• Cofimvaba depot was planned to be an ideal depot but the scope was reduced due to budget constraints. Scope reduction delayed and budget limitations due to Ikamva litigation claim delayed this project. • Nine (9) projects are reported under completed projects i.e. eight (8) maintenance and one (1) new construction completed due to misapplication of the Method of calculation.
	Projects completed (using bio degradable buildings material)	2.4.2	Number of new construction projects completed	New indicator	3	3	1	-2	The under-achievement of two (2) projects is as a result of budget constraints due to Ikamva litigation claim which led to suspension of works by contractors. (Construction of Makhanda Phase 3 and Emaxesibeni Civil Works and Fencing Phase 1).
Sustainable Infrastructure Investment	Maintenance projects under construction	2.5.1	Number of maintenance projects under construction	New indicator	New indicator	12	8	-4	The under-achievement is as a result of four (4) projects that were put on hold due to budgetary constraints: • Solar Photovoltaic (PV) supply • Design, supply and installation of security shop front and Automated electronic door at DPWI Chris Hani District Offices,

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
									• Plumbing and Minor building repairs for DRDAR at Old Fish Research Station • Major repairs and renovations to 21 Karena Street Lorraine and 7 Hartely Street Parsons Hill in Nelson Mandela Metropolitan • The budget constraints were as a result of Ikamva litigation claim
	Planned maintenance projects completed	2.5.2	Number of planned maintenance (refurbished/ renovated) completed	New indicator	4	14	8	-6	The under achievement of six (6) projects is due to **1. Budget constraints due to Ikamva Litigation Claim:** • DPW Houses -Prestige Portfolio • Upgrade and Additions for DRDAR Ngqamakhwe • ECPL Solar Installation **2. Termination of contractors** • Butterworth Service Office • Fencing to Prestige and • Mqhekezweni Traditional Council)

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
EDUCATION INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO									
Resilient and capacitated Public Works and Infrastructure	DPWI professionals utilised	2.2.1	Ratio on utilization of internal vs external professional services for DPWI /Public Infrastructure projects	New indicator	50/50	30/70	52/48	+22/-22	The over-achievement of internal professional services is due to utlilisation of professionals on disaster projects (18/40 vs 17/40) also 5 hybrid)
Dignified user experience	State Owned facilities accessible to persons with disabilities	2.2.2	Number of state-owned facilities adhering to access norms and standards for people with disabilities	New indicator	16	12	6	-6	The under achievement is due to projects that have not yet reach the construction stage that will indicate adherence to access norms and standards for people with disabilities namely: • Lower Gqaga PS • Maqoma PS • Mcobolo SSS • Nkwezana PS • Siviwe PS • Hanker Document centre

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
Sustainable infrastructure investment	Designs ready for tender	2.3.1	Number of infrastructure designs ready for tender	New indicator	5	16	10	-6	The under-achievement is due to the revision of the planning project priority list following the urgent allocation received in Aug 2024 from DoE. The projects had to be implemented on an emergency basis as they were under a court order. The deviation affected the following projects: • Ebenezer Nyathi SSS, • DM Skhosana SSS, • Amatolaville PS, • Norwood SSS • Arthur Mfebe SSS • Dumrhana SSS, forms part of the urgent allocation projects which could not be achieved due to a dispute on the designs. The programme achieved 3 out of 4 projects that were not planned and did not achieve the 5 projects that had been originally planned.
Sustainable infrastructure investment	Projects under construction	2.4.1	Number of capital infrastructure projects under construction	New indicator	12	19	18	-1	The under-achievement is due to Phambili Mzontsundu SSS project that was completed due to misapplication of the Method of calculation.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
	Projects completed (using biodegradable buildings material)	2.4.2	Number of new construction projects completed	New indicator	10	11	3	-8	The under-achievement is due to the insufficient annual budget allocated to DPWI by DOE and the non-approval of additional funding requests submitted to the client. The following projects could not be completed as planned due to non-payment of invoices: • Bulelani SSS Phase 3. • Nkwezana PS. • David Livingstone SSS • Lingcom PS • Asherville SSS • Athenkosi PS • Bethelsdorp SSS • Hanker Document Centre
Sustainable infrastructure investment	Maintenance projects under construction	2.5.1	Number of maintenance projects under construction	New indicator	New indicator	5	0	-5	The under-achievement is mainly due to delays in the project planning and procurement processes which affected: • Mtshabe PS and Thembelihle PS are at BSC stage as the schools had to be re-assessed following a repeat disaster incident at the schools. • Ludzwana PS was not achieved due to procurement delays, the project is at BEC stage • Mngceleni PS and Majola PS are awaiting concurrence approval from DoE.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
	Planned maintenance projects completed	2.5.5	Number of planned maintenance (refurbished/ renovated) completed	New indicator	6	3	2	-1	The under-achievement is due to delays on the completion of external works at Vukuhambe Special School. This additional work was requested by the client following heavy rains that swept away the earthworks at the entrance.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
HEALTH INFRASTRUCTURE, MAINTENANCE AND TECHNICAL SUPPORT PORTFOLIO									
Resilient and capacitated Public Works and Infrastructure	DPWI professionals utilised	2.2.1	Ratio on utilization of internal vs external professional services for DPWI /public infrastructure projects	New indicator	81/19	30/70	59/41	+29/-29	The over-achievement is due to 32 projects that were reported at the end of the financial year with 19 projects utilising internal and thirteen (13) external professionals. The programme adopted the strategy to utilise internal professionals for all projects below R10 million.
Dignified user experience	State Owned facilities accessible to persons with disabilities	2.2.2	Number of state-owned facilities adhering to access norms and standard for people with disabilities	New indicator	9	20	6	-14	The under-performance is attributed to 14 projects negatively impacted by budgetary constraints under the Equitable Share funding from the Department of Health leading to the suspension of work by contractors.
Sustainable infrastructure investment	Designs ready for tender	2.3.1	Number of infrastructure designs ready for tender	New indicator	20	23	24	+1	One (1) project Cebe Clinic is an over-achievement which was not planned but implemented due to community pressures.
Sustainable infrastructure investment	Projects under construction	2.4.1	Number of capital infrastructure projects under construction	New indicator	15	34	20	-14	The under-achievement is due to high volume of bidder submissions across nine (9) projects, a comprehensive risk analysis was required, which extended the procurement process and delayed contractor appointments.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
									1. Greenville Hospital Upgrades 2. Tafalofefe Hospital – Water Works 3. Construction of New Cebe Clinic 4. Paballong Clinic Renovations 5. Malongwane Clinic Upgrades 6. Steynsburg Hospital Renovations 7. Mapuzi Clinic Renovations 8. Zithulele Hospital Renovations 9. Madlangala Clinic Renovations One (1) project was terminated due to contractor underperfomance. 1. All Saints Hospital –Staff Accommodation Three (3) projects under-went a value engineering process in collaboration with the Department of Health to reduce scope and cost, which also took longer than initially anticipated. 1. Tafalofefe Hospital Renovations 2. Willovalle CHC Renovations 3. Banzi Clinic Renovations

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
									One (1) project had to be put on hold because the Department of Health implemented the project through their Call Centre 4. Mfundambini Clinic upgrades These factors collectively contributed to the delay in achieving the target.
	Projects completed (using bio degradable buildings material)	2.4.2	Number of new construction projects completed	New indicator	N/A	8	3	-5	The under-achievement is due to contractors suspending work because of delayed payments.
Sustainable infrastructure investment	Maintenance projects under construction	2.5.1	Number of maintenance projects under construction	New indicator	New indicator	43	27	-16	The under-achievement is due to budgetary constraints and the inability of the Department to settle contractor invoices for ongoing maintenance projects. As a result, commencement of the procurement process for the 16 maintenance projects was delayed. Sixteen (16) maintenance projects completed during the year under review.
	Planned maintenance projects completed	2.5.2	Number of planned maintenance (refurbished/ renovated) completed	New indicator	9	24	16	-8	The under-achievement is due to contractors suspending work because of delayed payments.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
IMMOVABLE ASSET MANAGEMENT									
Productive Assets	Facilities provided	2.6.1	Number of facilities provided	350	250	314	380	+66	The over-achievement is as a result of the implementation of Regulation No.4250 made in terms of section 20 of GIAMA Act (Act No.19 of 2007), which defines a facility as use of immovable asset allocated to a participating user which can be both as a single or multiple facilities in a building.
	Approved diagrams by Surveyor-General	2.6.2	Number of State Land surveyed	450	150	150	150	N/A	N/A
Sustainable Infrastructure Investment	Investment initiatives implemented	2.6.3	Number of revenue enhancement strategy initiatives implemented	3	3	4	4	N/A	N/A
Transformed Built Environment	Optimized entrepreneurship opportunities through lease portfolio	2.6.4	**%** of leases concluded with Black Developers	72%	67%	65%	100%	+35%	The overachievement is due to positive response from the market.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
FACILITY OPERATIONS									
Productive Assets	Inspections conducted for optimal utilization	2.7.1	Number of utilization inspections conducted for office accommodation	150	50	75	75	N/A	N/A
	Condition Assessment rating on state-owned buildings	2.7.2	Number of condition assessments conducted on state-owned buildings	343	312	300	305	+5	The over-achievement of five (5) additional schools listed on the department's asset register. These facilities were last assessed five years ago and, in line with the Government Immovable Asset Management Act (GIAMA), were due for reassessment to ensure compliance. The decision to include these assets reflects a proactive and risk-based approach to asset lifecycle management, ensuring that critical infrastructure data remains current for informed planning, budgeting, and maintenance prioritisation.
Dignified user experience	Productive management of State-Owned facilities	2.7.3	Number of facilities management initiatives implemented	New indicator	6	5	5	N/A	N/A

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
Sustainable infrastructure investment	Optimised energy efficient DPWI buildings	2.7.4	Number of energy efficient DPWI buildings	43	48	53	31	-22	The under-achievement is attributed to the double counting of a single facility under two separate utility categories water and electricity, which resulted in an inflated baseline and distorted performance metrics.

Summary of Programme Performance

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

Chief Directorates	Percentage Performance
Transversal Infrastructure Coordination	100%
Education Portfolio	36%
Health Portfolio	65%
DPWI & Other Portfolio	63%
IAM	100%
Facilities & Security Management	90%

The Programme contributes towards sustainable infrastructure investment and transformed built environment. This is achieved through delivery of infrastructure projects in an efficient and effective manner resulting in value for money contributing towards sustainable infrastructure investment.

The Department has experienced budgetary constraints during the year under review, and as a result, the programme did not achieve its planned targets. To this end, the Programme completed six (6) new capital infrastructure projects and twelve (12) major maintenance projects, for the Department of Education, Department of Health and DPWI & Other to meet their service delivery objectives. The Programme has contributed to the designated groups through procurement strategy where certain packages were awarded to MSMEs and the creation of jobs. Despite the notable progress, the programme encountered several recurring challenges:

- Persistent issues with inter-departmental payment workflows led to site suspensions across numerous projects; and
- Some contractors failed to meet timelines, requiring contract terminations and re-tendering.

The Programme is responsible for providing facilities that are safe and fit for purpose to enable the clients to fulfil their mandate and ensure a dignified client experience. During the period under review, the Programme conducted 305 condition assessments in line with GIAMA across the Province. The results of these assessments inform the maintenance plan of the Department to ensure that facilities are in a habitable state and compliant with all regulatory requirements.

The Department continued to implement strategies to utilize the property portfolio for revenue generation and investment. The Department implemented all four (4) revenue enhancement strategies, that is, long-term, short-term, residential and student accommodation. Over and above this, the Programme concluded four (4) long term leases to Black Developers to transform the property sector. The leasing strategy of the department continues to experience challenges relating to the inexperience of the new property entrants, particularly black developers, lack of development finance and slow progress in obtaining development application approval from municipalities due to lack of bulk infrastructure.

Linking performance with budgets

Sub-Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Programme Support	27 217	27 217	-	61 525	61 525	-
2.2 Planning	22 321	22 321	-	14 845	14 845	-
2.3 Construction	241 971	241 971	-	268 691	222 574	46 117
2.4 Maintenance	219 778	219 778	-	209 271	209 271	-
2.5 Immovable Asset Management	1 006 873	988 789	18 084	946 783	941 538	5 245
2.6 Facility Operation	381 612	381 612	-	314 061	314 061	-
Total	**1 899 772**	**1 881 688**	**18 084**	**1 815 176**	**1 763 814**	**51 362**

The Programme recorded a total expenditure of 99% of its allocated budget, which contributed to 76% achievement of performance targets.

Of the reported R1. 882 billion expenditure for the Programme, 22% is for the personnel costs, 35% towards municipal support and 13% towards operating leases, 14% security services and 10% towards infrastructure delivery. The under achievement of performance targets as a result of the Department's role as an implementing agent with the budget residing with the Client Departments. Furthermore, budget was reprioritised to Programme 1 from infrastructure projects towards the settlement of the court judgement.

Strategy to overcome areas of under performance

Building Infrastructure

DPWI & Other Portfolio

Performance indicators	Strategy
2.4.1 Number of capital infrastructure projects under construction	• Improve engagements and collaborations at planning stage; • Improve prioritization of funding model for continuing projects; • Staggered implementation of new projects; • Improve implementation of the IDMS in project cycle; • Development of Integrated Portfolio Management System (IPMS)
2.4.2 Number of new construction completed	
2.5.1 Number of maintenance projects under construction	
2.5.2 Number of maintenance projects refurbished/ completed/ renovated	

Education Portfolio

Performance indicators	Strategy
2.2.2 Number of state-owned facilities adhering to access to norms & standards	The Department will enforce adherence to the approved Service Delivery Agreement (SLA), collaboration between DPWI and client department at project planning stage through the following: • Strengthening engagements for timeous Concurrence Approval; • Finalization of procurement within expected timelines; • Improve implementation of the IDMS in project cycle; • Prioritising the completion of the historical projects that are in the approved listing prior to proceeding with new projects in order to avoid over-commitment and the non-achievement of targets.
2.3.1 Number of infrastructure designs ready for tender	
2.4.1 Number of capital infrastructure projects under construction	
2.4.2 Number of new construction completed	
2.5.1 Number of maintenance projects under construction	

Health Portfolio

Performance indicators	Strategy
2.2.2 Number of state-owned facilities adhering to access to norms & standards	The Department will enforce adherence to the approved Service Delivery Agreement (SLA), collaboration between DPWI and client department at project planning stage through the following: • Strengthening engagements for timeous Concurrence Approval; • Finalisation of procurement within expected timelines; • Improve implementation of the IDMS in project cycle; • Improve stakeholder management through structured social facilitation measures to address grievances and prevent community unrest. • Improve implementation of the PMIS in project cycle.
2.3.1 Number of infrastructure designs ready for tender	
2.4.1 Number of capital infrastructure projects under construction	
2.4.2 Number of new construction completed	
2.5.1 Number of maintenance projects under construction	
2.5.2 Number of maintenance projects refurbished/ completed/ renovated	

Facilities and Security Management

For a number of energy efficient DPWI buildings, the Department has resolved to redefine the performance indicator from measuring the number of facilities to assessing the percentage of savings realised. Going forward, performance will be measured based on the total reduction in energy (kWh) and water (kl) consumption across facilities, benchmarked against established baseline consumption levels, as a result of implemented efficiency measures".

2.4.3 Programme 3: Expanded Public Works Programme

Purpose

To manage the implementation of Programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the Provincial management and coordination of the Expanded Public Works Programme.

The Programme consists of the following Sub-Programmes:

3.1 Programme Support

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

3.2 Community Development

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

3.3 Innovation & Empowerment

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

3.4 Coordination & Compliance Monitoring

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

List of Outcomes

- Optimized Job Opportunities
- Transformed Built Environment

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme/Sub-Programme

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME									
Optimised job opportunities	Interventions implemented	3.1.1	Number of interventions implemented to support Public Bodies	6	7	7	7	N/A	N/A
Optimised job opportunities	Paid work opportunities created	3.2.1	Number of work opportunities created by Provincial Public Works and Infrastructure	4067	5212	5000	5117	+117	The over-achievement is as a result of replacements through EPWP Maintenance, Prestige Maintenance, APTCoD and NYS Programmes. The indicator is reported cumulatively, some participants have exited the programme and are replaced within the financial year and they are reported.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
Transformed built environment	Enterprise supported	3.3.1	Number of ICDP contractors support	164	173	160	0	-160	The under-achievement is as a result of delays in the finalisation of the database. The database was re-advertised due to a change of scope on the Expression of Interest to include other designated groups.
		3.3.2	Number of emerging contractors support	106	216	108	149	+41	The over-achievement is as a result of CIDB training interventions conducted during the last quarter of the financial year.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
		3.3.3	Number of ICDP contractors upgraded in Construction Industry Development Board (CIDB) grading	55	80	10	0	-10	The under-achievement is as a result of delays in the finalisation of the database. The database was re-advertised due to a change of scope on the Expression of Interest to include other designated groups.
	Artisan Developed	3.3.4	Number of participants in the APTCoD programme	1123	1199	1060	1200	+140	The over-achievement is as a result of replacements of APTCoD Programmes. The indicator is reported cumulatively, some participants have exited the programme and are replaced within the financial year and they are reported.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
		3.3.5	Number of APTCoD learners passed trade test	100	136	88	112	+24	The over-achievement is as a result of more APTCoD learners that were ready for the trade test during the last quarter of the financial year.
		3.3.6	Number of NYS learners trained	221	171	200	239	+39	The over-achievement is as a result of replacements of NYS Programmes. The indicator is reported cumulatively, some participants have exited the programme and are replaced within the financial year, and they are reported.

Outcome	Output	Output Indicator		Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to actual achievement 2024/2025	Reasons for deviation
		3.3.7	Number of NYS learners passed RPL	35	52	54	55	+1	The over-achievement is as a result of one (1) NYS learner that was ready for RPL assessments during the last quarter of the financial year.
Optimised job opportunities	Participation of Public Bodies in EPWP	3.4.1	Number of Public Bodies reporting on EPWP targets in the Province	40	54	50	50	N/A	N/A

Summary of Programme Performance

The Programme continues to drive socio-economic transformation through optimising the creation of work opportunities in the Province, thus contributing in the reduction of poverty, unemployment and inequality. This was realised through the creation of 103 896 work opportunities in the Province of which 5 117 were created by the Department. 1 200 APTCoD and 239 NYS Learners were recruited in the programme to enhance the artisanal skills needed by the market targeting disadvantaged young people for them to be self-sufficient and economically active. To this end, 112 APTCoD Leaners passed the trade test and 55 National Youth Service (NYS) Learners passed the RPL Assessments.

Significant progress has been made to transform the construction sector in the Province. The Department continues to implement key interventions to change the narrative. The Department during the year under review, supported Local MSME Contractors in the form of awarding projects and training. Furthermore, the Department as part of implementing the Provincial Medium Small and Micro Enterprises (MSME) Strategy, facilitated the endorsement of the Strategy by the Executive Council (EXCO) in 2023. The Department supported two Departments, the Department of Transport and Department of Human Settlements on the development of their MSME Policies.

Linking performance with budgets

Sub-Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Programme Support	10 442	9 387	1 055	19 636	19 631	5
4.2 Community Development	36 706	36 706	-	32 989	32 989	-
4.3 Innovation and Empowerment	75 566	69 928	5 638	69 544	67 381	2 163
4.4 Co-ordination and Compliance Monitoring	32 783	32 783	-	24 903	24 903	-
Total	**155 497**	**148 804**	**6 693**	**147 072**	**144 904**	**2 168**

The Programme recorded a total expenditure of 96% of its allocated budget, which contributed to 80% achievement of performance targets.

Of the reported R148. 804 million expenditure for the Programme, 42% went to personnel costs, 50% towards developmental programmes (NYS, APTCoD and EPWP Maintenance teams). The recorded under expenditure was due to the delay in the procurement of the Protective Clothing and tools for the developmental programmes.

Strategy to overcome areas of under performance

3.3.1 & 3.3.3. The Programme will fast-track the finalisation of the ICDP database. The process is currently at Bid Award Committee (BAC) stage and is awaiting the recommendation of BAC before it is approved by the Head of Department. This process is anticipated to be finalised by end of the first quarter of 2025/26 financial year.

2.5 Transfer Payments

Transfer payments to Public Entities

N/A

2.5.1 Transfer payments to all organisations other than public entities

Name of the Transferee	Purpose for which the funds were used	Compliance with s 38(1)(j) of the PFMA	Amount received R'000	Amount spent by entity R'000	Reasons for the funds unspent by entity
DPWI	Payment of rates and taxes for the government owned buildings	N/A	585 558	580 034	Due to the delayed process of ownership verification for properties in KSD that were billed by the municipality but not in the Asset register.

2.6 Conditional Grants

2.6.1. Conditional grants and earmarked funds paid

N/A

Grant name	Final Appopriation	Actual Expenditure	Variance
	R'000		
Expanded Public Works Incentive to Provinces	6 806	6 806	-
Total	**6 806**	**6 806**	**-**

Conditional grants and earmarked fund received

EPWP INCENTIVE GRANT	
Department who transferred the grant	National Department of Public Works
Purpose of the grant	To incentivise provincial department to expand work creation efforts through the use of labour intensive delivery methods.
Expected outputs of the grant	Number of people employed and receiving income through EPWP
	Increased average duration of work opportunities created
Actual outputs achieved	Number of people employed and receiving income through EPWP were **1 693**
	Increased average duration of work opportunities created was **631**
Amounts per amended DORA R'000	6 806
Amount Transferred R'000	All funds transfered
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department R'000	6 806
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	N/A

2.7 Donor Funds

2.7.1 Donor Funds received

N/A

2.8 Capital investments

2.8.1 Capital investment, maintenance and asset management plan

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

The Department submitted its User and Custodian Asset Management Plans as per the GIAMA legislation. The User Asset Management Plan includes a strategic needs assessment of the infrastructure requirements of the Department, an acquisition plan, operations plan as well as a surrender plan. The Custodian Asset Management Plan includes Provincial infrastructure needs and requirements.

As part of the contribution towards the property investment management plan, the Department is implementing its Revenue Management Strategy. The strategy comprises all properties with investment potential which can be developed to generate revenue. In the year under review, the Department aimed to contribute towards the transformation of the Property Sector through leases concluded with Black Developers, and at year end, the Department achieved 100%.

The Education Portfolio largely relies on the budget allocated by the Department of Education (DOE), and the allocation for the 2024/25 financial year was reduced from what DPWI had initially requested to complete active projects as projected. Despite the DPWI formally communicating to DoE the risks associated with the reduced allocation and the negative impact on the planned projects, the 2024/25 allocation was not increased. Due to the immense financial obligations, the DOE budget was depleted by December 2024 which further compounded the portfolio's financial challenges and project delays.

The Department through DPWI & Other Portfolio is engaged in the construction of cluster offices and office precincts to respond to the user department's needs. The construction of the office precincts drive the transformation of the Eastern Cape, fosters Small-Town Revitalisation, unlock new economic opportunities and paves the way for modern towns that will reshape the Province's landscape.

To date, progress on these Capital Infrastructure Projects is as follows:

1. Construction of Mqanduli Cluster Offices, with an investment of R156 million, is at 68% and will be completed in September 2025;
2. The overall progress at the Makhanda Artisan Development Centre, with an investment of R27,3 million, is at 90% and the project is scheduled to be completed by June 2025;
3. Upgrades and Additions for Department of Agriculture Service Office in Ngqamakhwe, with an investment of R21,8 million, is at 79% and the project will be completed in June 2025;
4. EMaxesibeni Cluster Offices, the project has been split into two (2) Phases for construction. Phase 1 is Civil Works, with an investment of R49 million and progress to-date is 85%. In Phase 2, the Construction of Block A, with an investment of R95 million, is at 70%. The project will be completed in March 2026; and
5. The construction of eMaxesibeni Block A, Makhanda Artisan Development Centre and Mqanduli Cluster Offices has resulted in the participation of 39 MSMEs with an investment of R50 million yielding to the creation of 256 jobs. Moreover, the construction of these high-impact projects has unlocked opportunities for 18 Built Environment Graduates and 22 Artisans benefiting from their respective Districts. A total number of 46 Women, 107 Youth and 3 Persons with Disabilities have benefited from the construction of these high-impact projects.

In support of business continuity and providing alternative energy in the office accommodation, the Department managed to install Solar Panels in the following offices:

1. Old Ford House in Gqeberha has been completed;
2. FNB Building in Bhisho has been completed;
3. Albertina Sisulu Building has been completed;
4. Old Disaster Centre in Bhisho has been completed;
5. Mt Frere Social Cluster Building has been completed;
6. ECPL Solar is at 65%; and
7. Maluti Offices in Matatiele is at 85%.

In the refurbishment and upgrading of infrastructure the Department considers the adherence to norms and standards of people with disabilities.

The Department through the Health Portfolio continued its commitment during the 2024/2025 financial year to deliver quality healthcare infrastructure across the Province. The programme aimed to strengthen service delivery through planning, construction, refurbishment, and maintenance of health facilities, despite facing significant financial and operational challenges.

Key strategic documentation underpinning infrastructure delivery was developed and/or updated during the year:

- Service Delivery Agreement, Annual Implementation Plan (AIP) and Procurement Plan.
- Infrastructure Projects Management Plan (IPMP) and Infrastructure Projects Implementation Plan (IPIP) for 2025/2026.

These documents serve as foundational planning tools to ensure alignment with the broader health sector strategy.

A total of **23 project designs** were targeted and achieved for tender readiness. Significant progress was achieved with major designs, including:

- Upgrades to Green-Ville Hospital
- Upgrades to Mapuzi Clinic
- Upgrades to Zithulele Hospital

As at 31 March 2025, 21 capital infrastructure projects were under construction. Notable projects include:

- Upgrades and Additions to Nessie Knight Hospital in Qumbu
- Construction of New Balfour Clinic
- Repairs and Renovations to Nelson Mandela Academic Hospital
- Water and Wastewater Treatment Works at Taylor Bequest Hospital

Progress varied across projects, primarily impacted by delayed payments and subsequent contractor site withdrawals. Several systemic and operational challenges were encountered as a result planned projects were not completed:

- Late payment of contractors and consultants led to project suspensions, slow progress and claims for extensions.
- Poor contractor performance and delayed professional services inputs adversely affected project delivery timelines.

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

Infrastructure Projects Completed in the current year (Capital)	Planned Infrastructure Projects (Capital)
Education Portfolio	
Phambili Mzontsundu SS (Joe Gqabi)	Hanker Document Centre
Mhlontlo PS (Joe Gqabi)	Asherville SS
Arcadia SSS (Nelson Mandela Metro)	Bethelsdorp SS
	Nkwezana PS Phase 1
	David Livingston SS
	Bulelani SS Phase 3
	Lingcom PS
	Athenkosi PS
DPWI & Other Portfolio	
Emalahleni Service office (Chris Hani)	Construction of Mt Ayliff Cluster offices (Civil Works)
	Phase 3: Training Centre In-House Construction Unit Makhanda (Construction of the Makhanda Artisan Development Centre (Classroom Block and External Works)
Health Portfolio	
Butterworth Hospital Fencing (Amathole)	All Saints Hospital Wastewater Treatment Works
Bedford Hospital Workshop Renovations (OR Tambo)	Matubeni Clinic
Bedford Hospital (Water Works) (OR Tambo)	Tembisa Clinic
	Nelson Mandela Academic Hospital (Dental Unit)
	Taylor Bequest Hospital

The material variance of planned versus completed is 31% for the year under review, that is seven (7) projects were completed against twenty-two (22) that was targeted.

The Department experienced budgetary constraints between December 2024 and March 2025, which resulted in service providers abandoning sites and client departments not honouring payments to DPWI for active and contracted projects. Projects which were scheduled to be completed during the third and fourth quarters were affected, and most contractors suspended work and will only return upon payment of outstanding invoices.

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

Health Portfolio

No	Project Name	District	Project Status	Project Start date	Nature of Investment	Original end date	Project end date	Total project Cost/ Award	Value of approved Variation Orders	Revised contract value
1.	Repairs & Renovations at Matubeni Clinic	Alfred Nzo	80%	May 2023	Refurbishment	February 2024	July 2025	R 8,469,000.00	N/A	R 8,469,000.00
2.	Repairs & Renovations at Nokhatshile Clinic	Alfred Nzo	15%	September 2024	Refurbishment	June 2025	June 2025	R 9,258,071.32	N/A	R 9,258,071.32
3.	Completion of BCM Fencing Program	BCM	95%	July 2023	Refurbishment	January 2025	June 2025	R 21,574,158.99	N/A	R 21,574,158.99
4.	Construction of Balfour Clinic	Amathole	71%	March 2023	New Asset	March 2025	December 2025	R 52,059,253.81	N/A	R 52,059,253.81
5.	Upgrading of Madwaleni Hospital	Amathole	6%	May 2024	Refurbishment	May 2028	May 2028	R 560,086,375.28	N/A	R 560,086,375.28
6.	Repairs and renovations for SS Gida Hospital in Keiskamahoek	Amathole	85%	Nov 2021	Refurbishment	December 2022	November 2025	R 39,739,982	R 12 689 965,27	R 52 429 947,60
7.	All Saints Hospital Water & Sanitation	Chris Hani	83%	March 2022	New Asset	March 2024	November 2025	R 57,259,45.06	N/A	R 57,259,45.06
8.	Frontier Hospital Staff Accommodation	Chris Hani	47%	February 2023	Refurbishment	August 2025	March 2026	R 81,196,585.30	N/A	R 81,196,585.30
9.	Haytor Clinic – Repairs & Renovations	Chris Hani	25%	August 2024	Refurbishment	August 2025	March 2026	R 9,624,499.50	N/A	R 9,624,499.50
10.	Taylor Bequest Isolation Ward	Joe Gqabi	97%	October 2022	Refurbishment	January 2023	June 2025	R 28,595,250.00	R10 994 460,52	R 39 589 710,52
11.	Taylor Bequest Hospital upgrading of sewer treatment	Joe Gqabi	30%	August 2024	Refurbishment	October 2025	March 2025	R 42,481,329.00	N/A	R 42,481,329.00
12.	Prefabricated structures at Tembisa	Joe Gqabi	91%	November 2023	Refurbishment	June 2024	June 2025	R 6,907,366.90	N/A	R 6,907,366.90
13.	Upgrading of Lady Grey Hospital (OPD & related works)	Joe Gqabi	15%	October 2024	Refurbishment	August 2026	August 2026	R 52,372,848.27	N/A	R 52,372,848.27
14.	Ugie Clinic - Temporary Clinic	Joe Gqabi	19%	October 2024	Refurbishment	April 2025	December 2025	R 5,143, 765.88	N/A	R 5,143, 765.88

No	Project Name	District	Project Status	Project Start date	Nature of Investment	Original end date	Project end date	Total project Cost/ Award	Value of approved Variation Orders	Revised contract value
15.	Nelson Mandela Academic Hospital Building Repairs	OR Tambo	81%	November 2022	Refurbishment	November 2023	September 2025	R39,870,000.00	R 22,735,041,46	R 62,605,041,46
16.	Refurbishment of Sir Henry Elliot Hospital	Joe Gqabi	98%	September 2021	Refurbishment	September 2022	June 2025	R28,969,224.85	R 24,867,802,67	R 53,837,027,52
17.	Upgrading of Nessie Knight Hospital	OR Tambo	58%	June 2023	Refurbishment	May 2026	May 2026	R103,943,431.67	N/A	R 103,943,431.67
18.	Completion of Mthatha Medical Depot & Nurses Home	OR Tambo	42%	June 2024	Refurbishment	February 2025	March 2026	R 26,556,894.09	N/A	R 26,556,894.09
19.	Construction of Nelson Mandela Academic Hospital - Oncology	OR Tambo	41%	May 2024	New Asset	November 2025	December 2026	R416,282,373.80	N/A	R 416,282,373.80
20.	Construction of Nelson Mandela Hospital Dental Unit	OR Tambo	88%	January 2024	New Asset	October 2024	September 2025	R 11,750,000	N/A	R 11,750,000

Education Portfolio

No	Project Name	District	Project Status	Project Start date	Nature of Investment	Original end date	Project end date	Total project Cost/ Award	Value of approved Variation Orders	Revised contract value
1	David Livingstone SSS	Nelson Mandela Bay	92% (Suspended)	28 Jun 2017	Capital	28 Jun 2019	30 June 2025	R 71,460,900	R 49,010,932.45	R 120,471,832.45
2	Bethelsdorp SSS	Nelson Mandela Bay	91% (go slow)	02 Feb 2017	Capital	02 Feb 2019	28 Jul 2025	R 70,772,742.10	R 23,465,046.72	R 103,490,219.52
3	Hanker Document Centre	Buffalo City Municipality	89% (suspended)	02 Jun 2018	Capital	05 Dec 2020	30 Aug 2025	R 106,983,093.53	R 44,303,287.58	R 151,286,381.11
4	Nkwezana PS phase 1	Buffalo City Municipality	95% (suspended)	18 Apr 2024	Prefabs	18 Sep 2024	28 May 2025	R 10,360,033.75	R 1,225,073.10	R 11,615,106.85
5	Bulelani SSS Phase 3	Chris Hani	90% (suspended)	17 Apr 2024	Capital	15 Feb 2025	13 Jun 2025	R 11,838,154.34	R -951,056. 25	R 10,887,098.09
6	Asherville SS	Sarah Baartman	98% (suspended)	27 Mar 2018	Capital	17 Apr 2020	30 Jun 2025	R 79,621,165.31	R 22,040,143. 41	R 100,054,091.97
7	Lingcom PS	Sarah Baartman	95% (suspended)	06 Dec 2017	Capital	15 Jan 2020	25 Jun 2025	R 77,981,559.92	R 23,806,768.99	R 101,788,328.31
8	Khayalethu Special School	Buffalo City Municipality	75% (suspended)	14 Mar 2018	Capital	13 Mar 2021	18 Sep 2025	R 168,799,800	R 3,925,507.11	R 172,725,307.11
9	Addo PS	Sarah Baartman	55% (go slow)	12 Oct 2023	Capital	13 Oct 2025	13 Oct 2025	R 57,403,761.53	R -2,624,605.65	R 54,755,188. 71
10	Upper Corana SSS	OR Tambo	25% (go slow)	19 Jun 2024	Capital	10 Nov 2025	10 Nov 2025	R 41,482,050	N/A	N/A
11	Grahamstown PS	Sarah Baartman	08% (go slow)	13 Oct 2024	Capital	21 Oct 2027	21 Oct 2027	R 88,906,462.23	N/A	N/A
12	Nkopane JSS	Joe Gqabi	03%	18 Feb 2025	Capital	18 February 2027	18 February 2027	R 48,481,518.81	N/A	N/A
13	Athenkosi PS	Amathole	90%	26 April 2023	Disaster	26 APR 2023	31 July 2025	R 2,578,231,00	N/A	N/A
14	Botshabelo JSS	Joe Gqabi	35%	23 August 2024	Disaster	19 March 2025	31 October 2025	R 19,500,000,00	N/A	N/A
15	Lower Gqaga PS	Chris Hani	34%	21 August 2024	Disaster	16 October 202419	June 2025	R 11,999,335,00	N/A	N/A

No	Project Name	District	Project Status	Project Start date	Nature of Investment	Original end date	Project end date	Total project Cost/ Award	Value of approved Variation Orders	Revised contract value
16	Siviwe PS	Chris Hani	30%	20 August 2024	Disaster	20 August 2024	19 June 2025	R 9,652,168,80	N/A	N/A
17	Mcobololo SSS	Chris Hani	27%	17 October 2024	Disaster	31 July 2025	18 August 2025	R 7,988,894,34	N/A	N/A
18	Maqoma JSS	Amathole	89%	05 February 2024	Disaster	14 March 2025	31 May 2025	R 7,298,563,09	N/A	N/A

DPWI & Other Portfolio

No	Project Name	District	Project Status	Project Start date	Nature of Investment	Original end date	Project end date	Total project Cost/ Award	Value of approved Variation Orders	Revised contract value
1.	Renovations and Upgrades to Prestige Houses	BCM	85%	21/11/2023	Upgrade & additions	05/12/2023	26/06/2025	R 20,623,778,00	R 877,743,10 above contract amount	R 21,501,521,10
2.	Upgrade and additions for DRDAR in Ngqamakhwe	Amathole	85%	05/09/2023	Upgrade & additions	04/09/2024	26/06/2025	R 21,896,194,65	R0,00	R 21,896,194,85
3.	Eastern Cape Provincial Legislature (ECPL) Solar Installation in Bhisho.	BCM	65%	24/08/2024	Upgrade & additions	04/12/2024	26/06/2025	R 4,825,000,00	R0,00	R 4,825,000,00
4.	Butterworth Service Office	Amathole	2%	26/03/2025	Upgrade & additions	26/06/2025	26/06/2025	R 2,999,999,93	R0,00	R 2,999,999,93
5.	Installation of Fencing to Prestige Portfolio	BCM	Terminated	01/11/2022	Upgrade & additions	30/06/2023	30/06/2024	R 10,378,872,48	R0,00	R 10,378,872,48
6.	Re-Adapting and Renovations of three (3) Existing Ministerial Houses of Prestige Apartments	BCM	65%	18/07/2024	Upgrade & additions	18/03/2025	18/09/2025	R 19,944,338,45	Submitted for approval	R 19,944,338,45
7.	Construction of Mt Ayliff Cluster offices (Civil Works)	Alfred Nzo	85%	01/12/2021	New	30/08/2022	17/09/2025	R 48,586,146,00	Submitted for approval	R 48,586,146,00
8.	Construction of Artisan Academy in Makhanda – phase 3	Sarah Baartman	90%	01/03/2022	New	30/11/2023	30/06/2025	R 27,304,627,92	R 798,544,64 Submitted for approval	R 27,304,627,92
9.	Supply and Install standby Generator/ Solar System in Maluti Office Complex at Alfred Nzo	Alfred Nzo	83%	15/11/2023	Upgrade & additions	12/2/2024	26/06/2025	R 5,603,375,00	Submitted for approval	R 5,603,375,00

No	Project Name	District	Project Status	Project Start date	Nature of Investment	Original end date	Project end date	Total project Cost/ Award	Value of approved Variation Orders	Revised contract value
10.	KD Matanzima Building: External & Internal Renovations and Upgrade	OR Tambo	40%	05/09/2023	Upgrade & additions	20/06/2025	20/06/2026	R 42,811,574,77	R0.00	R 42,811,574,77
11.	Repairs Renovations to Botha Sigcau Common Areas	OR Tambo	20%	30/04/2024	Upgrade & additions	30/10/2025	30/10/2025	R 35,735,555,23	R 1,815,577,67 above contract amount	R 37,551,132,90
12.	Construction of Emaxesibeni Block A	Alfred Nzo	66%	02/02/2024	New	15/02/2027	15/02/2027	R 94,976,192,93	R 621 577,35 within contract	R 94,976,192,93
13.	Construction of Cluster offices in Mqanduli	OR Tambo	75%	01/08/2022	New	31/07/2025	20/11/2025	R 155,882,893,50	Submitted for approval	R 155,882,893,50
14.	Mvumelwano Traditional Council	OR Tambo	0%	15/01/2025	New	14/11/2025	02/02/2026	R 2,854,655,35	R0.00	R 2,854,655,35
15.	Fingo Public Library	Sarah Baartman	Terminated	27/03/2024	New	27/09/2025	27/09/2025	R 12,249,880,90	R0.00	R 12,249,880,90
16	Humansdorp Service Office	Sarah Baartman	1%	21/02/2025	New	21/04/2026	21/04/2026	R 11,159,387,25	R0.00	R 11,159,387,25
17.	Seymour Service Office	BCM	6%	13/02/2025	Upgrade & additions	13/02/2026	13/02/2026	R 17,800,960,00	R0.00	R 17,800,960,00
18.	Refurbishment and Additions to Prestigious Offices	BCM	6%	26/09/2024	Upgrade & additions	30/05/2025	TBC	R 22,370,614,20	R0.00	R 22,370,614,20
19.	Construction of Mqhekezweni TC	OR Tambo	Terminated	10/11/2024	Upgrade & additions	14/08/2025	14/08/2025	R 2,200,000,00	R 0.00	R 2,200,000,00

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

The Provincial Immovable Asset Register consists of a total of 13 091 properties, out of that total, 73 ruined properties are recorded. These are the properties that are completely ruined and are not fit for purpose.

All unutilised properties are being processed for disposal, but this is done in a phased approach, superfluous or properties not fit for use are disposed through leasing out, donation, land swap or market related sale. Those properties that cannot be disposed of, the Department will facilitate a process of applying for the demolition orders with the local municipalities.

E. Progress made on the maintenance of infrastructure.

- DPWI & Other Portfolio completed eight (8) projects out of fourteen (14) targeted to be completed;
- Education Portfolio completed two (2) projects out of three (3) targeted to be completed; and
- Health Portfolio completed sixteen (16) projects out of twenty-four (24) targeted to be completed.)

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

Infrastructure projects	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	98 935	98 935	-	127 017	101 509	25 508
Existing Infrastructure	-	-	-	-	-	-
Upgrade and Additions	91 959	91 959	-	84 989	63 272	21 717
Rehabilitation, renovations and refurbishments	-	-	-	80 489	60 935	-
Maintenance and Repairs	59 535	59 535	-	22 416	22 416	-
Total	**250 429**	**250 429**	**-**	**314 911**	**248 132**	**47 225**

During the period under review, the Department experienced budgetary constraints and service providers went on go slow as sites were closed.

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

Progress on the Disposal Programme has improved during the period under review. Compared to the 2023/24 financial year and previous years whereby only six (6) out of 20 disposals were approved by the Premier, 66 out of 103 disposals were approved by the Premier during 2024/25.

Challenges experienced in relation to non-achievement of targets are attributed to non or poor performance by external stakeholders such as the Office of the Premier, confirmation of land claims and municipalities which delay in issuing Council resolutions to facilitate approvals of disposals and subsequent transfers. It is envisaged that during the 2025/26 financial year, the achievement on disposals will improve as more properties (estimated target of 2 229) township development properties will be disposed and transferred through donation to various municipalities in order to register townships for issuing of title deeds to individual beneficiaries of various state housing programmes. This intervention is envisaged to reduce the budget spent by the Provincial government of payment of property rates and taxes to municipalities.

Further intervention is required to persuade municipalities to issue the required Council resolutions in order to facilitate the disposal process.

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

The IAR is updated with financial and non-financial movements on a monthly basis. This includes recording additions through:

- Item 28(1) certificates received;
- S42 Transfer In from client departments;
- Cash acquisitions where applicable;
- Donations from other institutions; and
- Completed capital projects by DPWI from the Work in Progress (WIP) register and disposal through:
  - Cash disposals;
  - S42 Transfers; and
  - Donations to other institutions.

Furthermore, the IAR is continuously updated with the verified land specific information received during the land audits. Additionally, the Department keeps a record of all the supporting documents for all the above-mentioned movements.

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

A total of 305 condition assessments were conducted on state owned buildings during the year under review. The following results were obtained:

Condition Rating	Percentage
C5 (excellent) & C4 (good)	21%
C3 (fair)	37%
C2 (poor) & C1 (very poor)	42%

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

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

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

Portfolio	Projects	District
DPWI & Other		
1.	Supply and Install standby Generator/Solar system at Ford House Building in Sarah Baartman.	NMBM
2.	Mount Frere Social Cluster Solar Installation in Mount Frere.	Alfred Nzo
3.	Construction of Engineering Graphics Design Lab at Putalichaba Technical High School.	Alfred Nzo
4.	Albertina Sisulu Building Solar Installation in King William's Town.	BCM
5.	Old Disaster Solar installation in Bhisho.	BCM
6.	Refurbishment and Renovations to ECPL Chamber	BCM
7.	Old FNB Solar Installation	BCM
8.	Supply, install, testing and commissioning of A800 KV diesel generator for Botha Sigcau	OR Tambo
Education Portfolio		
1.	Vukuhambe Special School	BCM
2.	Lovedale PS	Amathole
Health Portfolio		
1.	Repairs & Renovations Tsitsikamma Clinic	Chris Hani
2.	Pricedale Clinic	Chris Hani
3.	Mt Arthur Clinic	Chris Hani
4.	Mhlwazi Clinic	Chris Hani
5.	Oxton Clinic	Chris Hani
6.	Mnyolo Clinic	Chris Hani
7.	Bilatye Clinic	Chris Hani
8.	Gqogqorha Clinic	Chris Hani
9.	Mpilisweni Hospital	Joe Gqabi
10.	St Michaels Clinic	Joe Gqabi
11.	Eradication of Maintenance LSA District (Mt Fletcher)	Joe Gqabi
12.	Maintenance Eradication of Aliwal North Hospital	Joe Gqabi
13.	St Lucy Hospital	OR Tambo
14.	Mbotyi Clinic	OR Tambo
15.	Mbalisweni Clinic	OR Tambo
16.	Maphuzi Clinic	OR Tambo

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

Education Portfolio

- The projects implemented by the programme have a positive impact on the reduction of the Department of Education (DoE) maintenance backlogs particularly in the reduction of the inappropriate infrastructure and improvement of water and sanitation facilities categories.
- The achievement of the desired progress was slightly delayed by the DoE financial constraints which led to planned projects not being completed as planned and the protracted procurement processes within the DPWI which resulted in planned projects commencing later than anticipated.
- The Department will continue to engage the client department for additional funds in order to further make positive inroads on the development of suitable educational facilities.

DPWI & Other Portfolio

Repairs and maintenance of state-owned buildings continues to be a challenge due to budget constraints and the demand for the service due to historical backlogs in all categories. In the current year, the maintenance of buildings was split into 3 categories:

- Department of Public Works and Infrastructure (DPWI) Houses – these are houses that are owned by the Department and utilised for revenue collection or prestige clients.
- Maintenance of Plant – This includes elevators, electrical transformers, air conditioners, fire detection systems and back-up generators.
- Preventative maintenance – this refers to maintenance of office buildings owned by the Department

During the year under review, 30 prestige houses were refurbished to accommodate the additional new members of the legislature. These refurbishments managed to clear backlogs of more than 5 years in this space.

Since the plant is in the office accommodation spaces, maintenance and servicing thereof was done in a monthly frequency so as to avoid interruption of business continuity, Consequently, there are currently no backlogs with regards to the maintenance of plant.

Challenges continue to be experienced in the alleviation of backlogs of office accommodation. Out of 12 buildings that were targeted for maintenance, only eight (8) were achieved due to budget constraints.

To improve the maintenance of state-owned buildings in the office accommodation category, the department will be developing a provincial master plan that will encourage budgeting according to the current life spans of these buildings as well as detailing the methods of maintenance according to the age of buildings.

Health Portfolio

During the 2024/25 financial year, the Department of Public Works and Infrastructure (DPWI) implemented a range of capital and maintenance projects across Districts. A total of 124 projects were managed, including 22 capital projects under construction and 31 projects completed under the Clean-up Programme, which focused on minor repairs and renovations across multiple healthcare facilities. Notable progress includes completion of fencing at multiple clinics and hospitals, and sectional completions at S.S. Gida Hospital. However, progress on several projects was slowed due to late payments, which caused contractors to vacate sites temporarily.

Various Clinics under the Clean-Up Programme: Over 30 minor renovation projects have been completed or nearing completion across Joe Gqabi, Chris Hani, Amathole, and OR Tambo Districts. Storm-Damaged Facilities: Emergency repairs are underway or pending procurement for 24 storm-affected facilities, including clinics and hospitals in Alfred Nzo, Chris Hani, and OR Tambo Districts.

PART C

Governance

3. Part C: Governance

3.1 Introduction

During the 2024-2025 financial year, the Accounting Officer re-committed the Department of Public Works and Infrastructure (DPWI) to a process of risk management that is aligned to the principles of good corporate governance, as supported by legislation and leading practice. The commitment entailed amongst others establishing and adhering to policies, procedures, and processes that aim to minimise the impact of potential risks on the Department's operations and outcomes. The commitment emphasised the need to focus on service delivery related risks. As such, the core functional risk areas were prioritised to ensure client satisfaction on the services provided.

3.2 Risk Management

The Department reviewed and approved the Risk Management Policy and Strategy for 2024/25 that articulated DPWI's risk management philosophy, and the integrated approach in the management of risk. The Risk Management Policy was aligned to the Risk Management Strategy and the departmental business strategy with the intention to adopt a common language, process and methodology. In institutionalising risk management, the Department continued its work in improving its risk maturity level as outlined in its annual performance plan.

The target set for DPWI risk maturity was to achieve level five (5) and the DPWI successfully achieved level 5. This was achieved through maintaining a standard approach to risk management that ensured that all risks that could affect people, reputation, business processes, systems, financial and environmental performance were identified, assessed and treated. In the 2024/25 financial year, DPWI continued to enhance its practices and application of risk management principles by working hand in hand with Strategic Panning in preparation of Departmental five-year Strategy and Annual Performance Plan by integrating risk management in the planning processes.

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

Key Strategic Risks

The key strategic risks of DPWI for the 2024/25 financial year were linked to strategic outcomes as listed with the key action plans to improve the management of the risks. The integration of the Planning process with risk management process enhanced the strategic risk identification and ensure that areas that could impact on non-achievement of the outcomes have been taken into consideration. The possibility of a variance in the outcome of decisions and choices made in the setting of strategic goals from what is expected to be achieved were provided for through the implementation of the Risk Appetite & Tolerance Statement.

Operational Risks

Different activities and processes in the organisation were implemented at different levels, from ad hoc practices to formally defined steps as guided by the approved methodology, to ensure response to risk and to actively make the most effective use of the processes and capabilities. The Department continuously identified and assessed the risks resulting from inadequate or failed internal processes, people, systems, or external events and considered emerging risks during 2024-2025 financial year as risks are evolving and create changes into the departmental processes.

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

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

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

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

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 in Audit Committee meetings. Risk Management policies and plans that were developed and reviewed were endorsed by the Audit Committee prior approval by the Head of the Department. Risk Management reported progress on the implementation of risk management activities to the Audit Committee on a quarterly basis. The Internal Audit unit performed audit on the Risk Management to assess the effectiveness of the processes implemented and there were no adverse findings identified.

The Department demonstrated a mature risk management capability to pursue opportunities that improved delivery of services to its stakeholders. The reviewed risk management policy currently enforced alignment in the risk management process and departmental performance. The alignment impacted on the changes in the risk profile mirroring on departmental performance. These changes were expected to further influence a positive correlation between improvements in the system of risk management and organisational performance. The Department had an indicator that focused on the Risk Management Maturity where the targeted score was level 5 out of 5 levels which starts at level 1 to 5. This score has been confirmed by Monitoring and Evaluation Directorate and the Combined Assurance Forum which is a structure developed to monitor and moderate combined assurance in the Department.

3.3 Anti-Fraud and Corruption

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

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

A concerted drive of anti-fraud and ethics awareness campaigns was made throughout the Department during 2024/25, with particular focus at District levels as a way of reviving officials' awareness about the risks of fraud and corruption. Apart from the challenges, DPWI was able to achieve 100% in implementing its output indicator on % effective implementation of Ethics and Anti-Corruption Strategy as per the Annual Performance Plan. This was a great achievement and contributing factor towards the improvement of Governance within the Organisation. Moreover, the management of fraud risk from a high to more moderate and low risks by DPWI management demonstrates great progress in the strides taken to effectively deal with risks associated with fraud and corruption within DPWI.

Internally, the Department finalised 11 investigations during the period under review and consequence management was taken against those found to have committed acts of corruption, maladministration and unethical conduct. This significant feat is symbolic of the Department's fight against corruption and its commitment to a clean and corrupt free Public Service. Other mechanisms put in place by the Department to detect fraud and corruption include but not limited to, an approved Whistle Blowing Policy and Fraud & Anti-Corruption Policy that direct employees on how to report any allegations of corruption, maladministration and unethical conduct. Employees are advised to always remain anonymous to protect themselves against any possible occupational detriment.

3.4 Minimising Conflict of interest

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

Financial Disclosure of SMS and Other designated employees

During the 2024/25 financial year, the DPWI achieved 100% compliance on SMS Financial Disclosure, also 100% on ASD levels 09 & 10 (OSD equivalent). Moreover, the analysis of financial disclosure performed revealed no SMS members had direct conflict of interest and potential conflict of interest detected.

Management of Other Remunerative Work

There were eight (8) Other Remunerated Work (ORW) applications received in the 2024/25 financial year and the Department approved all eight applications. The approved applications included provision of accommodation to students, maintenance and repairs, two applications on real estate, security and protection training, book seller (author), marketing of products and lastly serving on evaluation board. No approval was granted for any employee doing business with an organ of state or any employee that conducts business that conflicts with the primary mode of services offered by the Department. During 2024/25 financial period, all approved applications for outside work were monitored according to the guidelines outlined in the DPWI Guide on Managing ORW.

Management of other Conflict of Interest process

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

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

Lifestyle Investigations

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

3.5 Code of Conduct

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

3.6 Health Safety and Environmental Issues

The Department is unwavering in its commitment to employee well-being, by taking bold steps to ensure every employee thrives physically, mentally, and emotionally in the workplace. DPWI has revolutionised the employee wellness programme by expanding services to include 24/7 confidential counselling, accessible to all employees across Districts, through Life Health Solutions. Statistics revealed that stress, depression, and relationship struggles are key challenges the Department's workforce faces. As such DPWI has amplified its educational awareness efforts, tackling these critical areas head-on. To further deepen the impact of wellness interventions, the Department launched Wellness Wednesdays, through transformative bi-weekly sessions focused on emotional and spiritual alignment as DPWI believes that true workplace well-being starts from within.

The Department was hit hard by the implementation of the cost containment measures and as such, most planned training programmes which required procurement were placed in abeyance and the wellness unit opted to conduct the on-the-job training to capacitate the OHS functionaries to perform their roles. Four (4) wellness policies, three (3) Standard Operating Procedures (SOPs) were updated, and four (4) emergency evacuation drills were conducted at Chris Hani, Nelson Mandela Bay, Joe Gqabi and Amathole Districts. Medical Surveillance interventions at Amathole and Sarah Baartman Districts were conducted to check the health status of the employees and determine their suitability to perform their jobs as per the Occupational Health Safety Act (OHSA). Safety audits were conducted in all the Districts to establish environmental and other risk factors that may be affecting the health and safety of employees. The challenge has been in the implementation of the findings; among others, it was discovered that there are space constraints across the board, as such some offices are over-populated thus posing potential safety risks.

The dysfunctionality of some restrooms was also one of the most critical and presenting issues reported along with lost time due to water outages in the Bhisho area. There were six (6) minor injuries on duty that were reported during the period under review.

Awareness sessions on environmental awareness, good housekeeping, reporting of injury on duty were conducted. Also, awareness on Gender-Based Violence was conducted across Districts. The Department also resuscitated various sport activities through participation in various tournaments as part of wellness promotion.

3.7 Portfolio Committee

The Portfolio Committee exercises oversight over the service delivery performance of the Department.

The following were the dates where the Department appeared before the Portfolio Committee:

Date	Presentation
22 August 2024	Presentation of Political and Administrative Overview by MEC & HOD – APP 2024/25
29 August 2024	Presentation by Programmes – APP 2024/25 (Programmes 1 – 3)
05 November 2024	Presentation of Political Overview on 2023/24 Annual Report by MEC and Presentations of Programme 1
07 November 2024	Presentation by Programmes on 2023/24 Annual Report (Programmes 2 – 3)
12 November 2024	Presentation of Mid-year Performance reports (Programmes 1 -3) and the Financial Oversight Report

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

HOUSE RESOLUTIONS / RECOMMENDATIONS - Annual Report 2023/24

PROGRAMME 1

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
The Department attained an unqualified audit opinion for the 2023/24 financial year, which includes one (01) non-compliance finding related to performance information. This represents an improvement compared to the previous financial year.	The Committee commends the Department for attaining an unqualified audit opinion, reflecting significant progress compared to the previous year. However, the Department must formulate a comprehensive action plan that includes specific timeframes to address the issues identified in the performance information.	The Department's Audit Intervention Plan includes performance information recommendations from the Auditor-General and DPWI crafted actions. The Department report monthly against the actions.
Management has been slow to address the recommendations provided by internal and external auditors, as the audit intervention plan to address findings from the previous year was not implemented effectively.	The Department must provide a detailed explanation to the Committee regarding the factors contributing to the delay in addressing the recommendations provided by internal and external auditors, which pertain to necessary actions for resolving findings from previous years.	The Audit Intervention Plan implementation is oversighted by the Accounting Officer. General Managers are now accountable for 100% implementation failing which consequence management will be exercised.
Although the Department has utilised 97% of the allocated budget, it succeeded in achieving only 86% of the planned targets for the period under review.	The Department must align its budget expenditure so as not to under-achieve its planned targets.	The Department will improve in aligning the budget to planned targets. There is an element of cost of employment that is not aligned to performance.

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
The Department repeatedly fails to effectively implement the approved revenue strategy, resulting in an under-collection of revenue. The annual target set at R79.157 million was not achieved, with actual collections amounting to R17.354 million.	The Department must prioritize the implementation of an effective turn-around strategy to enhance revenue generation, as the implementation of the approved revenue-generating strategy regarding long-term lease has been ineffective for the past three financial years. A comprehensive plan on measures to enhance revenue collection must be submitted to the Committee.	The Department continues to implement its long-term leasing strategy and through engagements with Provincial Treasury, the walk in development proposals are now being entertained. The policy on Immovable Asset Management is being reviewed to allow for the establishment of a Provincial Allocation's Committee which will fast-track processing of lease applications and approval. The Department has also been aggressively engaging with telecommunication infrastructure companies to address tenure arrangements of the infrastructure already mounted in the provincial properties and address contractual arrangements for future installations. This process included reviewal of tariffs to provide for penalty clauses. It is anticipated that during the financial year 2025/2026 this process will start yielding positive results and these network providers are already showing positive interest on the initiative. The Department will also continue to improve the lease management to curb any leakages in the current system through cleansing existing lease register and utilisation of a central electronic system (LOGICA). The department requests to submit its comprehensive plan to the committee on the 06th of February 2024.
During the period under review, it was noted that 6% of the invoices received were not settled within the required 30-day timeframe, as stipulated by section 38(1)(f) of the PFMA and Treasury Regulation paragraph 8.2.3.	The Department must ensure that invoices are paid within 30 days, as incurring interest on outstanding amounts will lead to fruitless and wasteful expenditure.	The Department will ensure the standard operating procedure for paying suppliers are implemented. There are systematic Provincial failures (Logis system) affecting the payment rate.

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
The consultant's fees of R65,7 million for the construction of the Bhisho office precinct are excessively high, especially considering that the project is still in its conception phase.	The Department must conduct a comprehensive review of the consultant fees associated with the Bhisho office precinct project, particularly concerning the current phase. A cost-benefit analysis should be undertaken to ensure that these fees are reasonable and in alignment with accepted standards for projects at the inception stage. Additionally, the Department must provide the Committee with regular reports on this matter.	The Department acknowledges the concerns raised regarding the consultant fees associated with the Bhisho Office Precinct project. However, we wish to provide clarity on the basis and justification for these fees. The Bhisho Office Precinct project was initiated in 2016, and since then, extensive feasibility studies and specialised investigations have been conducted to inform the design process. These studies include geotechnical investigations, environmental impact assessments, traffic impact assessments, bulk services assessments, and other critical evaluations that are necessary to ensure the project's viability and compliance with regulatory requirements. Given the scale and complexity of this project, these preparatory studies were essential and form part of the broader professional services rendered. The professional team has to date undertaken the first 4 stages project delivery work stages out of the 6, with the outstanding stages being construction & Close out stages. **Fee Structure and Professional Regulatory Compliance** Consultant fees are determined in accordance with the prescribed fee schedules set by the various built environment professional regulatory bodies, including: • The South African Council for the Architectural Profession (SACAP) • The Engineering Council of South Africa (ECSA) • The South African Council for the Quantity Surveying Profession (SACQSP).

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
		These professional bodies regulate the calculation of fees based on the estimated construction cost of the project. Given that the estimated construction cost for the Bhisho Office Precinct now stands at R1.5 billion, the associated consultant fees of R65.7 million fall within the industry standard percentage fee guidelines. The fees are, therefore, not arbitrarily set but are aligned with established norms governing large-scale infrastructure projects. **Time Lapse and Market-Related Adjustment** It is also critical to highlight that since the project's inception in 2016, inflationary adjustments, escalation in construction costs, and the evolving complexity of the project have contributed to the current fee structure. The passage of time has necessitated continuous professional input, updates to design parameters, and the integration of new regulatory requirements, which have further reinforced the need for comprehensive consultant engagement. **Alignment with Project Scale and Complexity** The Bhisho Office Precinct is a large-scale, multi-functional government infrastructure development that requires meticulous planning and expert technical input. The consultant fees reflect the detailed work undertaken to ensure that the project is designed to meet both immediate and long-term government needs while ensuring compliance with urban planning principles, infrastructure resilience, and environmental sustainability.

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
There is no financial viability for the Bhisho office precinct. To fund the project, the department has redirected funds originally designated for three depots, Mthatha, Cofimvaba, and Zwelitsha towards this project.	The Department must ensure that the Bhisho office project does not impact the funding allocated for other projects requiring implementation.	The Department acknowledges the concerns raised regarding the financial viability of the Bhisho Office Precinct project and the impact on other infrastructure projects. However, we wish to clarify that this project is of strategic importance to the province and plays a critical role in improving public service delivery. **Project Implementation Strategies Considered** Recognizing the significance of the Bhisho Office Precinct, the Department has undertaken extensive feasibility studies and evaluated various project implementation strategies to determine the most cost-effective and financially sustainable approach. The Public-Private Partnership (PPP) framework has been considered as a viable funding mechanism and has been deemed financially viable and offering value for money, as confirmed by the Bhisho Precinct Transaction Advisor Report submitted to National Treasury. The PPP model provides an innovative and sustainable approach to infrastructure delivery by leveraging private sector investment, reducing the immediate fiscal burden on the government while ensuring long-term operational efficiency. **Ensuring Value for Money** The Department's commitment to fiscal responsibility has been at the forefront of all decision-making processes. The implementation strategies explored have been aimed at ensuring that the provincial government achieves value for money in delivering this critical project. By considering multiple funding and implementation models, we have worked to balance financial sustainability with the need to prioritize service delivery. The Bhisho Office Precinct will enhance administrative efficiency, reduce operational costs associated with fragmented government offices, and optimize service delivery to citizens across the province.

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
		Strategic Prioritisation of Critical Infrastructure Given its role in strengthening public administration and improving service delivery efficiency, this project must be considered a strategic provincial priority. While it is acknowledged that funding allocations must be carefully managed across multiple projects, it is important to recognise that certain projects may require prioritization due to their long-term benefits to governance and service delivery. The consolidation of government offices within Bhisho will improve coordination, operational efficiencies, and ultimately result in cost savings for the provincial government in the long run. **Impact on Other Infrastructure Projects** The Department remains committed to ensuring balanced infrastructure investment across the province and limiting disruptions to other priority projects. However, given current fiscal constraints, infrastructure planning must be approached holistically, with a focus on long-term sustainability and strategic prioritization of projects that yield the greatest impact. The Bhisho Office Precinct has undergone rigorous evaluation and has been found to provide significant economic, administrative, and service delivery benefits to the Province.
Challenges relating to ICT LOGIS system cause long delays in the payment of creditors.	The Department must engage with Provincial Treasury and the Office of the Premier with the view to find solutions to challenges relating to the ineffective functioning of the ICT LOGIS system.	As this is a traversal system, the Department has commenced engagements with the Office of the Premier and Provincial Treasury with the view of finding a lasting solution to Logis related challenges. For instance, the Director: Financial Information Systems at Provincial Treasury has been engaged. Furthermore, the matter will be canvassed at the Provincial GITO Council which is scheduled to sit on the 29th of January 2025.

PROGRAMME 2

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
This programme recorded an under-expenditure of R51,362 million against its final appropriation during the year under review. This may have a negative effect to service delivery.	The Department must ensure that the allocated budget is fully utilized for its intended purpose. Furthermore, the Department must possess the necessary capacity to conduct regular monitoring and reporting to assess progress against established plans, thereby minimizing the risk of underspending the budget. When service delivery targets are not achieved, appropriate corrective actions must immediately be implemented.	The Department will monitor more closely the interdepartmental accounts with the Department of Education and the Department of Health to ensure there are no monies due to DPWI at year-end.
The completion of new construction projects has been affected by community unrest, resulting in only three (3) out of six (6) projects being finalised within the agreed timeframe. This has the potential to increase project costs.	The Department must consolidate inter-governmental relations mechanisms and must further strengthen its social facilitation function across all projects to maintain positive relations with stakeholders and communities, thereby mitigating the risk of community unrest.	The Department managed to appoint social facilitators and that made a huge difference as a result there is currently a smooth running of the projects. All social dynamics in those projects have been dealt with specifically eMaxesibeni construction project. The Department has resolved to appoint social facilitators for all capital projects above R10m.
The Department has underachieved in eight (8) maintenance projects (refurbished/renovated) in the year under review. These have been attributed to various factors, including unrest within Small, Medium, and Micro Enterprises (SMMEs), the financial capacity of the engaged contractor, and conflicts between the main contractor and the supplier of fencing materials.	The Department must closely monitor its projects and rapidly respond to any bottlenecks that may arise. A comprehensive report on this matter must be submitted to the Committee.	The Department resolved the matter between the sub-contractor and the main contractor; however, the main contractor abandoned site and was terminated in November 2024. The Department is currently in a process of sourcing the replacement contractor. The project will be completed in the next financial year.
Some projects, including the Fort Beaufort Museum, Butterworth Service Office, and Mthatha Airport Fire Station, were terminated due to the non-performance of contractors. This situation had a significant adverse effect on service delivery and project costs.	The Department must ensure that non-performing contractors are blacklisted to bar them from future appointments. This is essential for maintaining quality and accountability in contractor selection.	Through the contracts management directorate, the department submits all terminated contractors to the attention of the Provincial Treasury for blacklisting

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
There are state-owned buildings in certain towns throughout the province, particularly in Seymour, that are in a state of disrepair. These dilapidated structures contribute to an untidy appearance in these towns and are being occupied illegally by individuals with criminal intent.	The Department must provide the Committee with a clear and well-structured strategy outlining its approach to addressing the issue of dilapidated state-owned buildings.	The Department notes the recommendation made on dilapidated state-owned buildings. For a well-structured strategy the department will need to ascertain a full scope of the dilapidated buildings throughout the province in order to inform implementation. With the land audits almost complete, further accurate information will be available to inform the strategy on addressing the issue of dilapidated buildings. Some of these buildings are already included in the bid book for disposal through long-term leasing. There is database of dilapidated buildings as part of asset register across the province including 61 dilapidated buildings identified in the Amathole District and Seymour is included in the list of properties situated at Raymond Mhlaba Local Municipality.
The Department's contract management capacity is inadequate. The case involving Ikamva (PTY) LTD consultants and the civil claim that ensued in this matter attest to the poor contract management by the Department.	The Department must urgently devise measures to enhance its contract management capacity and capabilities to ensure that civil claims against it and settlements thereof are reduced.	The Department did establish a stand-alone unit for Contracts Management. To date, the unit is implementing sound contract management principles.

PROGRAMME 3

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
This programme spent 98% of the appropriated budget and recorded 100% of its planned targets in the period under review.	The Committee commends the Department for achieving 100% of its planned targets in this programme. However, the Committee is concerned about the slight under-expenditure incurred in the programme.	The Department has noted the concerns of the Committee. The Department has since put measures in place to ensure that it does not underspend at the end of the financial year 2024/25.
There is limited interest in the Expanded Public Works Programme (EPWP) among young individuals, as its current structure does not significantly prioritize skills development opportunities that appeal to them.	The Department must develop a strategic plan aimed at enhancing the range of skills development opportunities in specialized fields that resonate with young individuals. The EPWP must prioritize the engagement of young individuals by integrating critical skills sets that align with their interests and aspirations. The plan in this regard must be submitted to the Committee.	The Department has engaged youth formations to assist in the development of youth programmes focusing on the critical skills needed by the labour market. Furthermore, these youth formations are also invited to EPWP Coordination Structures in the Province to enhance the participation of youth Participants in the Programme. The programme will engage with the Office of the Premier to align the efforts on youth development with the Provincial Youth Development Strategy.
There is no cogent plan for improving the outlook of Bhisho, thus establishing it as an appealing and attractive capital town.	The programme should consider utilizing EPWP (Expanded Public Works Programme) participants to enhance the appearance of Bhisho town, thereby improving its overall attractiveness.	The Programme has appointed EPWP workers around Bhisho which includes the Prestige for facilities maintenance. Facilities Programme will be appointing a service provider who will design the outlook of Bhisho and make use of EPWP to implement the design. Considering the decline in budget this will be implemented in stages.

GENERAL FINDINGS

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
The Department recorded an under-expenditure of R54.766 million against its final appropriation for the 2023/24 financial year. This under-expenditure and surrendering of funds back to Treasury is not desirable.	The Department must ensure that the allocated budget is utilised effectively and in line with the intended purpose for which the funds were appropriated.	The Department will monitor more closely the interdepartmental accounts with the Department of Education and the Department of Health to ensure there are no monies due to DPWI at year-end.
Although the Committee appreciates the little progress made by the Department in respect of the unqualified audit outcome, but it is concerned that it has not obtained a clean audit outcome.	The Department must put in place mechanisms including the development of an effective Audit Intervention Plan that will yield a clean audit outcome.	The Department's Audit Intervention Plan includes performance information recommendations from the Auditor-General and DPWI crafted actions. The Department report monthly against the actions. The Audit Intervention Plan implementation is oversighted by the Accounting Officer. General managers are now accountable for 100% implementation failing which consequence management will be exercised.

HOUSE RESOLUTIONS/ RECOMMENDATIONS - FINANCIAL OVERSIGHT REPORT 2024/25

PROGRAMME 1

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
The Department has spent 60% of its allocated budget which resulted in an over-expenditure of R14,8 million.	The Department must devise mechanisms to avert over-expenditure and must strengthen the internal controls to ensure that it does not experience cash-flow-related challenges before the end of the financial year.	The Department is monitoring the spending through the In-Year-Monitoring structure. The Ikamva court order further pressurised the budget. The Department anticipates material accruals and payables as at 31 March 2025.
This programme recorded a cumulative under-expenditure of R4, 497 million in its projected expenditure in the period under review.	The Department must develop and strengthen the existing internal controls to prevent under-expenditure of the allocated budget in this programme.	The Department is monitoring the spending through the In-Year-Monitoring structure. Programme 1 under expenditure will be addressed in the third quarter.
The Department has recorded a 0% completion rate for the implementation of resolutions from intergovernmental structures during the first and second quarters.	The Department must refrain from developing performance indicators whose achievement is dependent on external factors which the Department has no control over.	The Department has developed its own DPWI Decision Matrix to record, track and report on resolutions from the IGR platforms that the Department is participating in.
The Department has recorded only 12% of its target towards revenue generation in quarter 1 and quarter 2.	The Department must prioritise the implementation of a proper solution for the revenue enhancement strategy as it has not been active for a very long time.	The Department continues to implement its long-term leasing strategy and through engagements with Provincial Treasury, the walk in development proposals are now being entertained. The policy on Immovable Asset Management is being reviewed to allow for the establishment of a Provincial Allocation's Committee which will fast-track processing of lease applications and approval.
		The Department has also been aggressively engaging with telecommunication infrastructure companies to address tenure arrangements of the infrastructure already mounted in the provincial properties and address contractual arrangements for future installations. This process included reviewal of tariffs to provide for penalty clauses. It is anticipated that during the financial year 2025/2026 this process will start yielding positive results and these network providers are already showing positive interest on the initiative. The Department will also continue to improve the lease management to curb any leakages in the current system through cleansing existing lease register and utilisation of a central electronic system (LOGICA).

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
In the first and second quarters, the Department did not meet the target for the percentage of invoices paid within 30 days.	The Department must devise a plan to expedite the payment of invoices within 30 days in the remaining six months to avoid incurring interest on outstanding amounts that will result in fruitless and wasteful expenditure.	The Department will ensure the standard operating procedure for paying suppliers are implemented. There are systematic Provincial failures (Logis system) affecting the payment rate.
In the period under review, the Department recorded a 0% achievement in the implementation of strategic ICT initiatives for both the first and second quarters.	The Department must prioritise the prompt implementation of the ICT Project Plan during the remaining six months of the financial year.	Response from ICT*:* The projects targeted for the 1st and 2nd quarter were subsequently moved to the 3rd quarter. e-Leave, e-Submission and e-Contracts have since been finalised and deployed in the environment. Outstanding is the refresher training as a follow up training that was initially conducted during Quarter 2. Engagements have been initiated by ICT to handover the systems to the Business owners, so that they can take full ownership of the systems.
The Department made a payment of R78 million in settlement of a long-standing court case relating to the construction of a section of Frere Hospital.	The appropriate consequence management steps must be taken against the official or officials who rendered the Department liable for the civil action which resulted in the settlement of this matter. A detailed report on this matter must be provided to the Committee.	The HOD has commissioned an investigation into the matter by the Risk, Anti-Corruption and Ethics Management Directorate who has already started with the process. The investigation will include recommendations on possible consequence management and/or other remedial steps to be considered.

PROGRAMME 2

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
The programme is posting cumulative over-expenditure amounting to R19,537 million. The Department has spent 62% of the budget for the period under review.	The Department must take appropriate measures to address the reported over-expenditure within the remaining six months to prevent any unauthorized expenditure.	The Department is monitoring the spending through the In-Year-Monitoring structure. The Department anticipates material accruals and payables as at 31 March 2025. The Department will not incur unauthorised expenditure.
The number of capital infrastructure projects under construction in the second quarter was not met.	As the variation orders have been approved, it is essential for the Department to expedite the resolution of the issues that led to the suspension of work during the remaining six months of this financial year.	The Department notes the recommendation. The department currently convenes bi-monthly meeting with contractors whose projects are nearing completion as a measure to prevent delays in processing of Variation Orders, resolution of site challenges and project handover upon completion.
The delays encountered in obtaining water connections from the Joe Gqabi District Municipality resulted in delays in the completion of a new project in the second quarter.	The Department must prioritize the resolution of the water supply challenges in collaboration with the Joe Gqabi District Municipality within the next six months to ensure that service delivery is not further delayed.	The Department notes the recommendation. The matter was escalated to the client department, ECDoE after a number of engagements with the municipality failed to yield necessary results. Amatola Water was contracted by DoE to bridge the gap by providing the required infrastructure for a water connection to the school. The team mobilised by Amatola Water is currently on site.
There have been delays in the completion of renovations and refurbishment projects caused by late payments by client department (Health).	The Department must engage with client departments, particularly the Department of Health to ensure that contractors are timeously paid.	The Department acknowledges the importance of ensuring that contractors are paid promptly for their services. We recognise that timely payments are critical not only for maintaining smooth operations but also for sustaining positive working relationships with contractors. In this regard, DPWI is actively engaging with relevant client departments, especially the Department of Health, to streamline payment processes and address any delays that may occur. Regular consultations are being held to identify and resolve any bottlenecks in the payment approval and processing systems. The Department strongly suggests the use of **tranche payments** to improve the process of paying contractors. However, Department of Health is not in support of the idea.
In the second quarter, the Department did not meet its target for surveying state land, with no actual progress made against the target of 50.	The Committee acknowledges the finalized appointment of a Land Surveyor, and the Department must ensure that any outstanding work will be addressed within the next six months.	The Department has negotiated with the appointed Land Surveyor to double its efforts within the approved budget to catch up with surveys to ensure delivery of the targeted 150 properties by end of the financial year.

PROGRAMME 3

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
The Department reported a cumulative under-expenditure of R188 thousand in the year under consideration.	The Department must monitor its spending closely over the next six months to avoid underspending, which could compromise service delivery.	The Department has put measures in place to ensure that it does not underspend at the end of the financial year 2024/25. Furthermore, an amount of R137 thousand that was set aside for training in respect of the EPWP Grant will be spent before the end of February 2025. The training is done, and the programme will pay the service provider by the end of February.

GENERAL FINDINGS

FINDINGS	RECOMMENDATIONS	DEPARTMENT'S RESPONSE
In the period under review, the Department was allocated a total budget amounting to R2,6 billion. As at the end of September 2024, the Department has spent 60% of the allocated budget. At the end of the financial year, the Department projects an over-expenditure amounting to R224 million which translates into 9% above the total allocated budget.	The Department must strengthen its internal controls to ensure that the expenditure remains within the allocated budget. A detailed report on the measures undertaken by the Department must be provided to the Committee.	The Department is monitoring the spending through the In-Year-Monitoring structure. The Ikamva court order further pressurized the budget. The Department anticipates material accruals and payables as at 31 March 2025

3.8 SCOPA Resolutions

The Department during the period under review had one appearance at the SCOPA and request for information were as follows:

- 19 September 2024 – Written communication was received from the Chairperson on three questions raised by the Committee on the Financial Statements of Vote 5 for the year ended 31st March 2024. The Department responded on the 4th October 2024 with a written submission.

SCOPA QUESTIONS EMANATING FROM 2023/2024 AUDIT REPORT FOR DEPARTMENT OF PUBLIC WORKS

Department of Public Works - Unqualified with Findings Audit Outcome

Date issued to the Department for response: September 2024

Question 1 – Compliance with Legislation- Strategic planning and performance management		
Audit Report/ finding Paragraph 29	Specific information systems were not implemented properly to enable progress of monitoring made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1) (e) (i) (iii)	
Question by the Committee	1.1. The weaknesses mentioned above were identified by auditors on compliance to legislation, how is the department planning to address this finding?	
	1.2. When are the corrective actions and measures going to be implemented?	
Response from Department	Response	1.1 The Department will improve the systems of planning and monitoring of targets by holding programme planning sessions to improve planning and programme review sessions to improve monitoring and reporting of performance information. 1.2 This is an ongoing exercise.
	Root Cause	**What is the underlying cause of the occurrence?** • Ambiguities in the definition of performance indicators and method of calculation.
	Corrective actions	**What actions has the department taken to rectify the matter as well as the underlying root cause?** • The Department revised the 2024/25 Annual Performance Plan to address the findings raised by AG. • Quarterly performance review sessions are held by the EXMA to ensure completeness and accuracy of performance information reported.
	Timeline:	**When will the corrective action be implemented?** • Quarterly.
Comments by Internal Audit and Audit Committee	The Department revised the APP for 2024/25 to address the findings raised by the Auditor General. This exercise was performed after the results of the 1st quarter performance had already been reported. The Internal Audit Function shall also perform a review of the draft Annual Performance Plan for the 2025/26 financial year as part of improving the quality of performance planning in the Department. The Internal Audit Function performed a review of the 1st Quarter Report. As a result, the internal audit report of the 1st quarter performance for 2024/25 had similar findings to those that were reported by the Auditor-General. The Internal Audit Function will perform a similar audit in the 2nd quarter and follow up on the issues that were reported in the 1st quarter and the Auditor-General's report – to determine whether the proposed actions have been implemented and are effective in addressing previously reported internal control weaknesses.	
AGSA Evaluation of response from department		

SCOPA QUESTIONS EMANATING FROM 2023/2024 AUDIT REPORT FOR DEPARTMENT OF PUBLIC WORKS

Department of Public Works

Question 2 – Internal Control deficiencies		
Audit Report/ finding Paragraph 36	Management did not prepare accurate and complete financial and performance reports that are supported and evidenced by reliable information due to the reported actual achievements which were not in accordance with technical indicator descriptions. Management did not implement the agreed upon actions to address previous year's root causes.	
Question by the Committee	2.1. Can the department provide a timeline for implementing corrective actions and improvements to prevent similar issues in the future, and how will progress be monitored and reported to the oversight committee?	
	2.2. What measures or controls does the department have in place to verify the accuracy and completeness of financial and performance data before it is reported?	
	2.3. Can the department explain the nature and extent of the lack of coordination between directorates involved in collating and reporting on performance that was identified in the audit?	
	2.4. Are there any resource constraints or organizational challenges that may have contributed to the issues identified in the audit, and how does the department plan to address these challenges?	
Response from Department	Response	2.1 The Department has developed an Audit Improvement Plan (AIP) to provide corrective actions and improvement plan to address the audit findings. The AIP is monitored and reported monthly and quarterly to EXMA, PT and AC. **(AIP is herein attached)** 2.2 The Departmental M&E has allocated resources to support Programmes with the verification of the performance information. The EXMA reviews the accuracy and completeness of the performance information quarterly before it is submitted. 2.3 The lack of coordination is due to delays in the submission of information from the Districts to Head Office for collation and reporting. 2.4 There are no organisational or resource constraints, the issue pertained to the interpretation of the indicators which has now been corrected in the 2024/25 Annual Performance Plan.
	Root Cause	The ambiguity in the technical indicator description, where the method of calculation and definition were subjected to different interpretations.
	Corrective actions	Implementation of the Audit Improvement Plan.
	Timeline:	Monthly Quarterly
Comments by Internal Audit and Audit Committee	The Department has prepared an audit improvement plan that seeks to address the internal control weaknesses that were reported by the Auditor General. The Department, through the Monitoring and Evaluation and the Internal Audit Function, reviews the quarterly reports and the evidence provided by management to confirm performance claims are supported by evidence that is in line with the Technical Indicator Descriptor. The results of the 1st Quarter internal audit review indicate that there were instances where the evidence provided was not aligned to the Technical Indicator Descriptor. Internal Auditors will continue to review the nature of the evidence provided, on a quarterly basis, to confirm that it is aligned to the relevant Technical Indicator Descriptor/s.	
AGSA Evaluation of response from department		

SCOPA QUESTIONS EMANATING FROM 2023/2024 AUDIT REPORT FOR DEPARTMENT OF PUBLIC WORKS

Department of Public Works

Question 3 - Infrastructure projects		
Audit Report/ finding Paragraph	One key project was sampled and audited for assessment over its lifecycle, and significant findings were identified, the following key project is: Tyamzashe building upgrades of water reticulation system, sewerage system and structural repairs of the existing building. Quality issues were identified by auditors and were not included in the snag list.	
Question by the Committee	3.1.1 Why was the project not monitored for quality assurance? How will the Department address the quality issues identified and rectification?	
	3.1.2. Did the department communicate these identified defects to the contractor on site to remedy? What adjustments will the department implement in the control environment for improvements in the future projects?	
	3.1.3 Please provide this committee with evidence of consequence management against officials of the Department who failed to maintain proper records and were responsible for the poor management and monitoring of the project?	
Response from Department	Response	3.1.1 The quality assurance was done during the construction period of the project by the DPWI project team The defects identified by the Auditor-General are the latent defects. The defects were tabled for the attention of the main contractor to rectify. 3.1.2 Yes the defects were communicated to the main contractor to rectify, failing which the retention money will be deducted for the department to be able to rectify the defects. Internal Works Inspectors will be utilised as an extra resource for the monitoring of SMME work. 3.1.3 Since the project is still within the defects liability period, the contractor is still responsible for the site. The contractor will complete the defects by end of October 2024.
	Root Cause	Bond adhesive of the crack sealant not good enough for the cracks.
	Corrective actions	New instruction of the stronger sealant issued to the contractor to attend to these cracks.
	Timeline:	By the end of October 2024.
Comments by Internal Audit and Audit Committee	The Department conducts project verification exercises on a quarterly basis after the finalisation of the quarterly performance reporting. Part of this exercise is to confirm the existence of reported projects and assess the quality of the work performed. Quality issues identified by the assessing team are communicated to management in reports that are submitted to the Head of the Department as well as the Audit Committee. In the past, the verifying teams often did not possess expert skills in the field of construction. The Department has since introduced the concept of verifying teams that include project owners and professionals in the construction field. This exercise is part of the combined assurance programme of the Department.	
AGSA Evaluation of response from department		

- 17 October 2024 – Written communication received from the Chairperson requesting the Department to appear before the Committee on the 1st of November 2024 on the responses mentioned above.

The table below provides details pertaining to the resolutions and the progress made by the department with regard to each resolution. It also gives an indication of the resolution status and outstanding SCOPA resolutions from the previous year and all new resolutions passed in the current financial year.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Compliance with legislation – Strategic Planning and Performance Management	Specific information systems were not implemented properly to enable progress of monitoring made towards achieving targets, core objectives and service delivery as required by Public Service Regulation 25(1)(e)(i)(iii).	The Department will improve the systems of planning and monitoring of targets by holding programme planning sessions to improve planning and programme review sessions to improve monitoring and reporting of performance information.	This is an ongoing exercise.
2	Internal control deficiencies	Management did not prepare accurate and complete financial and performance reports that are supported and evidenced by reliable information due to the reported actual achievements which were not in accordance with technical indicator descriptions. Management did not implement the agreed upon actions to address previous year's root causes.	The Department has developed an Audit Improvement Plan (AIP) to provide corrective actions and improvement plan to address the audit findings. The Departmental M&E has allocated resources to support Programmes with the verification of the performance information.	The AIP is monitored and reported monthly and quarterly to EXMA, Provincial Treasury and the Audit Committee. The EXMA reviews the accuracy and completeness of the performance information quarterly before it is submitted. the issue pertained to the interpretation of the indicators which has now been corrected in the 2024/25 Annual Performance Plan.
3	Infrastructure Projects	One key project was sampled and audited for assessment over its life cycle, and significant findings were identified. The following key project is: Tyamzashe Building Upgrades of water reticulation system, sewerage system and structural repairs of the existing building. Quality issues were identified by Auditors and were not included in the snag list.	The quality assurance was done during the construction period of the project by the DPWI project team The defects identified by the Auditor General are the latent defects. The defects were tabled for the attention of the main contractor to rectify.	The contractor will complete the defects by end of October 2024.

3.9 Prior modifications to audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter*
Unqualified with matters of emphasis on: • Irregular expenditure to an amount of R1, 003 billion • Fruitless and wasteful Expenditure to an amount R2,7 million • Restatement of corresponding figures: 1. Immovable Tangible Capital Assets; 2. Operating future lease revenue 3. Operating lease Commitments-Buildings	Before 2015/16.	• Irregular expenditure cases investigated, and consequence management has been applied to transgressors. This resulted to an amount of R68 million applied for condonation in the current financial from Provincial Treasury and R138 million regularised. The current balance is R447,715 million. • Fruitless and wasteful expenditure balance has increased to R78. 301 million due to litigation. The re-statement was due to the following: • The guide for Accounting and Reporting for Immovable Assets does not require financial disclosure for properties where there is no legal title even though these properties might have reliable cost but instead are recorded in a separate register and reported on in a narrative format. • Non-Disclosure of operating future lease revenue. • Overstatement of operating Lease Commitments. The two were resolved in 2022/23 financial year.
Unqualified audit opinion with material findings on reported performance information	2023-24.	• No. of facilities provided: difference between department and auditors on reported performance. • No. of condition assessments conducted on state-owned buildings: difference between the Department and auditors on reported performance. • Various indicators – difference between department and auditors on reported performance. For all of the above findings the indicators were reviewed and new indicators were developed for the current year's APP.

3.10 Internal Control Unit

3.10.1 Oversight & Assurance

Managed 2023/24 external audit with a total of 163 RFIs and 63 COAFs as follows:

Number	Department	No. of RFI's	No. of COAFs
1	Public Works and Infrastructure	111	40
2	Health	27	7
3	Education	21	16
4	Social Development	4	0
Total		**163**	**63**

Facilitated the development and monitored implementation of the 2023/24 external Audit Improvement Plan for a period of seven (7) Months.

3.10.2 Loss Control

Asset Losses

Office/Region	Description	Number of Investigated Cases	Value	Status		
				Under investigation	Awaiting Loss Control Committee sitting/ HOD approval	Finalized
Head Office	Laptops	1	24 661,59	0	1	0
	Vehicle	1	4 400,00	0	1	0
	Other	1	5 163,50	0	1	0
Amatole Region	Laptop	1	24 568,54	1	0	0
	Vehicle	1	295 000,00	0	0	1
O.R. Tambo Region	Vehicle	3	45 442,62	1	0	2
	Laptops	2	0	0	0	2
Joe Gqabi	Vehicle	2	105 392,29	0	0	2
		0	0	0	0	0
Alfred Nzo Region	Laptop	1	33 660,02	0	0	1
	Vehicle	3	8 277,50	0	0	3
Chris Hani Region	Vehicle	0	0	0	0	0
	Laptop	0	0	0	0	0
	Other	3	15 078,66	1	0	0
Sarah Baartman	Laptop	1	28 590,20	1	0	0
Total			**596 118.18**			

Irregular Expenditure

Irregular expenditure	Amount	No of cases
Opening balance 1 April 2024	580,309,604	2,060
Additions - 2024/25 financial year	5,541,953	39
Less: Invalidated	-	-
Less: Condonations	-138,136,861	-210
Balance as at 31 March 2025	**447,714,696**	**1,846**

Application for condonation submitted to Provincial Treasury is R68 million after investigations and effecting consequence management.

Application for Condonation Breakdown

Details	Amount	Date of submission	Response from Provincial Treasury	Date response was received	Action taken
Non-compliance with SCM	R13,397,213	8/29/2022	No response	N/A	N/A
Non-compliance with SCM	R24,458,621	2/4/2025	No response	N/A	N/A
Non-compliance with SCM	R31,065,390	2/4/2025	No response	N/A	N/A
Total applications submitted to PT	**68,921,223.63**				
Less: Condonation approval	R19,724,039				
Still with PT	**R42,536,299.63**				
Awaiting approval by PT	R42,536,299.63				

- Provincial Treasury is still to consider an amount of R42,536,299.63 for condonation.

Fruitless and Wasteful expenditure

Details	
No show	65, 471
Other Wasteful	72, 347
Interest	78, 512,499
Total	**78, 650,317**

3.10.3 Governance

Facilitated two (2) new and 14 reviewed policies, one (1) charter and one (1) delegations approved as per table below:

Number	Policy Description	Approval Date
1	Corporate Governance of ICT Charter	03 April 2024
2	Internal control	30 April 2024
3	Risk Management	06 May 2024
4	Gift	06 May 2024
5	Financial Delegations 1	11 June 2024
6	ICT Firewall	18 March 2025
7	ICT Incidental Management	18 March 2025
8	ICT Acceptable User Guidelines	18 March 2025
9	Uniform and Personal Protective Clothing	18 March 2025
10	Suspense Account	13 February 2025
11	Employment Relations	18 March 2025
12	Safe, Health, Environment, Risk and quality Management Policy (SHERQ)	18 March 2025
13	Health and Productivity Management	18 March 2025
14	Wellness Management	18 March 2025
15	Personal Information Retention	18 March 2025
16	Privacy	18 March 2025
17	Customer Business Management	18 March 2025
18	Attraction and Retention	18 March 2025

Facilitation development and review for 13 policies, status per table below:

Number	Policy Description	Status			
		Awaiting HOD's Approval	Awaiting TOPMANCO's adoption	Awaiting Vetting by Legal services	Reverse for Further refinement
1	Mobile Communication Services		✓		
2	Policy on Fixed Line Telephone		✓		
3	Departmental Policy on Overtime		✓		
4	Change Management		✓		
5	Social responsibility				✓
6	Prestige Management			✓	
7	Revenue Management				✓
8	Security Management				✓
9	Supply Chain Management		✓		
10	Business Continuity			✓	
11	Departmental policy on policies			✓	
12	Logis User Account Management			✓	
13	Outdoor advertising on state owned		✓	✓	

3.10.4 Pre-Audit

Number of pre-audited documents at Head Office

No.	Description	2024/25 Total Number
1	Pre-Audited Orders	1 046
2	Pre-Audited Payments	3 202
3	Irregular, Fruitless and Wasteful Expenditure Detected	49
4	Rejected pre-audited documents with errors	305

3.11. Internal Audit and Audit Committees

3.11.1 Internal Audit Function

Key activities and objectives of the internal audit function

Purpose and mandate:

The mandate of the Internal Audit Function (IAF) is derived from Section 38 of the Public Finance Management Act, read with Treasury Regulations, section 3.2.

The purpose of the internal audit function is to strengthen the Department's ability to create, protect, and sustain value by providing the Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function of the Department is led by the Chief Audit Executive who has a functional reporting responsibility to the Audit Committee and an administrative reporting responsibility to the Head of the Department.

The IAF operates in accordance with a current and appropriate charter endorsed by the Accounting Officer and approved by the Audit Committee (AC)

Vision and strategy:

In line with the vision of the DPWI, to be a **"Leader in provincial infrastructure delivery, coordination and socio-economic investment"**, the IAF envisions itself as **"The foremost professional IAF in the Public Sector"**.

Charter, Methodology and Internal Audit Plans:

The IAF conducted its operations in terms of the internal audit charter, an audit methodology, a rolling 3-year strategic internal audit plan and an annual plan for the first year of the rolling 3-year internal audit plan (strategic and annual plans) were reviewed and approved.

Independence and Objectivity: The IAF, through CAE's periodical reports to the Audit Committee, has confirmed the IAF's organisational independence for the 2024/25 year. The IAF operated freely in exercising its independence from the department, and the auditors maintained objectivity when conducting audit services.

Internal Audit Modality: The internal audit services are not fully in-sourced. The internal audit services are co-sourced through an augmentation agreement that is limited to information and communication technology audits. The augmented services are provided by Lunika Incorporated through a contract that was procured and funded by the Eastern Cape Provincial Treasury.

Staffing: The IAF organogram has fifteen (15) positions – one (1) Senior Manager who is also the Chief Audit Executive, one (1) Deputy Director, two (2) Assistant Directors, ten (10) internal auditors, and one (1) Administration Assistant. As at 31 March 2025, four (4) internal auditors positions were vacant. All internal audit practitioners attended and / or completed the following training:

- The National Conference – which is facilitated by the Institute of Internal Auditors (South Africa).
- Ethics in the Public Service – which is offered by the National School of Government
- Internal Audit Strategy Development – which was offered online by Wolters Kluwer – the supplier of the internal audit management software that is used by the IAF.

Quality Assurance and Improvement Programme:

A Quality Assurance and Improvement Programme is in place. The last internal assessment (performed by the Provincial Treasury Transversal Internal Audit Services) was concluded in 2020. The final results were "general conformance".

The report of the external quality assessment review, which was conducted by Price Waterhouse Coopers (PWC) Incorporated was finalized and presented to the Audit Committee in March 2022. The outcomes of the external quality assessment review were "general conformance".

The shortcomings identified by the external quality assessment review are summarized below as follows:

- Lack of a standing invitation of the Chief Audit Executive to Executive Management meetings – resulting in non-invitation of the Chief Audit Executive to the meetings.
- Not meeting the five-year external quality assurance timeframe (performed in 2021/22 instead of 2020/21).

Through a 360-degree assessment that was facilitated by Provincial Treasury Transversal Internal Audit Services, the AC assessed IAF's performance. The results of the assessment were "very good" rating (which is a percentage score of 82%).

The following areas were identified for improvement:

1. Insufficient resourcing of the IAF, including the lack of skills to interact with some of the complex functions of the Department such as auditing of infrastructure projects;
2. Inability to respond to some of the Audit Committee questions due to not being a standing invitee of Executive Management meetings;
3. Inability to support the Audit Committee fully and timeously;
4. Delays in issuing audit reports; and
5. Lack of own IAF measures to assess own impact beyond compliance with the Standards.

The IAF maintains its own continuous quality assurance and monitoring program through project supervisory controls by internal audit management and periodic reviews of audit files.

Stakeholder Relationships:

Over and above the relationship with management, the IAF has and maintains a working relationship with the following internal stakeholders, as part of the combined assurance programme of the Department:

Strategy and Systems Chief Directorate – through Integrated Research and Planning (IR&P) Directorate; and Integrated, Monitoring, and Evaluation (RM&E) Directorate. To that extent, the IAF supports the departmental planning process by participating in all programme planning sessions as well as coordinating Infrastructure projects and file review assurance reviews with the IM&E Directorate.

Risk, Anti-corruption, and Integrity Management Directorate – The IAF utilises risk information that is collected.

As part of combining internal assurance efforts, the IAF further utilises the reports from the following internal assurance providers to consolidate periodical assurance efforts for the Risk and Ethics Management Committee as well as the Audit Committee.

Internal Control Sub-Directorate – the reports of the Internal Control Sub-Directorate (covering monthly statistical information on pre-audited and rejected transactions, irregular expenditure and fruitless and wasteful expenditure transactions) are used for the purposes of consolidating periodical combined assurance reports to the Risk and Ethics Management Committee and the Audit Committee.

ICT Security Sub-Directorate – the reports of the ICT Security Sub-Directorate are used for the purposes of consolidating periodical combined assurance reports to the Risk and Ethics Management Committee and the Audit Committee.

Summary of the work done by the IAF in the reporting period

Planned and completed audits:

The IAF had planned thirty-five (35) audit engagements for the financial year. Thirty-three (33) (94%) of the planned audits were completed.

Fourteen (14), translating to forty percent (40%) of the planned audits were advisory (consulting) engagements, while twenty-one (21), translating to sixty percent (60%), of the planned audits were assurance engagements.

The following audit engagements were planned and completed during the financial period:

2023/24 Year End Reporting Support		Audit Committee Focus Areas
1. Draft Annual Report (2023/24). 2. Draft Annual Financial Statements (2023/24). 3. EPWP Incentive Grant Expenditure (2023/24). 4. Immovable Assets Register (2023/24). 5. Transfer Payments and Leave Gratuities (2023/24).		6. Review of SCM Controls, Irregular expenditure, and Leases, and Lease Revenue for Q4 (2023/24). 7. Review of SCM Controls, Irregular expenditure, and Leases, and Lease Revenue for Q1 (2024/25). 8. Review of SCM Controls, Irregular expenditure, and Leases, and Lease Revenue for Q2 (2024/25). 9. Review of Applications for Condonations to be submitted to PT (2 applications reviewed). 10. Litigations and Contingent Liabilities Q4 (2023/24). 11. Litigations and Contingent Liabilities Q1 (2024/25).
Quarterly Financial And Non-Financial Reports		**Governance; Risk, Ethics, And Anti-Corruption Management; And Information Technology**
12. Interim Financial Statements Q2 (2024/25). 13. Interim Financial Statements Q3 (2024/25). 14. Quarterly Performance Report Q4 (2023/24). 15. Quarterly Performance Report Q1 (2024/25). 16. Quarterly Performance Report Q2 (2024/25). 17. Quarterly Performance Report Q3 (2024/25).		18. Information and Communications Technology – Provincial Treasury. 19. Office of the HOD – Special Programmes Unit and Intergovernmental Relations. 20. Review Risk, Anti-Corruption and Integrity Management.
Improvement Of Audit Outcomes		**Core Business And Business Support Programs**
21. Draft Audit Improvement Plan 22. Implementation Status of the Audit Intervention Plan – November Progress. 23. Implementation Status of the Audit Intervention Plan – January Progress		24. Corporate Management Services. 25. Expanded Public Works Programme. 26. Financial Management. 27. Facilities and Security Management. 28. Immovable Assets Management. 29. Public Works Infrastructure – DPWI and Other Portfolio. 30. Public Works Infrastructure – Education Portfolio. 31. Public Works Infrastructure – Health Portfolio.
Planning Support		
32. EPWP Incentive Grant Planning (2024/25). 33. Draft Strategic Plan (2025/26 to 2029/30) and Annual Performance Plan (2025/26).		

The following audit engagements were planned, but could not be completed during the financial year:

Audit Area	Details of Audit	Reason/s for non-completion
Audit Committee Focus Areas	Litigations and Contingent Liabilities Q3 (2024/25).	Inadequate Improvement in the control environment in the operational area – the audit has not been scheduled in the current financial year due to resource constraints.
Core Business and Business Support Programs	Strategy and Systems.	The review coincided with the Strategic Planning period which is facilitated by Strategy and Systems Program – the audit has been scheduled in the 2025/26 audit plan.

Ad-hoc projects: While there were some requests for ad-hoc projects from management, there were no ad-hoc projects accepted by the IAF due to personnel constraints. All management ad-hoc requests were executed by the Risk Management Function.

Internal audit recommendations: The IAF issued One hundred and sixty five (165) internal audit recommendations in the 2023/24 financial year, and One hundred and seventy eight (178) recommendations in the 2024/25 financial year. Eighty four (84) audit recommendations for the 2023/24 financial year were fully implemented, while Seventy (70) audit recommendations were fully implemented for the 2024/25 financial year.

Value-Add:

The recommendations made by the IAF in respect of the management of physical access to the premises of the Department have been adopted and implemented by some operational centres. This has resulted in improved security management at these centers.

The coordination of the Combined Assurance Programme of the Department by the IAF, and subsequent alignment of assurance projects with some assurance providers, resulting in relief from assurance fatigue, has been well received by management and personnel of the District offices.

Limitations:

The IAF does not always meet the targets set in terms of its plan due to protracted periods of finalization of audits and disputes of findings.

The IAF is also not sufficiently skilled to interact with some complex elements of the core business of the department and the information and communication technology.

13.11.2 Audit Committee (AC)

The Audit Committee is pleased to present its report for the financial year ended 31 March 2025.

Purpose and mandate:

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

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

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

Independence: The AC operated freely in exercising its independence. All Audit Committee members were required to declare any and all known and perceived conflicts of interest at the start of every Audit Committee meeting. No conflicts of interest were declared by any member of the Audit Committee. Management did not report any known or perceived conflicts of interest by Audit Committee members.

Protecting the independence of the IAF:

As part of the report of Internal Audit Function, at all ordinary meetings of the Audit Committee, the Chief Audit Executive has a responsibility to report any matters affecting the independence of the Internal Audit Function. There were no negative matters relating to the independence of the internal Audit Function, reported by the Chief Audit Executive.

The Audit Committee is satisfied with the organisational positioning of the Internal Audit Function, including safeguards that were put in place to secure the protection of the independence of Internal Audit Function, as well as from threats and victimisation, through inclusion in the Internal Audit Charter. The AC had no reason to intervene to protect internal auditors during the period under review.

Performance against statutory duties:

The Audit Committee 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 adopted appropriate formal terms of reference as its Audit Committee Charter, and regulated its affairs in compliance with this charter.

All relevant and applicable responsibilities of the Audit Committee in terms of the Global Internal Audit Standards were addressed in its charter.

Composition of the AC:

At the beginning of the 2024/25 financial year, the Audit Committee had sufficient number of Audit Committee members, with diverse skills, to ensure responsiveness to the needs and the strategic risks of the Department.

Audit Committee vacancies that materialised during the financial year were filled with independent persons, with a sufficient mix of skills and experience.

The table included in this report provides details and confirmation of the sufficiency of the number and the mix of skills and experience of both the terminated and the recently appointed members.

Meeting Attendance:

The Audit Committee was not fully functional during the period starting from the beginning of June 2024 to the end of January 2025 due to vacancies that were not anticipated. As a result, the Audit Committee managed to hold six (6) out of the eight (8) planned meetings for the year.

Combined assurance: The Audit Committee was not able to fully engage with its role in the combined assurance programme, which is to oversee the combined assurance programme of the Department. Not all reports that were supposed to be presented to the Audit Committee were presented by the Combined Assurance Forum due to the inadequate functionality of the Audit Committee. To this extent, the planned level of maturity of combined assurance programme of the Department could not be achieved.

Resolution of AC recommendations:

The Audit Committee recommendations were well received and implemented by the management of the Department.

AC performance evaluation:

Through the assistance of the Provincial Treasury, the evaluation of the performance and effectiveness of the Audit Committee was conducted.

For the 2023/24 financial year, this evaluation was completed in August 2024. The evaluation for the 2024/25 financial period will be conducted during the 2025/26 financial year.

The evaluation was a 360-degree assessment covering self-assessment, evaluation by the Head of the Department and selected Executive Managers, and the evaluation by the Chief Audit Executive.

13.11.3 Audit Committee Composition and Meeting Attendance

The table below discloses relevant information on, and meeting attendance of the Audit Committee members:

Name	Qualification	Professional Affiliation (e.g. SAICA, IIA, IOD (SA)	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state: (Yes/No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End date					
Mr. M. S. Mbambisa (Chairperson)	• Certificate of Management Studies • Post Graduate Diploma in Business Management • Bachelor of Science – Civil Engineering • Bachelor of Science	• Institute of Municipal Engineering of Southern Africa	01 February 2025	31 January 2028	3/3	No*	No	1	3
Mr. J. J. Emslie (Member)	• Chartered Accountant	• South African Institute of Chartered Accountants	01 February 2025	31 January 2028	3/3	No*	No		

Name	Qualification	Professional Affiliation (e.g. SAICA, IIA, IOD (SA)	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state: (Yes/ No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End date					
Ms. Z. Kiviet (Member)	• Chartered Secretary • Bachelor of Laws • Baccalaureus Procurations	• Chartered Governance Institute of Southern Africa • Institute of Directors of South Africa	01 February 2025	31 January 2028	3/3	No*	No	2	0
Ms. P. Mzizi (Member)	• Chartered Accountant • Bachelor of Commerce Honours in Transport Economics • Bachelor of Accounting Sciences Honours • Certificate in theory of Accounting • Bachelor of Business Sci Finance Honours	• South African Institute of Chartered Accountants	01 February 2025	31 January 2028	3/3	No*	No	2	0

Name	Qualification	Professional Affiliation (e.g. SAICA, IIA, IOD (SA)	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state: (Yes/No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End date					
Mr. D. Padayachy (Member)	• Information Technology Management for Government • Executive Development Programme • Post Graduate Diploma in Education • Bachelor of Science		August 2022	July 2025	6/7	No*	No	0	1
TERMINATED AUDIT COMMITTEE MEMBERSHIPS DURING THE 2024/25 FINANCIAL YEAR									
Ms. P. Ntisana (Chairperson)	• Chartered Accountant • Bachelor of Commerce • Post Graduate Diploma in Accounting • Certificate in Theory of Accounting	• South African Institute of Chartered Accountants	May 2021	May 2024	3/3	No*	No	0	0

Name	Qualification	Professional Affiliation (e.g. SAICA, IIA, IOD (SA)	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state: (Yes/ No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End date					
Mr. M. S. Mbambisa (Member)	• Post Graduate Diploma in Business Management • Bachelor of Science – Civil Engineering • Bachelor of Science	• Institute of Municipal Engineering of Southern Africa	May 2021	May 2024	3/3	No*	No	1	3
Ms. V. Ntsodo-Boyce (Member)	• Chartered Accountant • Bachelor of Commerce Honours • Certificate in Theory of Accounting • National Diploma in Cost and Management Accounting	• South African Institute of Chartered Accountants	October 2023	October 2024	0/4	No*	No	0	0
Adv. S. G. Poswa (Member)	• Certificate in Advanced Labour Law • Bachelor of Laws • Bachelor of Jurisprudence	• Bhisho Society of Advocates • Legal Practice Council	October 2023	October 2024	0/4	No*	No	0	0

*The Audit Committee members did not declare private and business interests in every meeting. However, Audit Committee members, individually, declared known and / or perceive conflict of interest in relation to the matters that will be discussed by the committee at each and every meeting. These declarations are documented in the minutes of the Audit Committee.

13.11.4 Remuneration of Audit Committee Members

The Audit Committee members are remunerated at the rate that is determined in terms of the Guidelines of the Framework for the Appointment and Remuneration of Audit Committee Members, Eastern Cape Provincial Treasury Instruction Note No. 6 of 2014/15, read together with Eastern Cape Provincial Treasury Instruction No. 7 of 2015/16.

None of the Audit Committee members worked as employees for any organ of state during the 2024/25 financial year.

The total AC expenditure for the year is six hundred and five, seven hundred and two rands (R605,702).

3.12 Audit Committee Report

3.12.1 Part 1 – Audit Committee reflections – 2024/25

At the beginning of the 2024/25 financial year, the Department had a fully functional Audit Committee until June 2024. Due to vacancies that materialized during the year, the Audit Committee became dysfunctional due to its inability to quorate. These vacancies were filled in January 2025.

During these last two months of the financial year the following activities were achieved:-

- Induction of the AC by both the DPWI and Provincial Treasury
- Approved Internal Audit and Audit Committee Charters
- Approved Internal Audit 3 year rolling plan and annual plan
- Review and approved Internal Audit Methodology
- Review and approval of Risk Management Policies, Ethics Management and Anti-Corruption and Policies, Business Continuity and Combined Insurance Framework
- Reviewed the Quarter 3 Performance Report

During this period the HOD's post was vacant but the Audit Committee worked well with the appointed Acting HOD in communicating identified challenges that needed to be addressed. Due to limited time the Audit Committee was unable to meet with the Executive Authority. The AC has complied with its responsibilities arising from the PFMA and Treasury Regulations during this short period. The requirements of the new Global Internal Audit Standards were incorporated in the approved charters. The committee has functioned without hindrance, limitations or threats to its independence during this period. The AC confirms that it has applied professional scepticism in the execution of its duties, critically evaluating information placed before it, requested additional information when necessary and continuously assessed whether internal audit, management and other providers of assurance maintained high ethical and professional standards. The AC recognizes its duty to serve the public interest and confirms that it has diligently upheld this critical responsibility during this short term of the financial year.

3.12.2 Part 2 – Audit Committee Composition and Attendance

The PFMA requires the Audit Committee to be composed of at least three (3) members. The Department has opted to appoint five (5) members to constitute the Audit Committee.

A high level profile of each Audit Committee member, including attendance of Audit Committee meetings is included in paragraph 13.11.3.

3.12.3 Part 3 Audit Committee Focus Areas

Effectiveness of internal control systems

Our opinion on the effectiveness of internal control systems; based on management, internal audit, and risk management reports; is that the internal control systems of the Department are improving. However, these internal control systems have not yet fully matured, and thus are not fully effective. The Audit Committee has made recommendations to management regarding further improvements to drive these internal control systems to better maturity levels.

Effectiveness of the internal audit function

The Audit Committee is of the view that the IAF operated consistently throughout the year in terms of its mandate, strategy and annual plan.

The Audit Committee did not observe, and neither was it advised by any of its stakeholder/s, of the lack of independence of the internal audit function and lack of objectivity within its personnel when performing their work.

The IAF has adopted the Global Internal Audit Standards. The Audit Committee assessed the performance of the IAF utilizing a 360-degree assessment tool that was administered by Provincial Treasury. While the Audit Committee assessed the IAF as effective, the committee acknowledged its reservations about the ability of the AGSA to fully rely on the work of the IAF.

The IAF was not properly capacitated throughout the year in terms of the number of personnel and the mix of skills and experience.

The Audit Committee acknowledges the need for the IAF to enhance its use of technology to promote efficient methods of auditing. This is emphasized from a perspective of the diminishing fiscus, and a need to deploy less manual and more automated auditing methods through the use of technology.

Due to the reported delays in the completion of audit projects (in line with the audit plan) the committee is not fully satisfied with the level of support for and co-operation with the IAF by management.

The IAF coordinated its activities with the Enterprise Risk Management function, the Integrated Reporting, Monitoring and Evaluation Directorate, and the Integrated Planning, Research, and Policy Coordination.

The AC met with the Chief Audit Executive in the Audit Committee pre-meetings. The Audit Committee met separately with the AGSA for the presentation of the audit strategy for the 2024/25 audit cycle. The Audit Committee did not meet separately with the Accounting Officer in the 2024/25 financial year.

Activities of the internal audit function

The Audit Committee approved the internal audit coverage plan and reviewed the reports presented by the IAF at the ordinary meetings of the Audit Committee.

All internal audit recommendations were accepted by management. Based on the tracked audit findings report of the IAF, thirty nine percent (39%) of the recommendations were fully implemented. The audit committee will monitor the implementation of internal audit recommendations.

The IAF does not perform any special investigations. Any indicators of fraud that are identified during internal audit reviews, and require further investigation, are referred to the Anti-fraud and Integrity Management function.

Effectiveness of risk management

The Audit Committee received reports on the Risk and Ethics Management Committee at every ordinary meeting of the Audit Committee. The Audit Committee confirms the positive progress that has been made by the Department towards maturing the enterprise risk management function of the Department. The Audit Committee is not fully satisfied by the effectiveness of the overall system of risk management in the Department due to the inconsistency between the prior year results of the audit of predetermined objectives received from the Auditor General, the deficiencies reported in the infrastructure project files and physical verifications review reports of the Reporting, Monitoring and Evaluation Directorate, and the quarterly reports of the internal auditors.

The Audit Committee is satisfied that the internal audit plan considered the state of risk management in the department, material risks of the department, and related factors.

The Audit Committee also states that while the AGSA reviewed the risk management policies, activities, and reports of the Department, it was not clear whether these had been considered by the AGSA during their planning, and what contribution these had to the overall audit strategy.

The Audit Committee further confirms that it provided oversight in respect of the management of financial and other risks that affect the integrity of external reports issued by the department.

Adequacy, reliability and accuracy of the financial and performance information

The AC received in-year-monitoring reports, quarterly internal financial statements, and quarterly performance information reports from management. These reports were presented together with assurance reports from the Directorate responsible for Reporting, Monitoring, and Evaluation and the IAF. Both assurance providers reported shortcomings such as inadequate portfolio of evidence to support reported financial and non-financial performance, inadequate work papers and lead schedules to validate the adequacy, reliability and accuracy of the financial and performance information produced.

Accounting and auditing concerns identified as a result of internal and external audits

No significant accounting issues were identified by both the IAF and the Auditor General of South Africa (AGSA).

The AGSA reported significant weaknesses in the reporting on predetermined objectives by the department. This resulted in under and / or overreporting of some core business performance indicators. Management took the opportunity that became available to them due to the extended period for tabling of 2025/26 plans to the oversight committees to revise its plans and indicators in response to the matters reported in the prior year external auditor's report.

Unauthorized, Irregular, and Fruitless and Wasteful Expenditure

The Department is commended for the reduction in the balance of irregular expenditure as a result of filing applications and securing approvals of condonation of historical irregular expenditure by Provincial Treasury for some of the applications. However, there is concern about both current year irregular expenditure and irregular expenditure that is under assessment. The process of the management of irregular expenditure also includes consequence management. The Department is encouraged to adopt an approach that ensures prevention of current irregular expenditure.

No material irregularities were identified by either management or the auditors.

During the financial year under review, the Department recognized a material amount of fruitless and wasteful expenditure as a result of a single transaction that was executed in previous years and became a payable legal claim. Management is investigating the transaction to determine whether any amounts can

be recovered and effecting further improvements in the internal control system to ensure that there is no similar occurrence in the future.

Combined assurance

The Department is in the process of implementing combined assurance framework. This framework will be implemented incrementally through a combined assurance maturity program.

Until the full implementation of the Combined Assurance Framework, the department has not reached the maturity levels that are required.

Evaluation of annual financial statements

In the evaluation of the annual financial statements the audit committee performed the following procedures:

- During the year, management prepared and presented interim financial statements to the audit committee. The quality of the financial statements is assured by the internal auditors before submission to Provincial Treasury and the audit committee. No issues have been reported by Provincial Treasury in respect of these submissions. No significant quality issues have been reported by both the internal auditors and Provincial Treasury.
- Reviewed the audited annual financial statements to be included in the Annual Report
- Reviewed the changes in accounting policies and practices, and is satisfied that management addressed the changes and practices sufficiently in the annual financial statements.
- Reviewed the information on predetermined objectives that have been included in the Annual Report.
- The audit committee is not aware of any significant financial reporting issues, relating to the 2024/25 financial year, between management and both the internal auditors and AGSA that were not resolved**.**
- The audit committee recommended that the adjusted audited annual financial statements be accepted for inclusion in the Annual Report on 21 August 2025.

External Audit

The Audit Committee, met with the AGSA in a closed session where the audit strategy for 2024/25 was presented. There were no unresolved issues of concern reported by the Auditor General in respect of the previous audit cycle.

The audit committee is of the view that the AGSA are independent of the department and have demonstrated objectivity in the performance of their duties.

The audit committee is not aware of any issues relating to the external audit process raised by the AGSA or management that were not adequately addressed between the AGSA and the Department.

The audit committee was invited and attended the meeting where the final draft audit and management reports for 2024/25 were presented by the AGSA.

Auditor-General's Report

The audit committee has reviewed the department's audit improvement plan for audit issues raised in the previous year. The audit committee is not satisfied that the audit improvement plan emanating from the issues raised by the AGSA during the 2023/24 audit has been adequately implemented and that matters raised by the AGSA have been adequately resolved by management.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the 2024/25 annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

The final audit result, an unqualified audit with matters of emphasis is welcomed by the audit committee. The audit committee is concerned about the materiality of the contingent liabilities. It will be monitoring management's actions to ensure that this balance is significantly reduced and future occurrences that resulted in this financial risk are prevented.

Information and Technology

The Audit Committee received reports from the Information and Technology Governance Committee, which is chaired by an Audit Committee member.

The Audit Committee is concerned about the procurement of Information and Technology goods and services, which is sometimes not consulted and concurred with by the Information and Technology Directorate as this sometimes results in acquisitions that are not compatible with existing hardware and internal support capabilities. This matter was raised with management.

Accumulating balance of year end accruals

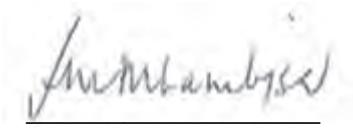
The Audit Committee is concerned about the accumulating balance of accruals that the department reports year on year, and the negative effect that this poses on the liquidity of the Department.

During the 2024/25 financial year, this was further exacerbated by the materialization of a court judgement that was executed against the department (emanating from a transaction that was entered into by the department more than ten (10) years ago), which had a negative impact on the finances of the department.

In addition to implementing the cost containment measures, management of the department is developing a financial recovery plan to reverse the negative state of its finances.

Conclusion

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



Mr. M. S. Mbambisa
Chairperson of the Audit Committee – on behalf of the Audit Committee
29 August 2025

3.13 B-BBEE Compliance Performance Information

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response** **Yes / No**	**Discussion** **(include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	DPWI is not mandated to issue licences, concessions or other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	Yes	The Procurement Preferential Regulations (PPR) were included in the SCM policy as a requirement. The Department developed its own PPR 2022 policy as guided by NT after the ruling against the implementation of the PPR 2017 by the Supreme Court of Appeal.
Determining qualification criteria for the sale of state-owned enterprises?	No	DPWI does not have any state-owned enterprise and did not sell any state-owned enterprise in the 2024/25 financial year.
Developing criteria for entering into partnerships with the private sector?	No	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	DPWI was involved in employee skills development, supplier and enterprise development. The Department participated in: • learnership programmes for black employees • training programmes for unemployed black people Some black people were absorbed by the Department and the industry at the end of learnership and training programmes.

PART D

Human Resource Management

4. PART D: HUMAN RESOURCE MANAGEMENT

4.1. Introduction

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

The status of human resources in the department

By the end of 2023/24 financial year, the Department of Public Works and Infrastructure had still not finalised the migration of staff from the old organogram to the new organogram as approved by the MEC and Head of Department. Although the project was initially scheduled to be finalised by the end of the financial year, the extent of work required that the project be extended beyond 2023/2024. The migration approach that was introduced required a thorough examination of employees' profiles to be matched to those of each job or post in the new structure. The project continued until the end of September 2024. The finalisation of placement and distribution of feedback letters then followed until December 2024 including, attending to the representations that were submitted by those employees who were not satisfied of their placement. Over 100 representations were responded to, and four employees ultimately submitted formal appeals to the office of the Member of Executive.

Parallel to the finalisation of this process, the Department had identified that a total of one thousand two hundred (1 200) posts remained vacant after the placement of both Senior Management Services (SMS) and non-SMS (salary levels 2 to 12). This number amounted to over 45% vacancy rate.

As part of capacitating the Department, a total of 278 posts were prioritised for filling as part of the Department's Annual recruitment Plan (ARP) for 2024/2025. This number excludes the capacitation of the office of the new Member of Executive through the core staff which became vacant after the National and Provincial Elections that were held on the 29 May 2024. The critical posts included the following critical posts:

1. Head of the Department;
2. Three (3) Director posts under Immovable Asset Management;
3. Two Directors posts under EPWP;
4. Three (3) Director posts under the Health and Other Departments Portfolio;
5. Two (2) posts of Construction Project Manager;
6. Two (2) posts of Chief Quantity Surveyors;
7. One (1) post of Chief Architect;
8. Three (3) posts of Professional Architects;
9. Two (2) posts of Quantity Surveyors
10. Two (2) posts of Professional Engineers;
11. Eight (8) posts of Chief Works Inspectors;
12. Six (6) posts of Works Inspectors;
13. Eight (8) posts of Chief Artisans;
14. Thirty (30) posts of Artisan Production in different trades; and
15. Thirty-one (31) Deputy Directors posts from different Programmes / Districts.

Human Resource Management & Development priorities within the Department

For the 2024/25 Human Resource Plan, the following were the key focus areas:

Organisational development and change management

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

Human Resource Practices and Administration and HR Planning

- Migration of staff into the newly approved 2022 structure.
- Attraction of technical and professional staff through the implementation of approved Annual Recruitment Plan for 2024/25.
- Compliance to equity targets for all Designated Groups.
- Implementation of conditions of service to qualifying staff.
- Pledge to process payment of exit benefit to exiting staff.
- Implementation of HR Effectiveness strategies

Human Resource Utilisation and Capacity Development

- Implementation of professional development as a Talent Management Strategy.
- Management of external and internal bursaries.
- Coordination of performance management and development system to support organisational performance.
- Training and development of personnel to improve organisational performance.

Employee Health and Wellness

The Department is unwavering in its commitment to employee well-being, taking bold steps to ensure every team member thrives physically, mentally, and emotionally. The Department has revolutionized the employee wellness program by expanding services to include 24/7 confidential counselling, accessible to all employees, across regions, through Life Health Solutions. Statistics revealed that stress, depression, and relationship struggles are key challenges the departmental workforce faces. As such, the Department amplified the educational awareness efforts, tackling these critical areas head-on. To further deepen the impact, the Department launched Wellness Wednesdays, which are transformative bi-weekly sessions focused on emotional and spiritual alignment as believes that true workplace well-being starts from within.

Employment Relations

Maintaining labour peace remains a strategic priority for the Department, and notably, no work stoppages were recorded during the 2024/25 financial year. The Labour Management Forum (LMF) continues to function as a dynamic and solution-oriented platform, proactively addressing workplace matters.

A total of twenty-three (23) grievances were lodged during the reporting period, of which twenty-one (21) were resolved representing a 91% resolution rate. Internal awareness campaigns on grievance procedures and the Code of Conduct were conducted, by both internal staff and the Public Service Commission (PSC).

A total of forty-four (44) misconduct cases were reported, with twenty-nine (29) finalized and fifteen (15) pending. The majority of pending cases were received towards the end of the fourth quarter. Absenteeism accounted for 31% of the reported misconducts. Targeted awareness sessions focusing on absenteeism and other prevalent infractions were rolled out across all District offices.

Of the ten (10) appeal cases received, 90% were finalised, albeit outside the prescribed timeframes due to unavoidable delays.

The Department managed thirteen (13) disputes, with 59% concluded in favour of the employer. One (1) case resulted in an adverse finding, and another was withdrawn, 38% is carried over due to prolonged dates provided by GPSSBC. All irregularity cases reported in the 2024/25 financial year were fully concluded, with no outstanding matters carried over.

The Department experienced challenges in adhering to prescribed turnaround times, primarily due to understaffing and delays in outcome submissions by external presiding officers. However, with the recent capacity enhancements implemented at the beginning of 2025, significant improvements are anticipated in the 2025/26 financial year.

Attraction and Retention on critical staff

The Department had its second Annual Recruitment Plan 2024/25 (ARP) after migration of staff into the new organogram with a total of two hundred and seventy-eight (278) posts. This Recruitment Plan was implemented from the second quarter as a result of the delays in the finalisation of matching and placement of staff. Through these strategies, the Department managed to attract and retain its professional and technical capacity through the appointment of over two hundred and sixty-one (261) posts across all programmes. Focus was on capacitating core programmes and targeted the newly created units within the structure namely, Transversal Infrastructure Coordination, Facilities Management (in particular Customer Business Unit Management), Property Development and Investment. Also at District level, posts for District Programme Managers were part of this recruitment. At depot level, eight (8) vacant Chief Artisans and eight Chief Works Inspectors posts were identified and filled including thirty (30) posts of production artisans in different trades advertised and filled.

During this 2024/25 financial year, the DPWI developed an attraction and retention policy, and the policy is ready to support the retention and attraction strategies to be implemented. The Department has established Employment Equity Committees at both District and Head Office levels which further assisted in guiding the recruitment processes through an approved Equity Plan, and as such the Department improved in its equity targets and the Equity report will be submitted to Department of Employment and Labour.

Human Resource Development

The Department through the HRD Directorate consistently managed to implement its Annual Training Plan. A total of one thousand eight hundred and eighty-six (1 886) staff were identified for different training interventions for the year under review. A total of one thousand seven hundred and ninety-six (1 796) staff were trained as per training plan. As a result of placement of staff into the new structure, the Department identified over one hundred (100) staff that required to upgrade their qualifications in line with the job profiles of the posts they were placed on. Due to the limited budget, only forty (40) internal and permanent staff were awarded bursaries to study for qualifications in different institutions of higher learning.

The Department continued with the placement of two hundred and thirty-five (235) youth into development programmes in the different internship programmes. These provides appropriate and relevant work experience commensurate with their qualifications.

As part of contributing towards one of the key priorities of government and National Development Plan, “building the capacity of the state”, the Department continued to manage its existing bursary programme for over fifty (50) external candidates. There were no new bursary awards for external candidates due to financial constraints.

Employee Performance Management

The employee performance management system was implemented at all levels and the Department achieved 100% contracting at SMS level and 93% for non-SMS against a target of 85%. The Department also validated SMS performance contracts by ensuring that they are in line or include the indicators both from the Annual Performance Plan and Operational Plans of the Department. Compliance with performance reviews and assessments was well monitored, especially with Senior Management Services and non-SMS employees. Annual assessments were concluded on time with the incentives paid to deserving employees at salary levels 2-12 by the end of the financial year, in line with Department of Public Service and Administration (DPSA) set timelines. However, performance incentives for Senior Management Services were only paid for Directors and the ones for Chief Directors will be paid during 2025/2026 financial year.

Highlights on achievements and challenges faced

Achievements

- The Department successfully implemented and finalised the migration process through placement of staff at salary levels 2-12 attended representations and provided feedback accordingly;
- A total of two hundred and sixty-one (261) critical and funded posts were filled;
- The Department has 58% Women at SMS level;
- The Department had managed to attract persons with disabilities and 2.7% of the total establishment was achieved;
- The Department continues to build technical and professional capacity through its professional development and seven (7) candidates have attained their professional registration status in different built environment and property management disciplines;
- The online recruitment system assisted in the finalization of recruitment and had encouraged many job seekers to apply;
- The Department developed an Attraction and Retention Policy as a means to retain or attract staff for critical posts as determined in the policy;
- The Department also conducted organisational functionality assessment using DPSA tool kit and submitted the outcome to DPSA via the Office of the Premier; and
- DPWI obtained an improved HR Effectiveness score from 89% in the previous financial year to 95% during 2024/2025 financial year.

Challenges

- The Department could not roll out the Culture Change programme after it was launched in August 2024 due to financial constraints. This project is prioritised to be rolled out during 2025/26 financial year;
- The organisational maturity score of Level 2 was obtained from a targeted score of 3. This is due to budgetary constraints, and a catch-up plan is scheduled to be rolled out during the 2025/26 financial year;
- Insufficient funding resulted to non-awarding of external bursaries for the 2025 academic year. Only those that were progressing from prior year funded;
- The Compulsory Induction Programme for levels 2-5 could not be enrolled pending the finalisation of the online module by National School of Government; and
- Lastly, there were delays in finalising disciplinary cases within the prescribed 90 days period. The delays were due to the non-availability of presiding officers as well as prolonged postponement requested by the defence.

Human Resources Oversight Statistics

4.2. Personnel Related Expenditure

Table 4.2.1. Personnel expenditure by programme for the period 1 April 2024 and 31 March 2025

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)	Employment (Including Periodical - and Abnormal Appointments)
Administration	622 774	352 889	2 631	0	56,7	445	793
Public Works Infrastructure	1 881 688	413 173	0	0	21,9	450	918
Expanded Public Works Programme	148 804	62 232	1 870	0	41,8	561	111
Total	**2 653 266**	**828 294**	**4 501**	**0**	**31,20**	**455**	**1 822**

Table 4.2.2. Personnel costs by salary band for the period 1 April 2024 and 31 March 2025

Salary Bands	Personnel expenditure (R'000)	% of total personnel cost	Number of Employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	50 259	5,94%	215	233 763
Skilled (Levels 3-5)	125 480	14,82%	397	316 071
Highly skilled production (Levels 6-8)	274 476	32,42%	551	498 142
Highly skilled supervision (Levels 9-12)	299 598	35,39%	375	798 928
Senior and Top management (Levels 13-16)	72 432	8,56%	51	1 420 235
10 Contract (Levels 1-2)	0	0,00%	0	0
11 Contract (Levels 3-5)	568	0,07%	3	189 333
12 Contract (Levels 6-8)	1 113	0,13%	5	222 600
13 Contract (Levels 9-12)	2 702	0,32%	4	675 500
14 Contract (Levels >= 13)	987	0,12%	1	987 000
18 Contract Other	18 987	2,24%	220	86 305
Total	**846 602**	**100%**	**1 822**	**464 655**

Table 4.2.3 Salaries, Overtime, Homeowners Allowance and Medical Assistance by programme for the period 1 April 2024 and 31 March 2025

Programme	Salaries		Overtime		Homeowners Allowance		Medical Aid		
	Amount (R'000)	Salaries as % of Personnel Costs	Amount (R'000)	Overtime as % of Personnel Costs	Amount (R'000)	HOA as % of Personnel Costs	Amount (R'000)	Medical aid as % of Personnel Costs	Total Personnel Cost per Programme (R'000)
Administration	297 338	82,29%	-	-	10 239	2,83%	21 817	6,04%	361 351
Public Works Infrastructure	346 965	82,29%	-	-	16 672	3,95%	27 442	6,51%	421 662
Expanded Public Works Programme	52 325	82,29%	-	-	1 781	2,80%	3 910	6,15%	63 590
Total	**696 628**	**82,29%**	**-**	**-**	**28 692**	**3,39%**	**53 169**	**6,28%**	**846 602**

Table 4.2.4 Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary band for the period 1 April 2024 and 31 March 2025

Salary bands	Salaries		Overtime		Homeowners Allowance		Medical Aid		
	Amount (R'000)	Salaries as % of Personnel Costs	Amount (R'000)	Overtime as % of Personnel Costs	Amount (R'000)	HOA as % of Personnel Costs	Amount (R'000)	Medical aid as % of Personnel Costs	Total Personnel Cost per Salary Band (R'000)
Skilled (Levels 1-2)	33 484	66,71%	-	-	4 487	8,94%	7 630	15,20%	50 192
Skilled (Levels 3-5)	97 437	77,90%	-	-	7 926	6,34%	14 159	11,32%	125 078
Highly skilled production (Levels 6-8)	230 091	83,89%	-	-	11 009	4,01%	21 409	7,81%	274 276
Highly skilled supervision (Levels 9-12)	245 406	82,77%	-	-	5 025	1,69%	9 528	3,21%	296 496
Senior management (Levels 13-16)	61 179	87,06%	-	-	245	0,35%	443	0,63%	70 271
Contract (Levels 1-2)	65	87,84%	-	-	-	-	-	-	74
Contract (Level 3-5)	908	95,08%	-	-	-	-	-	-	955
Contract (Level 6-8)	1 146	96,22%	-	-	-	-	-	-	1 191
Contract (9-12)	4 978	84,02%	-	-	-	-	-	-	5 925
Contract (Level 13-16)	3 004	88,25%	-	-	-	-	-	-	3 404
Contract Other	18 930	99,66%	-	-	-	-	-	-	18 994
Total	**696 628**	**82,26%**	**-**	**-**	**28 692**	**3,39%**	**53 169**	**6,28%**	**846 857**

4.3 Employment and vacancies

Table 4.3.1 Employment and vacancies by programme as on 1 April 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	1 037	793	23,50	275
Public works infrastructure	1 318	918	30,30	172
Expanded public works programme	254	111	56,30	8
Total	**2609**	**1822**	**30,20**	**455**

Table 4.3.2 Employment and vacancies by salary band as on 1 April 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)	343	215	37,30	65
Skilled (3-5)	577	397	31,20	59
Highly skilled production (6-8)	928	551	40,60	57
Highly skilled supervision (9-12)	468	375	19,90	41
Senior management (13-16)	60	51	15	3
09 Other	220	220	0	219
11 Contract (Levels 3-5)	3	3	0	3
12 Contract (Levels 6-8)	5	5	0	5
13 Contract (Levels 9-12)	4	4	0	3
14 Contract (Levels >= 13)	1	1	0	0
Total	**2609**	**1822**	**30,20**	**455**

Table 4.3.3 Employment and vacancies by critical occupations as on 1 April 2024

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	124	45	63,70	2
All artisans in the building metal machinery etc.	35	17	51,40	1
Appraisers-valuers and related professionals	11	4	63,60	0
Architects town and traffic planners	10	9	10	2
Artisan project and related superintendents	13	1	92,30	0
Auxiliary and related workers	0	0	0	0
Builder	174	169	2,90	18
Builders' worker	83	77	7,20	60
Bus and heavy vehicle drivers	9	4	55,60	1
Cartographers and surveyors	1	0	100	0
Chief Financial Officer	1	1	0	0
Civil Engineering Technician	2	2	0	2
Cleaners in offices workshops hospitals etc	51	11	78,40	0

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Clerical supplementary. Workers not elsewhere classified	201	199	1	198
Communication and information related	11	7	36,40	0
Communication Coordinator	23	14	39,10	1
Community development manager	3	3	0	0
Community development practitioner	44	7	84,10	0
Construction project manager	12	10	16,70	1
Data entry clerk	6	4	33,30	0
Elementary workers not elsewhere classified	1	1	0	1
Employee wellness practitioner	1	1	0	0
Engineering manager	3	3	0	0
Engineering sciences related	14	2	85,70	1
Engineers and related professionals	14	12	14,30	5
Facilities manager	3	3	0	0
Filing and registry clerk	4	4	0	1
Finance clerk	22	11	50	0
Finance manager	4	4	0	1
Financial accountant	108	84	22,20	18
Financial and related professionals	5	0	100	0
Financial clerks and credit controllers	7	3	57,10	0
Food services aids and waiters	1	0	100	0
Food trade assistant	1	1	0	1
General accountant	1	1	0	0
Handyperson	66	52	21,20	18
Head of Department/ chief executive officer	1	0	100	0
Health inspector	1	1	0	0
Human resources & organisational development & related professionals	10	1	90	0
Human resources clerks	52	33	36,50	1
Human resource manager	13	13	0	0
Human resource practitioner	61	39	36,10	0
Human resources related	11	2	81,80	0
Industrial/ Labour relations officer	4	4	0	0
Information technology related	7	3	57,10	0
Infrastructure coordinator	2	2	0	0
Inspectors of apprentices works and vehicle	45	2	95,60	0
Internal Audit Manager	1	1	0	0
Internal Auditor	10	5	50	0
IT Security Officer	2	2	0	0
Legal administration officer	3	3	0	0
Legal related manager	1	1	0	0
Library mail and related clerks	1	0	100	0
Light vehicle drivers	19	16	15,80	4

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Light vehicle drivers	13	5	61,50	0
Logistical support personnel	9	3	66,70	0
Managers not elsewhere classified	2	2	0	0
Messengers, porters and deliverers	9	2	77,80	0
Messengers	10	10	0	1
Middle Manager: Human Resource & Organisational Development. related	25	21	16	1
Middle Manager: administrative related	72	60	16,70	0
Middle Manager: Engineering Sciences related	10	10	0	9
Middle Manager: Finance and Economics related	80	67	16,30	9
Middle Manager: Information Technology related	8	8	0	0
Middle Manager: Internal Audit related	3	3	0	0
Middle Manager: Trade and Industry related	1	1	0	0
Middle Manager: Communication & Information related	3	2	33,30	0
Motorcycle driver	2	1	50	0
Network Analyst	1	1	0	0
Office cleaner	117	108	7,70	5
Other administration & related clerks and organisers	46	8	82,60	0
Other Middle Managers	18	16	11,10	0
Other occupations	1	0	100	0
Personal assistant	2	2	0	2
Physical asset manager	11	10	9,10	2
Plumber	3	3	0	0
Plumber Assistant	47	12	74,50	10
Policy and planning managers	4	4	0	0
Protection/Security official	4	4	0	0
Public/Media relations manager	1	1	0	0
Quantity surveyor	10	10	0	0
Quantity surveyors & related professions not class elsewhere	7	5	28,60	0
Receptionist (general)	1	1	0	0
Registry and mailing clerk	8	7	12,50	2
Regulatory inspectors	139	87	37,40	10
Risk and integrity manager	1	1	0	0
Risk and integrity specialist	6	6	0	0
Risk officer	2	2	0	0
Safety health and quality inspectors	2	1	50	0
Security guards	2	0	100	0
Security officers	106	96	9,40	0
Security officers	1	0	100	0

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Senior managers	25	18	28	2
Skills development facilitator	3	1	66,70	0
State owned entities and oversight manager	1	1	0	0
Strategy/Monitoring & Evaluation manager	1	0	100	0
Supply chain clerk	50	33	34	9
Supply chain manager	2	2	0	1
Supply chain practitioner	117	81	30,80	3
Surveyor	1	1	0	1
Systems administrator	9	7	22,20	0
Systems developer	1	1	0	0
Technical & associate technical. Occupations not classified	1	1	0	0
Technical (ICT) support services manager	2	1	50	0
Trade labourers	5	5	0	5
Trade/Industry advisors & other related profession	1	1	0	1
Training and development professional	2	2	0	2
Urban and regional planner	4	3	25	0
Total	**2609**	**1822**	**30,20**	**455**

4.4 Filling of SMS Posts

Table 4.4.1 SMS post information as on 1 April 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
Head of Department	**1**	**1**	**100**	**0**	**0**
Salary Level 16	1	1	100	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	11	11	100	0	0
Salary Level 13	48	40	83%	8	17%
Total	**61**	**53**	**87%**	**8**	**13%**

Table 4.4.2 SMS post information as on 30 September 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
Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	11	11	100	0	0
Salary Level 13	48	41	85	7	15
Total	**60**	**53**	**88**	**7**	**12**

The post of MEC is not filled at DPWI reason being that the MEC is serving two departments i.e. Human Settlements and DPWI.

Table 4.4.3 Advertising and filling of SMS posts for the period 1 April 2024 and 31 March 2025

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but in 12 months
Head of Department	1	1	0
Salary level 16	0	0	0
Salary level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	8	1	7
Total	**9**	**2**	**7**

Table 4.4.4 Reasons for not having complied with the filling of funded vacant SMS- Advertised within twelve months and filled within 12 months after becoming vacant for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within twelve months
None

Table 4.4.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not advertised within six months
None

4.5 Job evaluation

Table 4.5.1 Job Evaluation by Salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	343	0	0	0	0	0	0
Skilled (Levels 3-5)	577	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	928	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	468	0	0	1	0.2	0	0
Senior Management Service Band A	47	0	0	0	0	0	0
Senior Management Service Band B	11	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Other	220	0	0	0	0	0	0
Contract (Levels 3-5)	3	0	0	0	0	0	0
Contract (Levels 6-8)	5	0	0	0	0	0	0
Contract (Levels 9-12)	4	0	0	0	0	0	0
Contract Band A	1	0	0	0	0	0	0
Total	**2 609**	**0**	**0**	**1**	**0.0**	**0**	**0**

Table 4.5.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded for the period 1 April 2024 and 31 March 2025

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

Table 4.5.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2024 and 31 March 2025

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

Table 4.5.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 and 31 March 2025

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

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2024/25	**0**

4.6 Employment changes

Table 4.6.1 Annual turnover rates by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Number of Employees at Beginning of period April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Lower skilled (Levels 1-2)	228	2	9	3.90
Skilled (Levels 3-5)	403	44	31	7.70
Highly skilled production (Levels 6-8)	558	47	54	9.70
Highly skilled supervision (Levels 9-12)	312	71	27	8.70
Senior Management Service Bands A	39	3	4	10.30
Senior Management Service Bands B	11	0	0	0
Senior Management Service Bands D	1	0	1	100
Other	238	11	28	11.80
Contract (Levels 1-2)	1	0	1	100
Contract (Levels 3-5)	4	5	6	150

Salary Band	Number of Employees at Beginning of period April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Contract (Levels 6-8)	3	3	1	33.30
Contract (Levels 9-12)	14	1	11	78.60
Contract Band A	1	1	1	100
Contract Band D	1	0	1	100
Total	**1 814**	**188**	**175**	**9.60**

Table 4.6.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025

Critical Occupation	Number of employees at beginning of period April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Administration clerks	1	15	0	0
Administration officer	2	6	2	100
Administrative related	307	0	5	1,60
All artisans in the building metal machinery etc.	265	1	11	4,20
Appraisers-valuers and related professionals	41	0	1	2,40
Architect	0	6	2	0
Architects town and traffic planners	21	0	0	0
Artisan project and related superintendents	76	0	0	0
Auxiliary and related workers	76	0	0	0
Builder	0	12	12	0
Builders' worker	0	0	3	0
Building and other property caretakers	1	0	0	0
Bus and heavy vehicle drivers	7	0	1	14,30
Carpenter	0	2	0	0
Chemical production machine operator	0	1	0	0
Cleaners in offices workshops hospitals etc.	142	0	2	1,40
Clerical supplement. Workers not elsewhere classified	66	12	27	40,90
Communication and information related	22	0	1	4,50
Communication and marketing manager	0	2	0	0
Communication coordinator	0	2	0	0
Community development manager	0	0	1	0
Community development practitioner	0	1	7	0
Computer programmers	0	0	0	0
Construction project manager	0	1	2	0
Data entry clerk	0	1	0	0
Dispatching and receiving clerk	0	1	0	0
Electrician	0	4	0	0
Employee wellness practitioner	0	0	1	0
Engineering sciences related	29	0	2	6,90
Engineers and related professionals	19	0	0	0

Critical Occupation	Number of employees at beginning of period April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Ethics officer	0	1	0	0
Facilities manager	0	1	1	0
Finance and economics related	10	0	0	0
Financial accountant	1	1	3	300
Financial and related professionals	87	1	0	0
Financial clerks and credit controllers	45	0	3	6,70
Food services aids and waiters	2	0	0	0
Food trade assistant	0	1	2	0
Garden worker	0	0	1	0
General accountant	0	1	0	0
Handyperson	0	1	1	0
Head of Department/chief executive officer	1	0	0	0
Head of provincial department	0	0	3	0
Human resource clerk	1	4	3	300
Human resource manager	0	3	0	0
Human resource practitioner	0	4	3	0
Human resources & organizational development & related professionals	31	0	1	3,20
Human resources clerks	41	0	0	0
Human resources related	47	0	1	2,10
ICT project manager	0	1	0	0
Industrial/Labour relations officer	0	3	0	0
Information technology related	16	0	0	0
Infrastructure coordinator	0	1	0	0
Inspectors of apprentices works and vehicles	74	0	1	1,40
Internal auditor	0	1	2	0
Legal related	4	0	0	0
Library mail and related clerks	8	0	1	12,50
Light vehicle driver	0	2	1	0
Light vehicle drivers	13	0	0	0
Logistical support personnel	82	0	1	1,20
Managers not elsewhere classified	1	3	2	200
Mechanical engineer	0	2	0	0
Messengers	0	2	0	0
Messengers, porters and deliverers	14	0	0	0
Middle manager: Human resource & Organizational Development related	1	5	1	100
Middle manager: Administrative related	3	13	3	100
Middle manager: Finance and economics related	0	6	4	0
Middle manager: Information technology related	0	1	0	0
Middle manager: social science related	0	1	0	0
Middle manager: Trade and industry related	0	1	0	0

Critical Occupation	Number of employees at beginning of period April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Middle manager: Communication & information related	0	1	2	0
Network analyst	0	1	0	0
Office cleaner	0	1	7	0
Other administration & related clerks and organisers	120	0	0	0
Other administrative policy and related officers	0	0	1	0
Other information technology personnel	0	0	2	0
Other middle managers	0	5	0	0
Other occupations	1	8	0	0
Painter	0	2	2	0
Physical asset manager	0	3	1	0
Plumber	0	3	1	0
Printing management and supervisory personnel	0	0	1	0
Production advisers: factories	1	0	6	600
Professionals not elsewhere classified	0	2	0	0
Programme or project manager	0	1	1	0
Protection/security officer	0	1	0	0
Quantity surveyor	1	3	4	400
Quantity surveyors & related professions not class elsewhere	14	0	0	0
Receptionist (General)	0	2	2	0
Registry and mailing clerk	0	1	0	0
Regulatory inspector	0	1	3	0
Regulatory inspectors	0	0	0	0
Risk and integrity specialist	0	1	0	0
Risk management and security services	6	0	0	0
Road workers	0	0	0	0
Safety health and quality inspectors	2	0	1	50
Safety inspector	0	0	1	0
Secretaries & other operating clerks	1	0	0	0
Secretary (General)	1	8	0	0
Security guards	93	0	0	0
Security officer	0	0	4	0
Security officers	7	0	3	42,90
Senior managers	53	0	0	0
Supply chain clerk	0	1	6	0
Supply chain manager	1	0	0	0
Supply chain practitioner	0	3	2	0
Systems administrator	0	1	0	0
Systems developer	0	1	0	0
Technic & associate tech. occupations not classified	0	0	1	0

Critical Occupation	Number of employees at beginning of period April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Technical (ICT) support services manager	1	3	0	0
Town planning technician	0	1	0	0
Trade labourers	27	3	0	0
Trade quality controllers	1	0	0	0
Trade related	0	0	0	0
Trade/industry advisers & other related profession	2	0	1	50
Training and development professional	0	2	1	0
Training manager	0	0	2	0
Truck driver (General)	0	1	0	0
Urban and regional planner	0	0	2	0
Valuer	0	1	0	0
Total	**1 814**	**188**	**175**	**9,60**

Table 4.6.3 Reasons why staff left the department for the period 1 April 2024 and 31 March 2025

Termination Type	Number	% of total resignation	% of Total Employment	Total	Total Employment
Death	10	5,70	0,50	175	1 822
Resignation	80	45,70	4,40	175	1 822
Expiry of contract	31	17,70	1,70	175	1 822
Dismissal-misconduct	2	1,10	0,10	175	1 822
Discharged due to ill-health	2	1,10	0,10	175	1 822
Retirement	50	28,60	2,70	175	1 822
Total	**175**	**4.04**	**9,60**	**175**	**1 822**
Total number of employees who left as a % of total employment	**9.6**				

Table 4.6.4 Promotions by critical occupation for the period 1 April 2024 and 31 March 2025

Occupation	Employees as at 1 April 2024	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Administration clerks	1	0	0	31	3 100
Administration officer	2	0	0	64	3200
Administrative and governance policy manager	0	0	0	4	0
Administrative related	307	1	0,30	0	0
All artisans in the building metal machinery etc.	265	0	0	0	0
Appraisers-valuers and related professionals	41	0	0	0	0
Architect	0	1	0	4	0

Occupation	Employees as at 1 April 2024	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Architects town and traffic planners	21	0	0	0	0
Artisan project and related superintendents	76	0	0	0	0
Auxiliary and related workers	1	0	0	0	0
Builders worker	0	0	0	74	0
Building and other property caretakers	1	0	0	0	0
Bus and heavy vehicle drivers	7	0	0	1	14,30
Caretakers/ cleaner	0	0	0	2	0
Carpenter	0	0	0	1	0
Chemical production machine operator	0	1	0	0	0
Civil engineering technician	0	0	0	3	0
Cleaners in offices workshops hospitals etc.	142	0	0	2	1,40
Clerical supplement. Workers not elsewhere classified	66	0	0	0	0
Communication and information related	22	0	0	0	0
Communication and marketing manager	0	0	0	1	0
Communication coordinator	0	0	0	5	0
Community development manager	0	0	0	1	0
Community development practitioner	0	1	0	7	0
Computer programmers.	0	0	0	1	0
Construction project manager	0	0	0	5	0
Data entry clerk	0	0	0	2	0
Elementary workers not elsewhere classified	0	0	0	5	0
Employee wellness practitioner	0	0	0	3	0
Engineering manager	0	0	0	3	0
Engineering sciences related	29	1	3.4	0	0
Engineers and related professionals	19	0	0	1	5,3
Facilities manager	0	0	0	1	0
Finance and economics related	10	0	0	0	0

Occupation	Employees as at 1 April 2024	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Finance clerk	0	0	0	8	0
Finance manager	0	0	0	5	0
Financial accountant	1	0	0	62	6200
Financial and related professionals	87	0	0	1	1,10
Financial clerks and credit controllers	45	0	0	1	2,20
Fire fighter	0	0	0	2	0
Food services aids and waiters	2	0	0	0	0
Garden worker	0	0	0	4	0
General accountant	0	0	0	2	0
Handyperson	0	0	0	21	0
Head of department/ chief executive officer	1	0	0	0	0
Human resource clerk	1	0	0	53	5300
Human resource manager	0	1	0	5	0
Human resource practitioner	0	4	0	20	0
Human resources & organization's development & related professionals	31	0	0	0	0
Human resources clerks	41	0	0	0	0
Human resources related	47	0	0	0	0
Industrial/ labour relations officer	0	1	0	0	0
Information technology & systems manager	0	0	0	1	0
Information technology related	16	0	0	0	0
Inspectors of apprentices works and vehicles	74	0	0	0	0
Internal audit manager	0	0	0	1	0
Internal auditor	0	0	0	5	0
It security officer	0	0	0	1	0
Legal administration officer	0	0	0	1	0
Legal related	4	0	0	0	0
Legal related manager	0	0	0	1	0
Library mail and related clerks	8	0	0	0	0
Light vehicle driver	0	0	0	9	0
Light vehicle drivers	13	0	0	0	0

Occupation	Employees as at 1 April 2024	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Logistical support personnel	82	0	0	0	0
Managers not elsewhere classified	1	0	0	7	700
Mechanical engineering technician	0	0	0	1	0
Messengers	0	0	0	7	0
Messengers, porters and deliverers	14	0	0	0	0
Middle. manager: human resource & organisational development. related	1	2	200	8	800
Middle manager: administrative related	3	6	200	34	1133,30
Middle manager: engineering sciences related	0	0	0	10	0
Middle manager: finance and economics related	0	1	0	38	0
Middle manager: information technology related	0	0	0	2	0
Middle manager: internal audit related	0	0	0	3	0
Middle manager: communication & information related	0	1	0	0	0
Motor vehicle drivers	0	0	0	1	0
Office cleaner	0	0	0	87	0
Other administration & related clerks and organisers	120	0	0	0	0
Other administrative policy and related officers	0	0	0	3	0
Other middle manager	0	1	0	3	0
Other occupations	1	0	0	0	0
Painter	0	0	0	2	0
Personal assistant	0	0	0	1	0
Physical asset manager	0	1	0	4	0
Plumber	0	0	0	4	0
Plumber’s assistant	0	0	0	12	0
Policy and planning managers	0	0	0	3	0
Professionals not elsewhere classified.	0	1	0	0	0

Occupation	Employees as at 1 April 2024	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Protection/ security official	0	0	0	2	0
Quantity surveyor	1	0	0	7	700
Production advisers: factories	1	0	0	0	0
Quantity surveyors & related professional not classified elsewhere	14	0	0	0	0
Receptionist (General)	0	0	0	1	0
Regulatory inspector	0	3	0	59	0
Risk and integrity manager	0	0	0	2	0
Risk management and security services	6	0	0	0	0
Safety health and quality inspectors	2	0	0	0	0
Safety/health & environment & quality (she & q) practitioner	0	0	0	1	0
Secretaries & other keyboard operating clerks	1	0	0	0	0
Secretary (general)	1	0	0	0	0
Security guards	93	0	0	0	0
Security officer	0	0	0	72	0
Security officers	7	0	0	1	14,30
Senior managers	53	0	0	0	0
Skills development facilitator/ practitioner	0	0	0	1	0
Strategy/ monitoring & evaluation manager	0	0	0	1	0
Supply chain clerk	0	1	0	32	0
Supply chain manager	1	0	0	7	700
Supply chain practitioner	0	0	0	54	0
Surveyor	0	0	0	1	0
Systems administrator	0	0	0	5	0
Technical (ICT) support services manager	1	0	0	0	0
Trade labourers	27	0	0	0	0
Trade quality controllers	1	0	0	0	0
Trade/industry advisers & other related profession	2	0	0	0	0
Training and development professional	0	0	0	1	0
Training manager	0	0	0	1	0

Occupation	Employees as at 1 April 2024	Promotions to another salary level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Transport clerk	0	1	0	0	0
Truck driver (general)	0	0	0	12	0
Total	**1 810**	**30**	**1,70**	**1 020**	**56,20**

Table 4.6.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	Promotions to another Salary Level	Salary bands Promotions as a % of Employees by salary level	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by salary band
Lower Skilled (Levels 1-2)	228	0	0	192	84,20
Skilled (Levels 3-5)	403	0	0	253	62,80
Highly Skilled Production (Levels 6-8)	558	11	2	373	66,80
Highly Skilled Supervision (Levels 9-12)	312	18	5,80	182	58,30
Senior Management (Levels >= 13)	51	1	2	19	37,3
Other	238	0	0	0	0
Contract (Levels 1-2)	1	0	0	0	0
Contract (Levels 3-5)	4	0	0	1	25
Contract (Levels 6-8)	3	0	0	0	0
Contract (Levels 9-12)	14	0	0	0	0
Contract (Levels >= 13)	2	0	0	0	0
Total	**1 814**	**30**	**1,70**	**1 020**	**56,20**

4.7 Employment Equity

Table 4.7.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 1 April 2024

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	4	0	0	0	1	0	0	0	5
Technicians and associate professionals	2	0	0	0	1	1	0	1	5
Clerks	1	0	0	0	1	0	0	0	2
Service and sales workers	1	0	0	0	0	0	0	0	1
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Labourers and related workers	5	0	0	0	3	0	0	0	8
Clerical support workers	100	3	0	2	280	6	0	0	391
Elementary occupations	151	1	0	0	126	1	0	0	127
Managers	140	3	1	4	168	2	0	3	170
Plant & machine operators & assemblers	23	0	0	0	3	1	0	0	27
Professionals	94	3	0	2	122	2	2	1	226
Protect rescue social health science support personnel	51	1	0	0	40	0	0	0	92
Security & custodian personnel	2	1	0	0	1	0	0	0	1
Skill agriculture forest fish craft related trades workers	136	0	0	0	49	0	0	0	185
Technicians & associate technical occupations	94	3	0	5	167	4	0	0	171
Total	**805**	**15**	**1**	**13**	**962**	**17**	**2**	**7**	**1822**
Employees with disabilities	**28**	**0**	**0**	**2**	**20**	**0**	**0**	**0**	**50**

Table 4.7.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 1 April 2024

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	20	0	0	1	29	1	0	0	51
Professionally qualified and experienced specialists and mid-management	193	8	1	6	161	2	1	3	375
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	220	5	0	4	309	8	1	4	551
Semi-skilled and discretionary decision making	201	1	0	2	191	2	0	0	397
Unskilled and defined decision making	98	0	0	0	115	2	0	0	215
Not Available	67	1	0	68	150	2	0	0	220
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally Qualified)	1	0	0	0	3	0	0	0	4
Contract (Skilled Technical)	2	0	0	0	3	0	0	0	5
Contract (Semi-Skilled)	2	0	0	0	1	0	0	0	3
Total	**805**	**15**	**1**	**13**	**962**	**17**	**2**	**7**	**1822**

Table 4.7.3 Recruitment for the period 1 April 2024 and 31 March 2025

Occupational Bands	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	40	1	0	0	29	1	0	0	71
Skilled technical and academically qualified workers, junior management, supervisors, foremen	22	0	0	0	25	0	0	0	47
Semi-skilled and discretionary decision making	21	0	0	0	21	2	0	0	44
Unskilled and defined decision making	2	0	0	0	0	0	0	0	2
Not Available	6	0	0	0	5	0	0	0	11
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	0	0	0	0	1	0	0	0	1
Contract (Skilled technical)	1	0	0	0	2	0	0	0	3
Contract (Semi-skilled)	2	0	0	0	3	0	0	0	5
Total	**97**	**1**	**0**	**0**	**87**	**3**	**0**	**0**	**188**
Employees with disabilities	**6**	**0**	**0**	**0**	**7**	**0**	**0**	**0**	**13**

Table 4.7.4 Promotions for the period 1 April 2024 to 31 March 2025

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	8	0	0	0	11	0	0	0	20
Professionally qualified and experienced specialists and mid-management	103	4	0	2	88	0	1	2	200
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	148	5	0	1	223	4	1	2	384
Semi-skilled and discretionary decision making	107	1	0	2	143	0	0	0	253
Unskilled and defined decision making	91	0	0	0	99	2	0	0	192
Contract (Semi-skilled)	1	0	0	0	0	0	0	0	1
Total	**458**	**10**	**0**	**468**	**5**	**564**	**7**	**2**	**573**
Employees with disabilities	**11**	**0**	**0**	**1**	**7**	**0**	**0**	**0**	**19**

Table 4.7.5 Terminations for the period 1 April 2024 to 31 March 2025

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	1	1	1	0	1	0	0	0	4
Professionally qualified and experienced specialis ts and mid-management	13	1	0	2	11	0	0	0	27
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	33	1	0	0	18	1	0	1	54
Semi-skilled and discretionary decision making	24	0	0	0	7	0	0	0	31
Unskilled and defined decision making	5	0	0	0	4	0	0	0	9
Not Available	8	0	0	0	19	1	0	0	28
Contract (Top Management)	1	0	0	0	0	0	0	0	1
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	2	0	0	0	9	0	0	0	11
Contract (Skilled technical)	0	0	0	0	1	0	0	0	1
Contract (Semi-skilled)	1	0	0	0	5	0	0	0	6
Contract (Unskilled)	0	0	0	0	1	0	0	0	1
Total	**89**	**3**	**1**	**2**	**77**	**2**	**0**	**1**	**175**
Employees with disabilities	**4**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**6**

Table 4.7.6 Disciplinary action for the period 1 April 2024 to 31 March 2025

Disciplinary action	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Dismissals	2	0	0	0	0	1	0	0	**3**
Suspension without pay	12	0	0	0	1	0	0	0	**13**
Demotion	1	0	0	0	0	0	0	0	**1**
Final Written Warning	3	0	0	0	1	0	0	0	**4**
Written Warning	1	0	0	0	4	1	0	0	**6**
Verbal Warning	0	0	0	0	0	0	0	0	**0**
Case withdrawn	0	0	0	1	0	0	0	0	**1**
Discharged Section 17(3)(i)(a) of PSA	0	0	0	0	0	0	0	0	0
Resigned while case in process	0	1	0	0	0	0	0	0	**1**
Not Guilty	0	0	0	0	0	0	0	0	0
Pending cases	9	0	0		6	0	0	0	**15**
Total	**28**	**1**	**0**	**1**	**12**	**2**	**0**	**0**	**44**

Table 4.7.7 Skills development for the period 1 April 2024 to 31 March 2025

Occupational categories	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, Senior Officials and Managers	24	1	1	1	34	0	0	0	61
Professionals	118	6	0	7	147	4	1	3	286
Technicians and Associate Professionals	122	2	1	2	277	6	0	3	413
Clerks	79	2	0	1	209	4	1	2	298
Service and Sales Workers	65	2	0	0	52	0	0	0	119
Skilled Agriculture and Fishery Workers	8	0	0	0	4	0	0	0	12
Craft and related Trades Workers	284	4	0	4	94	0	0	0	386
Plant and Machine Operators and Assemblers	24	0	0	0	2	0	0	0	26
Elementary Occupations	69	1	0	0	123	2	0	0	195
Total	**793**	**18**	**2**	**15**	**942**	**16**	**2**	**8**	**1796**
Employees with disabilities	**19**	**0**	**0**	**2**	**13**	**0**	**0**	**0**	**34**

4.8 Signing of Performance Agreements by SMS Members

Table 4.8.1 Signing of Performance Agreements by SMS members as on 31 May 2024

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
Head of department	1	1	1	100
Salary Level 16	1	1	1	100
Salary Level 15	0	0	0	0
Salary Level 14	11	11	11	100
Salary Level 13	48	40	40	100
Total	61	53	53	100

Table 4.8.2 Reasons for not having concluded Performance agreements for all SMS members as on 1 April 2024

Reasons
None

Table 4.8.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 1 April 2024

Reasons
None

4.9 Performance rewards

Table 4.9.1 Performance Rewards by race, gender, and disability for the period 1 April 2024 to 31 March 2025

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average Cost per employee
African					
Male	0	777	0	0	0
Female	0	942	0	0	0
Asian					
Male	0	1	0	0	0
Female	0	2	0	0	0
Coloured					
Male	0	15	0	0	0
Female	0	17	0	0	0
White					
Male	0	11	0	0	0
Female	0	7	0	0	0
Total	**0**	**1 772**	**0**	**0**	**0**

Table 4.9.2 Performance Rewards by salary bands for personnel below Senior Management Service for the period 1 April 2024 to 31 March 2025

Salary Bands	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (Levels 1-2)	0	215	0	0	0	0
Skilled (Levels 3-5)	0	397	0	0	0	0
Highly skilled production (Levels 6-8)	0	551	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	375	0	0	0	0
Other	0	220	0	0	0	0
Contract (Levels 3-5)	0	3	0	0	0	0
Contract (Levels 6-8)	0	5	0	0	0	0
Contract (Levels 9-12)	0	4	0	0	0	0
Total	**0**	**1 770**	**0**	**0**	**0**	**0**

Table 4.9.3 Performance Rewards by critical occupations for the period 1 April 2024 to 31 March 2025

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administration clerks	0	54	0	0	0
Administration officer	0	115	0	0	0
Administrative and governance policy manager	0	10	0	0	0
Administrative related	0	45	0	0	0
All artisans in the building metal machinery etc.	0	17	0	0	0
Appraisers-valuers and related professionals	0	4	0	0	0
Architect	0	9	0	0	0
Architects town and traffic planners	0	9	0	0	0
Artisan project and related superintendents	0	1	0	0	0
Builder	0	169	0	0	0
Builders' worker	0	77	0	0	0
Building and other property caretakers					
Bus and heavy vehicle drivers	0	4	0	0	0
Chief financial officer	0	1	0	0	0

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Civil engineering technician	0	2	0	0	0
Cleaners in offices, workshops, hospitals etc.	0	11	0	0	0
Clerical supplementary workers not elsewhere classified	0	199	0	0	0
Communication and information related	0	7	0	0	0
Communication coordinator	0	14	0	0	0
Community development manager	0	3	0	0	0
Community development practitioner	0	7	0	0	0
Construction project manager	0	10	0	0	0
Data entry clerk	0	4	0	0	0
Elementary workers not elsewhere classified	0	1	0	0	0
Employee wellness practitioner	0	1	0	0	0
Engineering manager	0	3	0	0	0
Engineering sciences related	0	2	0	0	0
Engineers and related professionals	0	12	0	0	0
Facilities manager	0	3	0	0	0
Filing and registry clerk	0	4	0	0	0
Finance clerk	0	11	0	0	0
Finance manager	0	4	0	0	0
Financial accountant	0	84	0	0	0
Financial clerks and credit controllers	0	3	0	0	0
Food trade assistant	0	1	0	0	0
General accountant	0	1	0	0	0
Handyperson	0	52	0	0	0
Health inspector	0	1	0	0	0
Human resources & organisational development & related professionals	0	1	0	0	0
Human resource manager	0	13	0	0	0
Human resource practitioner	0	39	0	0	0
Human resources & organisational development & related professionals	0	1	0	0	0
Human resources clerks	0	2	0	0	0
Human resources related	0	2	0	0	0
Industrial/ labour relations officer	0	4	0	0	0

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Information technology related	0	3	0	0	0
Infrastructure coordinator	0	2	0	0	0
Inspectors of apprentices works and vehicles	0	2	0	0	0
Internal audit manager	0	1	0	0	0
Internal auditor	0	5	0	0	0
IT security officer	0	2	0	0	0
Legal administration officer	0	3	0	0	0
Legal related manager	0	1	0	0	0
Light vehicle driver	0	16	0	0	0
Light vehicle drivers	0	5	0	0	0
Logistical support personnel	0	3	0	0	0
Managers not elsewhere classified	0	2	0	0	0
Messengers	0	10	0	0	0
Messengers, porters and deliverers	0	2	0	0	0
Middle Manager: human resource & organisational development and related	0	210	0	0	0
Middle manager: administrative related	0	60	0	0	0
Middle manager: engineering sciences related	0	10	0	0	0
Middle manager: finance and economics related	0	67	0	0	0
Middle manager: information technology related	0	8	0	0	0
Middle manager: internal audit related	0	3	0	0	0
Middle manager: trade and industry related	0	1	0	0	0
Middle manager: communication & information related	0	2	0	0	0
Motorcycle driver	0	1	0	0	0
Network analyst	0	1	0	0	0
Office cleaner	0	108	0	0	0
Other administration & related clerks and organisers	0	8	0	0	0
Other middle manager	0	16	0	0	0
Personal assistant	0	2	0	0	0
Physical asset manager	0	10	0	0	0
Plumber	0	3	0	0	0
Plumber's assistant	0	12	0	0	0
Policy and planning managers	0	4	0	0	0

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Protection/security official	0	4	0	0	0
Public/media relations manager	0	1	0	0	0
Quantity surveyor	0	10	0	0	0
Quantity surveyors & relations prof not class elsewhere	0	5	0	0	0
Receptionist (general)	0	1	0	0	0
Registry and mailing clerk	0	7	0	0	0
Regulatory inspector	0	87	0	0	0
Risk and integrity manager	0	1	0	0	0
Risk and integrity specialist	0	6	0	0	0
Risk officer	0	2	0	0	0
Safety/health & environment & quality (she & q) practitioner	0	1	0	0	0
Security officers	0	96	0	0	0
Senior managers	0	18	0	0	0
Skills development facilitator/ practitioner	0	1	0	0	0
State owned entities and oversight manager	0	1	0	0	0
Supply chain clerk	0	33	0	0	0
Supply chain manager	0	2	0	0	0
Supply chain practitioner	0	81	0	0	0
Surveyor	0	1	0	0	0
Systems administrator	0	7	0	0	0
Systems developer	0	1	0	0	0
Technical & associate technical. occupations not classified	0	1	0	0	0
Technical (ICT) support services manager	0	1	0	0	0
Trade labourers	0	5	0	0	0
Trade/industry advisers & other related profession	0	1	0	0	0
Training and development professional	0	2	0	0	0
Urban and regional planner	0	3	0	0	0
Total	**0**	**1 822**	**0**	**0**	**0**

Table 4.9.4 Performance related rewards (cash bonus), by salary band, for Senior Management Service for the period 1 April 2024 to 31 March 2025

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	0	41	0	0	0	0
Band B	0	11	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	0	0	0	0	0
Total	0	52	0	0	0	0

4.10 Foreign Workers

Table 4.10.1 Foreign Worker by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)						
Senior management (Levels 13-16)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Table 4.10.2 Foreign Worker by major occupation for the period 1 April 2024 and 31 March 2025

Major Occupation	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	0	0	0	0	0	0
Other occupations	0	0	0	0	0	0
Professionals and managers	0	0	0	0	0	0
Total	0	0	0	0	0	0

4.11 Leave utilisation

Table 4.11.1 Sick leave for the period 1 January 2024 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)	Total number of days with medical certification
Lower skilled (Levels 1-2)	1 331	86,3	142	11,4	9	956	1149
Skilled (Levels 3-5)	2 365	80	275	22	9	2 550	1891
Highly skilled production (Levels 6-8)	3 132	76,4	404	32,3	8	5 599	2393
Highly skilled supervision (Levels 9-12)	1 631	77,8	243	19,4	7	5 051	1269
Top and Senior management (Levels 13-16)	136	94,1	20	1,6	7	665	1149
Contract (Levels 3-5)	2	0	1	0,1	2	2	0
Contract (Levels 9-12)	30	80	6	0,5	5	72	24
Contract Other	746	45,4	160	12,8	5	307	339
Total	**9 373**	**76,7**	**1 251**	**100**	**7**	**15 201**	**8214**

Table 4.11.2 Disability leave (temporary and permanent) for the period 1 January 2024 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)	Total number of days with medical certification
Lower skilled (Levels 1-2)	224	100	11	12	20	168	224
Skilled (Levels 3-5)	717	100	24	26,1	30	687	717
Highly skilled production (Levels 6-8)	1 215	100	39	42,4	31	2 097	1215
Highly skilled supervision (Levels 9-12)	615	100	11	12	56	1 979	615
Senior Management (levels 13-16)	16	100	2	2,2	8	97	16
Contract Other	100	100	5	5,4	20	44	100
Total	**2 887**	**100**	**92**	**100**	**31**	**5 073**	**2887**

Table 4.11.3 Annual Leave for the period 1 January 2024 to 31 December 2024

Salary Band	Total Days Taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	5 642	25	229
Skilled (Levels 3-5)	10 057,75	24	419
Highly skilled production (Levels 6-8)	14 790	24	611
Highly skilled supervision (Levels 9-12)	8 379	22	379
Senior management (Levels 13-16)	1 169	22	54
Contract Other	2 795	11	246
Contract (Levels 3-5)	16	16	1
Contract (Levels 6-8)	112	16	7
Contract (Levels 9-12)	109	9	12
Contract (Levels 13-16)	22	22	1
Total	**43 091,75**	**22**	**1 959**

Table 4.11.4 Capped leave for the period 1 January 2024 to 31 December 2024

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 2023	Total number of capped leave available at end of period	Number of Employees at end of period
Lower skilled (Levels 1-2)	0	0	0	81	161,85	2
Skilled (Levels 3-5)	10,25	3	3	100	5901,45	59
Highly skilled production (Levels 6-8)	5	3	2	96	7554,62	79
Highly skilled supervision (Levels 9-12)	0	0	0	84	161,85	2
Senior management (Levels 13-16)	0	0	0	66	328,77	5
Total	**15,25**	**6**	**3**	**94**	**16 733,09**	**178**

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

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

Reason	Total Amount (R'000)	Number of Employees	Average per employe (R'000)
Leave payout for 2024/25 due to non-utilisation of leave for the previous cycle	1155	34	33 971
Leave payout for 2024/25 due to non-utilisation of leave for the previous cycle: contract expiry	277	9	30 778
Capped leave payouts on termination of service for 2024/25	5 626	38	148 053
Current leave payout on termination of service for 2024/25	2 104	50	42 080
Total	**9 162**	**131**	

4.12 HIV and AIDS & Health promotion programmes

Table 4.12.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Interns & Learners	Induction on Wellness Services, Sexual harassment, Code of Conduct, Grievance procedure etc

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

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms. S. Sekalo
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		One (1) Director (Shared with LR) One (1) Deputy Director Two (2) Assistant Directors One (1) Practitioner

Question	Yes	No	Details, if yes
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		The programme is well known by employees. Programmes are marketed through the Communication Service Unit, notice boards, posters and Word of mouth. Virtual and physical presentations to educate employees on various aspects of Employee wellbeing. Key elements of Wellness Programme are as follows **Employee Health and Wellness** that is promotion of physical health and mental health. **Work life balance e.g.** strategies to support employees in managing their work and personal life. **Diversity and inclusion** e.g. initiatives to promote a diverse and inclusive workplace culture. **SHERQ** Conducts safety audits to identify hazards secure working environment **Wellness education and awareness e.g.** educational programmes and campaigns to promote wellness and healthy living including workshop, seminars and online resources **Employee engagement and recognition e.g.** team buildings and employee awards
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		No	Due to confidentiality issues employees prefer to be anonymous and not be involved with support groups and committees.
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		All employees who tested positive are encouraged to enroll on the GEMS HIV/AIDS Disease Management Program. Those who have voluntarily disclosed their status are further supported and assisted through their treatment journey in order to remain at work as long as possible. They are treated with care and empathy and are catered for in the departmental Wellness policies. **Refer to page 9 of 16 of the policy of the Department 7.5 from 7.5.1-7.5 .4**
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		Departmental wellness policies are non-discriminatory and sensitive to employees with chronic diseases. They are given reasonable time off in line with leave management provisions as well, those who exceeded their sick leave are accommodated via the Health Risk Manager. They are also not deprived of their full benefits.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		The Department always arrange Voluntary Counselling and testing for employees at the workplace as well as through a contracted 24-hour Counselling service provider.
8. Has the Department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The Department has evaluation forms that are used after the completion of the health promotion programme.

4.13 Labour relations

The following collective agreements were entered into with trade unions within the department.

Table 4.13.1 Collective agreements for the period 1 April 2024 and 31 March 2025

Total number of collective agreements	None

Table 4.13.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 and 31 March 2025

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	6	20.7%
Final written warning	4	13.8%
Suspended without pay	13	44.8%
Fine	0	0%
Demotion	1	3.5%
Dismissal	3	10.3%
Not guilty	0	0%
Case withdrawn	2	6.9%
Total	**29**	**100%**

Total number of Disciplinary hearings finalised	**29**

Table 4.13.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Abuse of sick leave	0	0.%
Dishonesty	1	3.5%
Late coming	0	0.%
Assault	0	0.%
Gross insubordination	0	0.%
Insolence	0	0.%
Intentional or negligent damage to the employ or client of the employer, co-worker	4	13.8%
Intoxication	0	0.%
Gross absenteeism	1	3.5%
Insubordination	0	0.%
Abuse of government vehicle	3	10.3%
Gross dishonesty	1	3.4%
Dereliction of duties	0	0.%
Fraud	0	0.%
Remunerative Work Outside the Public Service (RWOPS)	0	0.%
Misrepresentation	2	6.9%
Negligence	2	6.9%
Abuse of State Property	0	0.%
Bringing the name of the department into disrepute	0	0.%

Type of misconduct	Number	% of total
Absenteeism	8	27.6%
Fight	0	0.%
Theft	0	0.%
Failure to adhere to the Code of Conduct	0	0.%
Defamation of character	0	0.%
Irregular and wasteful expenditure	7	24.1%
Total	**29**	**100%**

Table 4.13.4 Grievances lodged for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of Total
Number of grievances resolved	21	91.3%
Number of grievances not resolved	2	8.7%
Total number of grievances lodged	23	100%

Table 4.13.5 – Disputes lodged with Councils for the period 1 April 2024 and 31 March 2025

Disputes	Number	% of Total
Number of disputes upheld	7	46,2%
Number of disputes dismissed	1	7.7%
Pending	5	38.5%
Total number of disputes lodged	**13**	**100%**

Table 4.13.6 Strike actions for the period 1 April 2024 and 31 March 2025

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

Table 4.13.7 Precautionary suspensions for the period 1 April 2024 and 31 March 2025

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspensions (R'000)	0

4.14 Skills development

Table 4.14.1 Training needs identified for the period 1 April 2024 and 31 March 2025

Occupational Categories	Gender	Number of employees as at 1 April 2024	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	122	0	57	10	67
	Male	108	0	39	7	46
Professionals	Female	135	25	43	3	71
	Male	90	19	20	6	45
Technicians and associate professionals	Female	277	0	98	4	102
	Male	291	0	51	5	56
Clerks	Female	281	103	10	79	192
	Male	131	46	77	11	134
Service and sales workers	Female	44	0	0	19	19
	Male	79	0	0	20	20
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	1	0	1
	Male	45	0	10	0	10
Elementary occupations	Female	152	0	30	0	30
	Male	130	0	20	0	20
Sub Total	Female	1012	128	239	115	482
	Male	874	65	217	49	331
Total		**1886**	**193**	**456**	**164**	**813**

Table 4.14.2 Training provided for the period 1 April 2024 and 31 March 2025

Occupational Categories	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational Categories	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		0	0	0	0	0

4.15 Injury on duty

The following tables provide basic information on injury on duty

Table 4.15.1 Injury on duty for the period 1 April 2024 and 31 March 2025

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

4.16. Utilisation of Consultants

Table 4.16.1 Report on consultant appointments using appropriated funds for the period 1 April 2024 and 31 March 2025

Project Title	Total number of consultants that worked on the project	Duration (work days)	Contract value in Rand R'000
Consultancy fees in respect of applications for short- and long-term incapacity leave and ill-health including any assessments and medical disbursements	n/a	n/a	176
Provision of BBBEE Certificate	n/a	n/a	84
IOD employer contribution to Commissioner	n/a	n/a	10
Medical surveillance in occupational health and safety applications in workplace	1	n/a	96
Develop and implement an electronic records management system	n/a	n/a	18,890
Provide 24-hour wellness programme	n/a	n/a	1,347
Implementation of Integrated Shared Services Contracts (ISSC) programme (related to energy, water, rates, taxes and waste management) on facilities owned by ECPG	n/a	n/a	57,884
Provision of proof of educational qualifications	n/a	n/a	15
Medical surveillance in occupational health and safety applications in workplace	n/a	n/a	174
Facilities management to state owned facilities			28,199
Land surveying services for subdivision and consolidation of erven	1	n/a	5,930
Programme implementation and management office to provide support in the management of provincial infrastructure delivery	15	235	174,861
Conduct an open market valuation on various properties	1	n/a	74
Consolidation of various erven	1	n/a	8

Total number of Projects	Total individual consultants	Duration (work days)	Total Contract value in Rand
			R'000
14	19	235	209,072

Table 4.16.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Consultancy fees in respect of applications for short- and long-term incapacity leave and ill-health including any assessments and medical disbursements	58.24%	58.24%	n/a
Provision of BBBEE Certificate	100%	100%	n/a
IOD employer contribution to Commissioner	0%	0%	n/a
Medical surveillance in occupational health and safety applications in workplace	100%	100%	1
Develop and implement an electronic records management system	100%	100%	n/a
Provide 24-hour wellness programme	36.93%	36.93%	n/a
Implementation of Integrated Shared Services Contracts (ISSC) programme (related to energy, water, rates, taxes and waste management) on facilities owned by ECPG	51%	51%	n/a
Provision of proof of educational qualifications	100%	100%	n/a
Medical surveillance in occupational health and safety applications in workplace	50%	50%	n/a
Facilities management to state owned facilities	51%	51%	n/a
Land surveying services for subdivision and consolidation of erven	100	100	1
Programme implementation and management office to provide support in the management of provincial infrastructure delivery	100%	100%	15
Conduct an open market valuation on various properties	100%	100%	1
Consolidation of various erven	30%	30%	1
Total			**19**

Table 4.16.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

N/A

Table 4.16.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

N/A

4.17 Severance Packages

Table 4.17.1 Granting of employee-initiated severance packages for the period 1 April 2024 and 31 March 2025

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

PART E

PFMA Compliance Report

5. PART E: PFMA COMPLIANCE REPORT

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

5.1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	580,310	1,120,009
Adjustment to opening balance		
Opening balance as restated	580,310	1,120,009
Add: Irregular expenditure confirmed	5,542	5,201
Less: Irregular expenditure condoned	(138,137)	(530,125)
Less: Irregular expenditure not condoned and removed	-	(14,775)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**447,715**	**580,310**

Reconciling notes	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	12,157	-
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	-
Irregular expenditure for the current year	5,542	5,201
Total	**17, 699**	**5,201**

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	12,157	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	447,715	580,310
Total	**459,872**	**580,310**

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	138,137	530,125
Total	**138,137**	**530,125**

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	14,776
Total	**-**	**14,776**

e) Details of irregular expenditure recoverable

N/A

f) Details of irregular expenditure written off (irrecoverable)

N/A

Additional disclosure relating to Inter-Institutional Arrangements

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

N/A

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

N/A

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

N/A

5.1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025 R'000	2023/2024 R'000
Opening balance	304	288
Adjustment to opening balance	-	-
Opening balance as restated	**304**	**288**
Add: Fruitless and wasteful expenditure confirmed	78,348	621
Less: Fruitless and wasteful expenditure recoverable	-	(5)
Less: Fruitless and wasteful expenditure not recoverable and written off	-	(497)
Less: Amounts resolved	-	(103)
Closing balance	**78,652**	**304**

Reconciling notes

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	-
Fruitless and wasteful expenditure for the current year	78,348	621
Total	**78,348**	**621**

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

Description	2024/25 R'000	2023/2024 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	305	304
Total	**305**	**304**

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/25 R'000	2023/2024 R'000
Fruitless and wasteful expenditure recoverable	-	5
Total		

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

Description	2024/25 R'000	2023/24 R'000
Fruitless and Wasteful expenditure written off	-	497
Total	**-**	**497**

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

N/A

5.1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

N/A

Reconciling notes

N/A

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

N/A

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

a) Details of material losses through criminal conduct

N/A

b) Details of other material losses

N/A

c) Other material losses recoverable

N/A

d) Other material losses not recoverable and written off

N/A

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

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	4 262	2 144 049
Invoices paid within 30 days or agreed period	3 500	2 027 131
Invoices paid after 30 days or agreed period	315	62 299
Invoices older than 30 days or agreed period (unpaid and without dispute)	289	40 661
Invoices older than 30 days (unpaid and in dispute)	-	-

Due to non-availability of cash resources as a result of interdepartmental arrangements and settlement of the court order.

5.3 Information on Supply Chain Management

5.3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Provide architectural services towards the concept, design and tender refurbishments of Dukumbana Building	Ayamah Tibaa Pty Ltd	Single Source	SCMU5-24/25-0089	R2 777 495.14
Renewal of Autocad, Revit and Wings licences for building unit - all regional offices	Micro Graphics	Single Source	SCMU5-24/25-0132	R2 075 284,25
Provide/ Structural Engineering Services towards the Design & Construction Management of the Construction Phase 1 (Civils) & Block for the Proposed Emaxesibeni Cluster Office Development	Ayamah Tibaa (PTY) LTD	Single Source	SCMU5-24/25-0103	Rate Based
Total				**R4 852 779,39**

5.3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Construction of Makhanda Artisan Development Centre Phase 1	Mpiyakhe 04 Construction & Traffic Services	EOT 3 for Late appointment of Joinery Local SMME	SCMU5-21/22-0185	11,080,134	12,732,007.6	501,384.36
Hanker Document Centre	Motheo Construction Group	Submission No 17 (VO No 05) for Demolish 25 mm concrete slab and 2 concrete beams	SCMU5-16/17-0081 AMR INF	106,983,093.53	104,936,585.15	167,637.11
Hanker Document Centre	Motheo Construction Group	Submission No 19 (CPAC) No 1 for Costs of standing time	SCMU5-16/17-0081 AMR INF	106,983,093.53	105,104,067.83	5,693,386.95
Chungwa House Building - Partitioning into offices for user	Imivuzo Trading	VO 2 - Adjustment of provisional amount for SMME Package	SCMU5-21/22-0095	10,039,835.79	10,039,835.79	312,176.12
Chungwa House Building - Partitioning into offices for user	Imivuzo Trading	Submission No. 9-EOT No 1: Due to design changes	SCMU5-21/22-0095	10,039,835.79	10,352,011.91	296,553.85
Chungwa House Building - Partitioning into offices for user	Imivuzo Trading	VO 3 - Partitioning	SCMU5-21/22-0095	10,039,835.79	8,662,700.64	31,2176.12
Chungwa House Building - Partitioning into offices for user	Imivuzo Trading	Submission No 08 - Installation of Fire detection and Fire signage	SCMU5-21/22-0095	10,039,835.79	11,021,541.94	81,079.35
Renovations and Additions to Butterworth service office	Mthawelanga Trading cc	VO Submission No 10) Paving	SCMU5-19/20-0011	13,517,200.56	13,687,663.2	1,418,727.96
Implementation of and Management Office to Provide Support in the Management of Provincial Infrastructure Delivery for 3 years	Ayamah Consulting Engineers / Tibaa Consulting Engineers	VO No 1-3 for Additional resources and Extension of time	SCMU5-19/20-GS0020	17,486,1454.41	206,752,944.73	76,930,138.4

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
Renewal of Maintenance and Support for Desktop and Laptops Backup Solution for the DPWI for a period of two years	SMS ICT (Pty) Ltd	VO No ‘s (1-2) for contract extension from 01 July 2023 up to 01 September 2023	SCMU5-20/21-0109	1,366,127.59	1,545,027.34	238,533
Scheduled Maintenance to Generators in OR Tambo Region	4RGA Electrical Project Managers & Contracting	Submission No. 2: Additional Emergency Repair work	SCMU5-21/22-0119	8,500,000	9,156,920.25	690,000
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No.2: EOT no1	SCMU5-21/22-0132	155,882,893.5	155,882,893.5	0
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No.3: EOT no2	SCMU5-21/22-0132	155,882,893.5	145,532,893.5	645,630.03
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No.4: EOT no3	SCMU5-21/22-0132	155,882,893.5	146,178,523.53	0
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No.5: EOT no4	SCMU5-21/22-0132	155,882,893.5	146,178,523.53	322,815.12
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No.6: EOT no5	SCMU5-21/22-0132	155,882,893.5	146,501,338.65	362,569.7
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No.7: EOT no6	SCMU5-21/22-0132	155,882,893.5	146,863,908.35	345,932
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No.8: Installation of Passenger lifts	SCMU5-21/22-0132	155,882,893.5	147,209,840.35	-1,409,864.51
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No.9: Installation of Solar system	SCMU5-21/22-0132	155,882,893.5	145,799,975.84	190,189.27
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No11: Installation of Refuse Area	SCMU5-21/22-0132	155,882,893.5	146,012,119.19	47,827.12
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No13: Additional electrical work	SCMU5-21/22-0132	15,5882,893.5	138,331,792.8	903,583.44

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
Construction of Mqanduli Cluster Offices	Zibele Construction	Submission No13: Skylight Installation for roof	SCMU5-21/22-0132	155,882,893.5	139,235,376.24	704,418
Electrical Term Contract for prestige buildings in Bhisho, East London and KWT	4RGA Electrical Project Managers & Contracting	EOT No 1	SCMU5-22/23-0077	3,160,000	3,160,000	0
Construction of Makhanda Artisan Development Centre Phase 1	Mpiyakhe 04 Construction & Traffic Services	VO No 3-Provission of PF Loose Furniture	SCMU5-21/22-0185	11,080,134	10,371,279.07	2,36,0728.53
Construction of Makhanda Artisan Development Centre Phase 1	Mpiyakhe 04 Construction & Traffic Services	EOT for Late Tiling SMME	SCMU5-21/22-0185	11,080,134	10,371,279.07	67,735.3
Construction of Makhanda Artisan Development Centre Phase 1	Mpiyakhe 04 Construction & Traffic Services	EOT 2 for Inclement Weather	SCMU5-21/22-0185	11,080,134	10,371,279.07	0
Fencing to Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 1 - Omission of contingencies	SCMU5-22/23-0099	10,378,072.48	10,378,072.48	-920,000
Fencing to Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 2 - Refurbishment to Swimming Pool change room at Ministerial complex	SCMU5-22/23-0099	10,378,072.48	9,458,872.48	36,805.45
Fencing to Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 3 -Swimming Pool Revamping and Area	SCMU5-22/23-0099	10,378,072.48	9,495,677.93	407,572.64
Fencing to Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 4 -Construction of Guardhouse	SCMU5-22/23-0099	10,378,072.48	9,903,250.57	87,301.77
Fencing to Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 5 Re-surfacing of Tennis Court	SCMU5-22/23-0099	10,378,072.48	9,458,072.48	133,221.06

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
Fencing the Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 6- Fencing to Legislature- Prestige Building	SCMU5-22/23-0099	10,378,072.48	10,123,773.4	1,191,920.35
Fencing to Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 7 Electrical Installation	SCMU5-22/23-0099	10,378,072.48	11,315,693.75	-207,580.12
Fencing the Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 8 EOT Due to delays in manufacturing clear vu fence	SCMU5-22/23-0099	10,378,072.48	11,108,113.63	0
Fencing the Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 9 EOT Due to delays in appointments of Electrical services	SCMU5-22/23-0099	10,378,072.48	11,108,113.63	33,040.02
Fencing the Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 10 EOT Due to change of fencing speculation	SCMU5-22/23-0099	10,378,072.48	11,141,153.65	199,676.63
Fencing the Prestige portfolio (Ministerial Complex Lillian Dedrick's and Legislature Building)	Zabest Properties (Pty) Ltd	Submission No. 11 VO No 2 Due to electrical fence	SCMU5-22/23-0099	10,378,072.48	11,340,830.27	48,771.83
Disaster Recovery Cloud Solution	Afrocentric Intel JV Nkqubela	VO No 1 for Additional workload implementation of Disaster Recovery Cloud solutions for a period of 01 September 2023 up to 30 September 2023	SCMU5-22/23-0115	5,133,149.63	5,133,149.63	383,140.67
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No.1 Omission of Contingencies	SCMU5-23/24-0051	9,370,683	9,370,683	-345,000
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No.2 EOT No 1	SCMU5-23/24-0051	9,370,683	9,025,683	0

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
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No3- VO No 1 FOR Rood Truss strengthening	SCMU5-23/24-0051	9,370,683	9,025,683	43,887.91
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No4- VO No 2 for Solar PV Access walkaways	SCMU5-23/24-0051	9,370,683	9,069,570.91	177,054.54
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No5- VO No3 for Alterations of provisional of inverter room building works	SCMU5-23/24-0051	9,370,683	9,246,625.45	72,902.65
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No6- EOT No 3 without costs	SCMU5-23/24-0051	9,370,683	9,319,528.09	0
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission N 07- Provisional Amount No 2 for supply, deliver and install of fire suppression system	SCMU5-23/24-0051	9,370,683	9,319,528.09	587,163.5
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No 09- EOT No 3	SCMU5-23/24-0051	9,370,683	9,386,448.41	0
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No 10.: VO No 04 for Supply and Install at R 187 136.15 makes 2.17 %	SCMU5-23/24-0051	9,370,683	9,386,448.41	187,136.15
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No 11.: VO No 05 Refit Build in cupboards and sink at R 11 726.55 makes 2.29 %	SCMU5-23/24-0051	9,370,683	9,573,584.56	1,1726.55
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No 12.: VO No 06 for Retaining boundary wall at R 250 490.24 makes 4.96 %	SCMU5-23/24-0051	9,370,683	9,585,311.11	250,490.24

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
Supply and Install solar System at Old Ford House Building	Ima Nathi JV Sindawonye	Submission No 13- EOT No 4	SCMU5-23/24-0051	9,370,683	9,835,801.35	0
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No.1- omit contingencies	SCMU5-22/23-0026	27,304,627.92	27,304,627.92	-980,000
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No.2- Transportation of employees	SCMU5-22/23-0026	27,304,627.92	26,177,627.92	151,800
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No.3- additional work	SCMU5-22/23-0026	27,304,627.92	26,329,427.92	22,266.53
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No.4- Electrical Installation	SCMU5-22/23-0026	27,304,627.92	26,351,694.45	-2,137.85
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No.5-Supply and installation of roof trusses	SCMU5-22/23-0026	27,304,627.92	26,349,556.6	28,135.46
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No.6-Supply and installation of Clear VU fencing	SCMU5-22/23-0026	27,304,627.92	26,377,692.06	99,837.59
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No 08 EOT No 2 due to delays in issuing construction drawings	SCMU5-22/23-0026	27,304,627.92	26,477,529.65	825,960.41
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No 09 Provisional amount for CLO	SCMU5-22/23-0026	27,304,627.92	27,303,490.06	212,520

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
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No 10-Additional works for Civil/ Structural engineer	SCMU5-22/23-0026	27,30,4627.92	27,516,010.06	587,163.5
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No 13-Provisional amount for Trellidoor No 06	SCMU5-22/23-0026	27,304,627.92	28,103,173.56	135,944.31
Construction of Makhanda Artisan Development Centre Phase 3 (Classroom Blocks & External Works)	Mfingo Developments	Submission No 14-EOT No 05	SCMU5-22/23-0026	27,304,627.92	28,239,117.87	0
Procurement of Professional Structural / Civil Engineering services for refurbishment of AGRICULTURAL offices in Ngqamakhwe, Amathole Region	Nonxuba Consulting Engineers	Submission No 1 for EOT No 1	SCMU5-19/20-0010 AMR INF	602,485.76	602,485.76	0
Procurement of Professional Structural / Civil Engineering services for refurbishment of AGRICULTURAL offices in Ngqamakhwe, Amathole Region	RNA Consulting Engineers	Submission No 1 for EOT No 1	SCMU5-19/20-0011 AMR INF	341,898.23	341,898.23	0
Procurement of Professional Quantity Surveying services for refurbishment of AGRICULTURAL offices in Ngqamakhwe, Amathole Region	Manyano Consulting and Management	Submission No 1 for EOT No 1	SCMU5-19/20-0012 AMR INF	499,805.89	499,805.89	0
Procurement of Professional Quantity Surveying services for refurbishment of AGRICULTURAL offices in Ngqamakhwe, Amathole Region	Nxumalosiko Engineering	Submission No 1 for EOT No 1	SCMU5-19/20-0014 AMR INF	499,805.89	499,805.89	0
New construction of Mt Ayliff Cluster Offices 9Civil works) Alfred Nzo District	Mahlubi Transport & Plant Hire	Submission No 2-EOT No 1 due to delays	SCMU5-21/22-0142	48,586,146	0	0

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
New construction of Mt Ayliff Cluster Offices 9Civil works) Alfred Nzo District	Mahlubi Transport & Plant Hire	Submission No 3-EOT No 2 due to Betshwana community stoppage	SCMU5-21/22-0142	48,586,146	43,969,146	0
Term contracts for Lift Maintenance and Repairs to various DPWI Properties within Buffalo City Metro Municipality for a period of 3 Years	OTIS Pty Ltd	Submission No 1- VO No 1 for Omission of contingencies	SCMU5-23/24-0017	1,480,040	1,480,040	85,545.76
Upgrade and Additions for DRDAR Offices in Ngqamakhwe	Mtawelanga Trading	Submission No 1-EOT No 1	SCMU5-22/23-0102	21,896,194.65	21,896,194.65	0
Upgrade and Additions for DRDAR Offices in Ngqamakhwe	Mtawelanga Trading	Submission No 2-EOT No 2	SCMU5-22/23-0102	21,896,194.65	21,896,194.65	0
Upgrade and Additions for DRDAR Offices in Ngqamakhwe	Mtawelanga Trading	Submission No 3-EOT No 3	SCMU5-22/23-0102	21,896,194.65	21,896,194.65	0
Upgrade and Additions for DRDAR Offices in Ngqamakhwe	Mtawelanga Trading	Submission No 4-EOT No 4	SCMU5-22/23-0102	21,896,194.65	21,896,194.65	0
Upgrade and Additions for DRDAR Offices in Ngqamakhwe	Mtawelanga Trading	Submission No 5- Omission of contingencies	SCMU5-22/23-0102	21,896,194.65	21,896,194.65	-2,300,000
Upgrade and Additions for DRDAR Offices in Ngqamakhwe	Mtawelanga Trading	Submission No 6-EOT No 05	SCMU5-22/23-0102	21,896,194.65	21,896,194.65	0
Completion of Fencing and Guardhouse in BCM and Amathole District	The Bright Future 412 JV	Submission No 1- VO No 1 for Omission of contingencies	SCMU5-22/23-0136	21,574,158.99	21,574,158.99	-1,035,000
Completion of Fencing and Guardhouse in BCM and Amathole District	The Bright Future 412 JV	Submission No 2- VO No 1 for Addition of Stutterheim Hospital	SCMU5-22/23-0136	21,574,158.99	20,539,158.99	3,700,386.29
Term contract for the plumbing maintenance and repairs at various government buildings in Sarah Baartman region	Oyena Investments (Pty) Ltd	Submission No 1- VO No 1 for Omission of contingencies	SCMU5-23/24-0003 SB	3,046,327	3,046,327	-264,500

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
Minor Building Repairs at Various Government owned Houses by the DPWI in Makhanda	Devavo Trading Enterprise CC	Submission No 2- VO No 2 ADDITIONAL WORK	SB5-23/24-0016	613,320	583,320	21,430
Minor Building Repairs at Various Government owned Houses by the DPWI in Makhanda	Devavo Trading Enterprise CC	Submission No 3- EOT No 1	SB5-23/24-0016	613,320	604,750	0
Madwaleni Hospital – Upgrade & Renovations	GVK Siyazama Building Contractors (Pty) Ltd	Submission No 01- Omission of contingencies	SCMU5-23/24-0072	560,086,375.28	560,086,375.28	-23,000,000
Madwaleni Hospital – Upgrade & Renovations	GVK Siyazama Building Contractors (Pty) Ltd	Submission No 02- EOT No 1 at no cost	SCMU5-23/24-0072	560,086,375.28	537,086,375.28	0
Madwaleni Hospital – Upgrade & Renovations	GVK Siyazama Building Contractors (Pty) Ltd	Submission No 03- VO No 2 for NHLS Relocation	SCMU5-23/24-0072	560,086,375.28	537,086,375.28	157, 756.26
Madwaleni Hospital – Upgrade & Renovations	GVK Siyazama Building Contractors (Pty) Ltd	Submission No 07: EOT No 02 for Adverse Weather conditions at no cost	SCMU5-23/24-0072	560,086,375.28	540,425,053.68	0
Madwaleni Hospital – Upgrade & Renovations	GVK Siyazama Building Contractors (Pty) Ltd	Submission No 08: EOT No 03 for Adverse Weather conditions at no cost	SCMU5-23/24-0072	560,086,375.28	540,425,053.68	0
Madwaleni Hospital – Upgrade & Renovations	GVK Siyazama Building Contractors (Pty) Ltd	Submission No 09: EOT No 04 for Adverse Weather conditions at no cost	SCMU5-23/24-0072	560,086,375.28	540,425,053.68	0
Madwaleni Hospital – Upgrade & Renovations	GVK Siyazama Building Contractors (Pty) Ltd	Submission No 10: EOT No 05 for Adverse Weather conditions at no cost	SCMU5-23/24-0072	560,086,375.28	540,425,053.68	0

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
Madwaleni Hospital – Upgrade & Renovations	GVK Siyazama Building Contractors (Pty) Ltd	Submission No 11: EOT No 06 for Adverse Weather conditions at no cost	SCMU5-23/24-0072	560,086,375.28	540,425,053.68	0
Upgradining , Repairs and Maintenanace at Butterworth Hospital Phase 1- New Perimeter fencing	Lwazi Enterprise	Submission No1 for EOT No 1 DUE TO Builders Shutdown	SCMU5-21/23-0076	4,918,502	4,918,502	0
Land Audit Tenure on Provincial Land Phase 1(OR Tambo and Alfred Nzo Regions) for 24 months period	Kamohelo Land Management Consultant	VO No 01 for Subdivision, consolidation and rezoning of Mthatha Airport (Farm Ncise 75, Farm Fairfield No 04 and Farm Kliff Drift No 10	SCMU5-21/22-0157	10,572,848	10,572,848	1,006,724.95
Land Audit Tenure on Provincial Land Phase 1(OR Tambo and Alfred Nzo Regions) for 24 months period	Kamohelo Land Management Consultant	EOT No 01 without cost	SCMU5-21/22-0157	10,572,848	11,579,572.95	0
Refurbishment and renovations to ECPL Chamber	JKN Development Consultants	Submission No 04 for Provisional sum No 01 of Installation of Burglary Bars to Legislature Offices	SCMU5-24/25-0060	6,071,045.5	6,071,045	387,793
Implementation of Integrated Shared Savings Contract (ISSC) Programme for DPWI	Reonet (Pty) Ltd	VO No 01 for remeasurement of contract- EOT No 01	SCMU5-19/20-GS0023	Rate based at 50/50%	Rate based at 50/50%	Rate based at 50/50%
Gqeberha -Earnest Malgas Treatment Centre, Repairs of Gate	Devavo Trading Enterprise CC	Submission No 06- Remeasurement No 01 of testing and Fence	NMMU5-23/24-0018	89,200	86,089.04	-1,800

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
Completion Contract for refurbishment additions and alterations to Mthatha Depot and Nurses Home	Twizza Civils & Building JV Mud Hut Digital	Omission of contingency Submission No 01	SCMU5-23/24-0088	26,556,894.09	26,556,894.09	-1,725,000
Procurement of a contractor for the Construction of Guardhouse, Clearview	Manong Construction & Projects	Omission of contingency Submission No 01	SCMU5-22/23-0153	5,829,914.55	5,829,914.55	-172500
Completion of Fencing and Guardhouse in BCM and Amathole District	The Bright Future 412 JV	Submission No 3- EOT No 1 - Addition of Stutterheim Hospital	SCMU5-22/23-0136	21,574,158.99	24,239,545.28	0
PSP for Electrical Engineering Services in the Buffalo City and Amathole Region	MXN Electrical Consulting Engineers	VO No 01 for Omission of Contingencies	SCMU5-20/21-0166	4,509,419.1	4,509,419.1	0
Security Services for Head Office Custer for a period of 36 months-Cluster Two (2)	Sibulele Security Services	VO No 01 for addition of security officials	SCMU5-23/24-0048	32,206,642.52	32,206,642.52	4,267,156.17
Mechanical Term Contract for prestige Building in Bhisho, KWT, EL, Maintenance if Airconditioning and refrigeration for a period of 24 months	Intathakusa Projects 11 / 07	VO No 01 for EOT No 01	SCMU5-22/23-0081	5,239,697.85	5,239,697.85	0
Facility Management services to State owned Facilities for a period of three years	Broll Property Group (Pty) Ltd	VO No 01 for EOT No 02	SCMU5-21/22-0012	28,198,841.27	28,198,841.27	2,299,237.01
Refurbishment and renovations to ECPL Chamber	JKN Development Consultants	Submission No 01 for EOT	SCMU5-24/25-0060	6,071,045.5	6,071,045.5	0
Refurbishment and renovations to ECPL Chamber	JKN Development Consultants	Submission No 02 for EOT	SCMU5-24/25-0060	6,071,045.5	6,071,045.5	0
Refurbishment and renovations to ECPL Chamber	JKN Development Consultants	Submission No 03 for EOT	SCMU5-24/25-0060	6,071,045.5	6,071,045.5	0

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
Refurbishment and renovations to ECPL Chamber	JKN Development Consultants	Submission No 05 for Provisional amount for Renovation of lobby kitchenette and joinery fittings	SCMU5-24/25-0060	6,071,045.5	6,071,045.5	214,918.9
Refurbishment and renovations to ECPL Chamber	JKN Development Consultants	Submission No 06 for Provisional amount for complete redesign of the chamber podium according to client spec	SCMU5-24/25-0060	6,071,045.5	6,673,757.4	-367,619.71
Supply and Install Solar system in Maluti Office Complex at Alfred Nzo	Ima Nathi JV Sindawonye	Submission No 1-EOT No 01	SCMU5-23/24-0050	5,603,375	5,603,375	0
Supply and Install Solar system in Maluti Office Complex at Alfred Nzo	Ima Nathi JV Sindawonye	Submission No 2-EOT No 02	SCMU5-23/24-0050	5,603,375	5,603,375	0
Supply and Install Solar system in Maluti Office Complex at Alfred Nzo	Ima Nathi JV Sindawonye	Submission No 3- -Omission on Contingencies	SCMU5-23/24-0050	5,603,375	5,603,315	-345,000
Supply and Install Solar system in Maluti Office Complex at Alfred Nzo	Ima Nathi JV Sindawonye	Submission No 4- VO No 02 for synchronization of 4X 100KVA Volvo generator	SCMU5-23/24-0050	5,603,375	5,258,375	677,440.85
Readapting and renovations of 3 existing ministerial houses to prestige apartments	Forshad Trading and Projects	Submission No 1-VO No 01 -remeasurement	SCMU5-24/25-0068	19,944,338.45	19,944,338.45	1,770,035.93
Readapting and renovations of Three existing ministerial houses to prestige apartments	Forshad Trading and Projects	Submission No 2-EOT No 01	SCMU5-24/25-0068	19,944,338.45	21,714,374.38	0
Readapting and renovations of Three existing ministerial houses to prestige apartments	Forshad Trading and Projects	Submission No 3-EOT No 02	SCMU5-24/25-0068	19,944,338.45	21,714,374.38	0

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
Readapting and renovations of Three existing ministerial houses to prestige apartments	Forshad Trading and Projects	Submission No 4-EOT No 03	SCMU5-24/25-0068	19,944,338.45	21,714,374.38	0
Readapting and renovations of Three existing ministerial houses to prestige apartments	Forshad Trading and Projects	Submission No 5-EOT No 04	SCMU5-24/25-0068	19,944,338.45	21,714,374.38	0
Refurbishment and renovations of prestige houses	Ndzamela Construction	Submission No 01-VO No 01 OMIT CONTIGENCIES 04	SCMU5-23/24-0031	20,623,778	20,623,778	-1,725,000
Refurbishment and renovations of prestige houses	Ndzamela Construction	Submission No 02-Provissional amount No 02 for Omit House No 11	SCMU5-23/24-0031	20,623,778	18,898,778	-1,259,347.75
Refurbishment and renovations of prestige houses	Ndzamela Construction	Submission No 03-Provissional amount No 02 for Omit House No201	SCMU5-23/24-0031	20,623,778	17,639,430.25	-1,255,851.75
Supply and Install solar System in the Old FNB Building in Bhisho	HBC Construction (Pty) Ltd	Submission No 01- Omission of contingencies	SCMU5-24/25-0019	2,063,540.45	2,063,540.45	-345,000
Supply and Install solar System in the Old FNB Building in Bhisho	HBC Construction (Pty) Ltd	Submission No 02-VO No 02 for Energy saving lighting	SCMU5-24/25-0019	2,063,540.45	1,718,540.45	315,905
Supply and Install solar System in Mt Frere Social Cluster Office in Alfred Nzo	Mentolek Projects	Submission No 01-EOT No 01	SCMU5-24/25-0020	2,503,351.08	2,503,351.08	0
Supply and Install solar System in Mt Frere Social Cluster Office in Alfred Nzo	Mentolek Projects	Submission No 02-VO No 01 Omission of contingencies	SCMU5-24/25-0020	2,503,351.08	2,503,351.08	-345,000
Supply and Install solar System in Mt Frere Social Cluster Office in Alfred Nzo	Mentolek Projects	Submission No 05-Appointment of CLO for five months	SCMU5-24/25-0020	2,503,351.08	2,355,311.58	38,844.44

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
Renovations and Upgrade of Office Space and common room areas in Botha Sigcau	Keilake Investment	Submission No 01 for Omission of contingencies	SCMU5-23/24-0089	35 735 555.23	35 735 555.23	-34 50000
Renovations and Upgrade of Office Space and common room areas in Botha Sigcau	Keilake Investment	Submission No 02 for Provisional amount No 01 for removal of existing tilling and laying new tilling	SCMU5-23/24-0089	35 735 555.23	32 285 555.23	-29 182.4
Appointment of a service provider for the provision of temporal infrastructure and logistical items in support of the official opening of the Sevenths Legislature, 2024	Da Brains Trading	Variation No.1 for omission of contingencies	HO5-24/25-0056	419 681	41 9681	-38 145.5
Appointment of a service provider for the provision of temporal infrastructure and logistical items in support of the official opening of the Sevenths Legislature, 2024	Da Brains Trading	Variation no.2 adjustment of additional items	HO5-24/25-0056	419 681	38 1535.5	157 688
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for Amathole For Jackson Cluster for a period of 36 months	Safety Leaders Sec Co-op	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0106	16 161 916.71	18 253 306.81	1 519 824.4
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for Amathole Cluster for a period of 36 months	Royal Security Guards	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0117	19 317 955.08	23 440 221.4	2 909 049.13
Bid for the appointment of service provider(s) to provide security services for KWT cluster for period of 36 months	Xhobani Cleaning and Security	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0016	19 188 068.01	19 619 111.85	453 588.15

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
Appointment of service provider to provider to provide safeguarding and protection services to properties occupied by the state in Fort Beaufort for a period of 36 months	Skymarshalls Security Services	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0014	21 915 648.13	23 523 656.94	2 242 486.84
Appointment of service provider to provider to provide safeguarding and protection services to properties occupied by the state in Komga cluster-Amathole region for a period of 36 months	Nomgwenya Security and Trading	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0015	31 168 542.36	34 007 342.46	3 959 540.15
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state in Amathole cluster for a period of 36 months	Bulcofs Security and cleaning services	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0013	20 908 643.40	22 977 385.71	2 539 945.00
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for Bhisho Cluster 2 for a period of 36 months	Sizakwebza Coop	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0108	23 575 661.21	28 562 620.37	3 324 956.82
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for Cala Cluster for a period of 36 months	Whispers Security	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0109	17 849 686.50	21 225 539.32	2 382 128.08
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for Whittlesea Cluster for a period of 36 months	Bongithole Coop	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0115	18 898 704.22	21 560 382.14	1 878 196.07

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
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for Ngcobo Cluster for a period of 36 months	On Point Security	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0110	17 325 637.50	19 913 379.94	1 826 023.96
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for Queenstown Cluster for a period of 36 months	Nkanga Security	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0112	20 346 695.91	24 705 710.93	3 075 993.28
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for Sarah Baartman Cluster1 for a period of 36 months	Siyakhana Coop	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0113	15 489 964.46	17 420 005.61	1 618 667.91
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for Sarah Baartman Cluster for a period of 36 months	PI Security	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0114	17 993 580.57	21 663 355.78	3 104 441.81
Appointment of service provider to provide safeguarding and protection services to properties occupied by the state for OR Tambo Cluster for a period of 36 months	Silver Solutions	Extension of Time with cost No 01 & 02 up to 31 July 2025	SCMU5-21/22-0111	18 079 259.00	19 604 930.21	1 076 566.52
Totals				**8,601,471,893.13**	**8,380,401,775.31**	**80,835,900.50**

PART F

Financial Information

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Public Works and Infrastructure (DPWI) set out on pages 224 to 276, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and the cash flow 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 DPWI as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the requirements of the Public Finance Management Act No 1 of 1999 (PFMA) and the Division of Revenue Act of South Africa No 24 of 2024 (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.

Contingent Liabilities

7. As disclosed in note 16 to the financial statements, the department is subject to claims and uncertainties amounting to approximately R5.67 billion which includes legal claims. The matters are subject to litigation, ownership verification and internal investigations. The timing and outcome of any resulting liabilities remain uncertain. The contingent liabilities have been provisionally estimated and disclosed, but no provision has been recognised due to the uncertainties involved.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 277 to 288 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.

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

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

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

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

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

15. I selected the following programme presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected a programme that measures the department's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Public Works Infrastructure	65 to 84	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.

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

17. I performed procedures to test whether:

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

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

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

Programme 2: Public works infrastructure

Number of condition assessments conducted on state-owned buildings

20. An achievement of 305 conditional assessments was reported against a target of 300, however the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

Number of energy efficient DPWI buildings

21. An achievement of 31 energy efficient DPWI buildings was reported against a target of 53. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Various indicators

22. Supporting documents for some reported achievements not provided and evidence for others did not agree to reported achievements.

Indicator	Planned target	Reported achievement
Number of infrastructure designs ready for tender	**43**	**38**
DPWI & Others Portfolio	4	4
Education Portfolio	16	10
Health Portfolio	23	24
Number of maintenance projects under construction	**60**	**35**
DPWI & Others Portfolio	12	8
Education Portfolio	5	0
Health Portfolio	43	27

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

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

25. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 66 to 81.

Public Works Infrastructure

Targets achieved: 59% *Budget spent: 98%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of state-owned facilities adhering to access norms and standards for persons with disabilities.	41	15
Number of infrastructure designs ready for tender.	43	38
Number of capital infrastructure projects under construction.	88	57
Number of new construction projects completed.	22	7
Number of maintenance projects under construction.	60	35
Number of planned maintenance (refurbished / renovated) completed.	41	26
Number of energy efficient DPWI buildings.	53	31

Material misstatements

26. 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 programme. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

27. 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.

28. 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.

29. 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.

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

Annual financial statements, performance report and Annual Reports

31. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 40(1) (a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

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.

33. Effective and appropriate steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 22 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure, amounting to R78.3 million, resulted from a court case settlement and interest charges related to the Frere Hospital litigation due to a duplicate appointment and the consequent judgment loss.

Strategic planning and performance

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

Other information in the Annual Report

35. The accounting officer is responsible for the other information included in the Annual Report. The other information 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.

36. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the Annual Report and I do not express an audit opinion or any form of assurance conclusion on it.

37. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

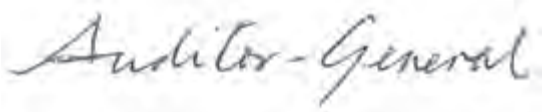
Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

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

41. Management has not institutionalised all the disciplines necessary to enable oversight and monitoring to promote efficiency and effectiveness in financial and performance management and compliance with legislation.

42. Management was unable to detect and prevent material misstatements in the financial statements and annual performance report and did not implement corrective actions from prior years recommendations on performance information reporting which led to inaccurate reporting not aligned with technical indicator descriptions.



East London

31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 24 of 2024	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
National Health Act 61 of 2003	Section 13
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

Eastern Cape Department of Public Works and Infrastructure
(Vote number Vote 5)

6.2. Annual Financial Statements for the year ended 31 March 2025

6.2.1 Appropriation Statement

Figures in Rand thousand		2024/2025							2023/2024	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per programme										
Programme										
Administration	1	613,697	-	13,770	627,467	622,774	4,693	99.25 %	553,605	552,368
Public Works Infrastructure	2	1,900,021	-	(249)	1,899,772	1,881,688	18,084	99.05 %	1,815,176	1,763,814
Expanded Public Works Programme	3	169,018	-	(13,521)	155,497	148,804	6,693	95.70 %	147,072	144,904
Programme subtotal		**2,682,736**	-	**-**	**2,682,736**	**2,653,266**	**29,470**	**98.90 %**	**2,515,853**	**2,461,087**
Programme sub total		2,682,736	-	-	2,682,736	2,653,266	29,470	98.90 %	2,515,853	2,461,087
Total		**2,682,736**	-	**-**	**2,682,736**	**2,653,266**	**29,470**	**98.90 %**	**2,515,853**	**2,461,087**
Reconciliation with statement of financial performance										
Add:										
Actual expenditure						2,653,266				2,461,087
Add:										
Actual amounts per statement of financial performance (total expenditure)						**2,653,266**				**2,461,087**

Eastern Cape Department of Public Works and Infrastructure
(Vote number Vote 5)
Annual Financial Statements for the year ended 31 March 2025

Appropriation Statement

Figures in Rand thousand	2024/2025							2023/2024	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	731,540	(29,683)	(5,229)	696,628	696,628	-	100.00 %	640,992	640,032
Social contributions	117,502	16,916	(2,752)	131,666	131,666	-	100.00 %	115,384	115,096
	849,042	**(12,767)**	**(7,981)**	**828,294**	**828,294**	**-**	**100.00 %**	**756,376**	**755,128**
Goods and services									
Administrative fees	26	(26)	-	-	-	-	- %	-	-
Advertising	3,987	405	(493)	3,899	3,899	-	100.00 %	2,036	2,036
Minor assets	1,520	264	(77)	1,707	1,707	-	100.00 %	1,921	1,921
Audit costs: External	11,508	(853)	-	10,655	10,655	-	100.00 %	10,496	10,496
Bursaries: Employees	3,831	(2,201)	-	1,630	1,630	-	100.00 %	2,676	2,676
Catering: Departmental activities	1,401	(185)	(340)	876	876	-	100.00 %	1,713	1,713
Communication	7,160	(309)	-	6,851	6,851	-	100.00 %	7,276	7,276
Computer services	32,584	(2,698)	-	29,886	25,191	4,695	84.29 %	31,185	31,185
Consultants: Business and advisory services	74,966	(4,358)	19,038	89,646	89,646	-	100.00 %	144,534	144,534
Infrastructure and planning services	13,643	31	-	13,674	13,674	-	100.00 %	15,627	15,627
Legal services	22,015	(19,751)	-	2,264	2,264	-	100.00 %	14,208	14,208
Contractors	254	(16)	-	238	238	-	100.00 %	103	103
Agency and support / outsourced services	51,166	(2,765)	(1,700)	46,701	44,288	2,413	94.83 %	45,107	45,107
Inventory: Clothing material and supplies	-	461	-	461	461	-	100.00 %	673	673
Consumable supplies	13,657	3,959	(2,399)	15,217	11,992	3,225	78.81 %	13,448	13,448
Consumable: Stationery, printing and office supplies	3,252	(908)	(481)	1,863	1,863	-	100.00 %	2,387	2,387
Operating leases	270,537	(2,508)	-	268,029	268,029	-	100.00 %	245,189	245,189
Property payments	436,311	(8,630)	(3,820)	423,861	411,301	12,560	97.04 %	368,245	368,245
Travel and subsistence	24,634	6,427	(5,850)	25,211	25,211	-	100.00 %	34,383	34,383

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Figures in Rand thousand	2024/2025							2023/2024	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification (continued)									
Training and development	5,196	288	(983)	4,501	4,501	-	100.00 %	3,806	3,806
Operating payments	5,300	2,271	263	7,834	7,834	-	100.00 %	2,550	2,550
Venues and facilities	2,975	(342)	(1,039)	1,594	1,594	-	100.00 %	3,388	3,388
Rental and hiring	5,005	382	(2,119)	3,268	3,268	-	100.00 %	1,332	1,332
	990,928	**(31,062)**	**-**	**959,866**	**936,973**	**22,893**	**97.61 %**	**952,283**	**952,283**
Interest and rent on land	57,000	785	-	57,785	57,785	-	100.00 %	599	599
Compensation of employees	849,042	(12,767)	(7,981)	828,294	828,294	-	100.00 %	756,376	755,128
Goods and services	990,928	(31,062)	-	959,866	936,973	22,893	97.61 %	952,283	952,283
Interest and rent on land	57,000	785	-	57,785	57,785	-	100.00 %	599	599
Total current payments	**1,896,970**	**(43,044)**	**(7,981)**	**1,845,945**	**1,823,052**	**22,893**	**98.76 %**	**1,709,258**	**1,708,010**
Transfers and subsidies									
Provinces and municipalities									
Municipalities									
Municipal bank accounts	585,558	-	-	585,558	580,034	5,524	99.06 %	544,608	540,005
Municipalities	585,558	-	-	585,558	580,034	5,524	99.06 %	544,608	540,005
Households									
Social benefits	5,890	-	3,829	9,719	9,719	-	100.00 %	11,404	11,404
Other transfers to households	5,059	22,177	623	27,859	27,859	-	100.00 %	8,649	8,649
	10,949	**22,177**	**4,452**	**37,578**	**37,578**	**-**	**100.00 %**	**20,053**	**20,053**
Provinces and municipalities	585,558	-	-	585,558	580,034	5,524	99.06 %	544,608	540,005
Households	10,949	22,177	4,452	37,578	37,578	-	100.00 %	20,053	20,053
Total transfers and subsidies	**596,507**	**22,177**	**4,452**	**623,136**	**617,612**	**5,524**	**99.11 %**	**564,661**	**560,058**

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Payments for capital assets									
Buildings and other fixed structures									
Buildings	159,697	21,914	9,283	190,894	190,894	-	100.00 %	212,007	164,782
Machinery and equipment									
Transport equipment	14,562	-	(2,479)	12,083	11,030	1,053	91.29 %	10,535	9,492
Other machinery and equipment	15,000	(1,047)	(3,275)	10,678	10,678	-	100.00 %	19,392	18,745
	29,562	**(1,047)**	**(5,754)**	**22,761**	**21,708**	**1,053**	**95.37 %**	**29,927**	**28,237**
Buildings and other fixed structures	159,697	21,914	9,283	190,894	190,894	-	100.00 %	212,007	164,782
Machinery and equipment	29,562	(1,047)	(5,754)	22,761	21,708	1,053	95.37 %	29,927	28,237
Total payments for capital assets	**189,259**	**20,867**	**3,529**	**213,655**	**212,602**	**1,053**	**99.51 %**	**241,934**	**193,019**
Total current payments	1,896,970	(43,044)	(7,981)	1,845,945	1,823,052	22,893	98.76 %	1,709,258	1,708,010
Total transfers and subsidies	596,507	22,177	4,452	623,136	617,612	5,524	99.11 %	564,661	560,058
Total payments for capital assets	189,259	20,867	3,529	213,655	212,602	1,053	99.51 %	241,934	193,019
Total	**2,682,736**	**-**	**-**	**2,682,736**	**2,653,266**	**29,470**	**98.90 %**	**2,515,853**	**2,461,087**

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Figures in Rand thousand	2024/2025							2023/2024	
1. ADMINISTRATION	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub programme									
Office of the MEC	9,933	(876)	(556)	8,501	8,501	-	100.00 %	10,947	10,947
Management of the Department	28,316	(27)	(1,088)	27,201	27,201	-	100.00 %	28,449	28,449
Corporate Support	575,448	903	15,414	591,765	587,072	4,693	99.21 %	514,209	512,973
Subtotal	**613,697**	**-**	**13,770**	**627,467**	**622,774**	**4,693**	**99.25 %**	**553,605**	**552,369**
Economic classification									
Current payments **Compensation of employees**									
Salaries and wages	301,437	(322)	(3,777)	297,338	297,338	-	100.00 %	270,311	270,118
Social contributions	58,113	(325)	(2,237)	55,551	55,551	-	100.00 %	48,805	48,805
	359,550	**(647)**	**(6,014)**	**352,889**	**352,889**	**-**	**100.00 %**	**319,116**	**318,923**
Goods and services									
Administrative fees	26	(26)	-	-	-	-	- %	-	-
Advertising	3,027	628	-	3,655	3,655	-	100.00 %	1,792	1,792
Minor assets	335	484	-	819	819	-	100.00 %	484	484
Audit costs: External	11,508	(853)	-	10,655	10,655	-	100.00 %	10,496	10,496
Bursaries: Employees	3,831	(2,207)	-	1,624	1,624	-	100.00 %	2,633	2,633
Catering: Departmental activities	579	134	-	713	713	-	100.00 %	1,078	1,078
Communication	7,160	(310)	-	6,850	6,850	-	100.00 %	7,276	7,276
Computer services	32,584	(3,753)	-	28,831	25,191	3,640	87.37 %	31,185	31,185
Consultants: Business and advisory Services	39,696	1,637	21,086	62,419	62,419	-	100.00 %	83,696	83,696
Legal services	22,015	(19,751)	-	2,264	2,264	-	100.00 %	14,208	14,208
Contractors	161	(139)	-	22	22	-	100.00 %	11	11
Consumable supplies	1,435	(190)	-	1,245	1,245	-	100.00 %	698	698
Consumable: Stationery, printing and office supplies	1,949	(314)	-	1,635	1,635	-	100.00 %	2,053	2,053

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Figures in Rand thousand	2024/2025							2023/2024	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Operating leases	19,141	485	-	19,626	19,626	-	100.00 %	17,962	17,962
Property payments	400	(371)	-	29	29	-	100.00 %	5	5
Travel and subsistence	8,130	1,696	-	9,826	9,826	-	100.00 %	13,850	13,850
Training and development	2,479	152	-	2,631	2,631	-	100.00 %	1,733	1,733
Operating payments	4,023	1,761	-	5,784	5,784	-	100.00 %	1,423	1,423
Venues and facilities	1,039	(63)	-	976	976	-	100.00 %	1,954	1,954
Rental and hiring	5	-	-	5	5	-	100.00 %	253	253
	159,523	**(21,000)**	**21,086**	**159,609**	**155,969**	**3,640**	**97.72 %**	**192,790**	**192,790**
Interest and rent on land									
Interest (Incl. interest on unitary payments (PPP))	57,000	785	-	57,785	57,785	-	100.00 %	599	599
Compensation of employees	359,550	(647)	(6,014)	352,889	352,889	-	100.00 %	319,116	318,923
Goods and services	159,523	(21,000)	21,086	159,609	155,969	3,640	97.72 %	192,790	192,790
Interest and rent on land	57,000	785	-	57,785	57,785	-	100.00 %	599	599
Total current payments	**576,073**	**(20,862)**	**15,072**	**570,283**	**566,643**	**3,640**	**99.36 %**	**512,505**	**512,312**
Transfers and subsidies									
Households	10,949	20,862	4,452	36,263	36,263	-	100.00 %	20,053	20,053
Households	10,949	20,862	4,452	36,263	36,263	-	100.00 %	20,053	20,053
Payments for capital assets									
Machinery and equipment	26,675	-	(5,754)	20,921	19,868	1,053	94.97 %	21,047	20,004
Machinery and equipment	26,675	-	(5,754)	20,921	19,868	1,053	94.97 %	21,047	20,004
Total current payments	576,073	(20,862)	15,072	570,283	566,643	3,640	99.36 %	512,505	512,312
Total transfers and subsidies	10,949	20,862	4,452	36,263	36,263	-	100.00 %	20,053	20,053
Total payments for capital assets	26,675	-	(5,754)	20,921	19,868	1,053	94.97 %	21,047	20,004
Total	**613,697**	**-**	**13,770**	**627,467**	**622,774**	**4,693**	**99.25 %**	**553,605**	**552,369**

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Figures in Rand thousand	2024/2025							2023/2024	
2. PUBLIC WORKS INFRASTRUCTURE	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub programme									
Program Support	31,116	172	(4,071)	27,217	27,217	-	100.00 %	61,525	61,525
Planning	27,751	(5,430)	-	22,321	22,321	-	100.00 %	14,845	14,845
Construction	214,376	19,953	7,642	241,971	241,971	-	100.00 %	268,691	222,574
Maintenance	224,967	(1,369)	(3,820)	219,778	219,778	-	100.00 %	209,271	209,271
Immovable Asset Management	1,019,755	(12,882)	-	1,006,873	988,789	18,084	98.20 %	946,783	941,538
Facility Operations	382,056	(444)	-	381,612	381,612	-	100.00 %	314,061	314,061
Subtotal	**1,900,021**	**-**	**(249)**	**1,899,772**	**1,881,688**	**18,084**	**99.05 %**	**1,815,176**	**1,763,814**
Economic classification									
Current payments **Compensation of employees**									
Salaries and wages	376,229	(29,264)	-	346,965	346,965	-	100.00 %	324,143	323,376
Social contributions	49,064	17,144	-	66,208	66,208	-	100.00 %	57,859	57,571
	425,293	**(12,120)**	**-**	**413,173**	**413,173**	**-**	**100.00 %**	**382,002**	**380,947**
Goods and services									
Advertising	391	1	(148)	244	244	-	100.00 %	220	220
Minor assets	1,185	(220)	(77)	888	888	-	100.00 %	1,253	1,253
Bursaries: Employees	-	6	-	6	6	-	100.00 %	43	43
Catering: Departmental activities	5	67	3	75	75	-	100.00 %	156	156
Communication	-	1	-	1	1	-	100.00 %	-	-
Consultants: Business and advisory services	35,270	(5,995)	(2,048)	27,227	27,227	-	100.00 %	60,838	60,838
Infrastructure and planning services	13,643	31	-	13,674	13,674	-	100.00 %	15,627	15,627
Contractors	93	95	-	188	188	-	100.00 %	92	92
Consumable supplies	6,584	1,684	2	8,270	8,270	-	100.00 %	7,091	7,091
Consumable: Stationery, printing and office supplies	658	(145)	(481)	32	32	-	100.00 %	161	161

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Figures in Rand thousand	2024/2025							2023/2024	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Operating leases	251,396	(2,993)	-	248,403	248,403	-	100.00 %	227,227	227,227
Property payments	406,176	(7,896)	(3,820)	394,460	381,900	12,560	96.82 %	345,799	345,799
Travel and subsistence	5,826	4,475	(594)	9,707	9,707	-	100.00 %	10,823	10,823
Operating payments	1,035	417	263	1,715	1,715	-	100.00 %	1,110	1,110
Venues and facilities	1,149	28	(991)	186	186	-	100.00 %	920	920
Rental and hiring	5,000	382	(2,119)	3,263	3,263	-	100.00 %	1,079	1,079
	728,411	**(10,062)**	**(10,010)**	**708,339**	**695,779**	**12,560**	**98.23 %**	**672,439**	**672,439**
Compensation of employees	425,293	(12,120)	-	413,173	413,173	-	100.00 %	382,002	380,947
Goods and services	728,411	(10,062)	(10,010)	708,339	695,779	12,560	98.23 %	672,439	672,439
Total current payments	**1,153,704**	**(22,182)**	**(10,010)**	**1,121,512**	**1,108,952**	**12,560**	**98.88 %**	**1,054,441**	**1,053,386**
Transfers and subsidies									
Provinces and municipalities									
Municipalities									
Municipal bank accounts	585,558	-	-	585,558	580,034	5,524	99.06 %	544,608	540,005
Municipalities	585,558	-	-	585,558	580,034	5,524	99.06 %	544,608	540,005
Households									
Other transfers to households	-	1,315	-	1,315	1,315	-	100.00 %	-	-
Provinces and municipalities	585,558	-	-	585,558	580,034	5,524	99.06 %	544,608	540,005
Households	-	1,315	-	1,315	1,315	-	100.00 %	-	-
Total transfers and subsidies	**585,558**	**1,315**	**-**	**586,873**	**581,349**	**5,524**	**99.06 %**	**544,608**	**540,005**
Payments for capital assets									
Buildings and other fixed structures	157,872	21,914	9,761	189,547	189,547	-	100.00 %	207,507	162,445
Machinery and equipment	2,887	(1,047)	-	1,840	1,840	-	100.00 %	8,620	7,978
Buildings and other fixed structures	157,872	21,914	9,761	189,547	189,547	-	100.00 %	207,507	162,445
Machinery and equipment	2,887	(1,047)	-	1,840	1,840	-	100.00 %	8,620	7,978
Total payments for capital assets	**160,759**	**20,867**	**9,761**	**191,387**	**191,387**	**-**	**100.00 %**	**216,127**	**170,423**

Figures in Rand thousand	2024/2025							2023/2024	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Total current payments	1,153,704	(22,182)	(10,010)	1,121,512	1,108,952	12,560	98.88 %	1,054,441	1,053,386
Total transfers and subsidies	585,558	1,315	-	586,873	581,349	5,524	99.06 %	544,608	540,005
Total payments for capital assets	160,759	20,867	9,761	191,387	191,387	-	100.00 %	216,127	170,423
Total	**1,900,021**	**-**	**(249)**	**1,899,772**	**1,881,688**	**18,084**	**99.05 %**	**1,815,176**	**1,763,814**

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	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3. EXPANDED PUBLIC WORKS PROGRAMME									
Sub programme									
Program Support	9,990	1,088	(636)	10,442	9,387	1,055	89.90 %	19,636	19,631
Community Development	41,079	(33)	(4,340)	36,706	36,706	-	100.00 %	32,989	32,989
Innovation and Empowerment	83,935	(1,055)	(7,314)	75,566	69,928	5,638	92.54 %	69,544	67,381
Co-Ordination and Compliance Monitoring	34,014	-	(1,231)	32,783	32,783	-	100.00 %	24,903	24,903
Subtotal	**169,018**	**-**	**(13,521)**	**155,497**	**148,804**	**6,693**	**95.70 %**	**147,072**	**144,904**
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	53,874	(97)	(1,452)	52,325	52,325	-	100.00 %	46,538	46,538
Social contributions	10,325	97	(515)	9,907	9,907	-	100.00 %	8,720	8,720
	64,199	**-**	**(1,967)**	**62,232**	**62,232**	**-**	**100.00 %**	**55,258**	**55,258**
Goods and services									
Advertising	569	(224)	(345)	-	-	-	- %	24	24
Minor assets	-	-	-	-	-	-	- %	184	184
Catering: Departmental activities	817	(386)	(343)	88	88	-	100.00 %	479	479
Computer services	-	1,055	-	1,055	-	1,055	- %	-	-
Contractors	-	28	-	28	28	-	100.00 %	-	-
Agency and support / outsourced services	51,166	(2,765)	(1,700)	46,701	44,288	2,413	94.83 %	45,107	45,107
Inventory: Clothing material and supplies	-	461	-	461	461	-	100.00 %	673	673
Consumable supplies	5,638	2,465	(2,401)	5,702	2,477	3,225	43.44 %	5,659	5,659

Figures in Rand thousand	2024/2025							2023/2024	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Consumable: Stationery, printing and office supplies	645	(449)	-	196	196	-	100.00 %	173	173
Property payments	29,735	(363)	-	29,372	29,372	-	100.00 %	22,441	22,441
Travel and subsistence	10,678	256	(5,256)	5,678	5,678	-	100.00 %	9,710	9,710
Training and development	2,717	136	(983)	1,870	1,870	-	100.00 %	2,073	2,073
Operating payments	242	93	-	335	335	-	100.00 %	17	17
Venues and facilities	787	(307)	(48)	432	432	-	100.00 %	514	514
	102,994	**-**	**(11,076)**	**91,918**	**85,225**	**6,693**	**92.72 %**	**87,054**	**87,054**
Compensation of employees	64,199	-	(1,967)	62,232	62,232	-	100.00 %	55,258	55,258
Goods and services	102,994	-	(11,076)	91,918	85,225	6,693	92.72 %	87,054	87,054
Total current payments	**167,193**	**-**	**(13,043)**	**154,150**	**147,457**	**6,693**	**95.66 %**	**142,312**	**142,312**
Payments for capital assets									
Buildings and other fixed structures	1,825	-	(478)	1,347	1,347	-	100.00 %	4,500	2,337
Machinery and equipment	-	-	-	-	-	-	- %	260	255
Buildings and other fixed structures	1,825	-	(478)	1,347	1,347	-	100.00 %	4,500	2,337
Machinery and equipment	-	-	-	-	-	-	- %	260	255
Total payments for capital assets	**1,825**	**-**	**(478)**	**1,347**	**1,347**	**-**	**100.00 %**	**4,760**	**2,592**
Total current payments	167,193	-	(13,043)	154,150	147,457	6,693	95.66 %	142,312	142,312
Total payments for capital assets	1,825	-	(478)	1,347	1,347	-	100.00 %	4,760	2,592
Total	**169,018**	**-**	**(13,521)**	**155,497**	**148,804**	**6,693**	**95.70 %**	**147,072**	**144,904**

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6.2.2 Notes to the Annual Financial Statements

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

Figures in Rand thousand	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Administration	627,467	622,774	4,693	0.7 %

Goods and Services:
Delayed verification process of invoices received from SITA.

Machinery & Equipment:
Delayed verification of invoices received from Government Fleet Entity.

Public Works Infrastructure	1,899,772	1,881,688	18,084	1.0 %

Goods and Services:
Delayed submission of invoices by the BCMM, OR Tambo and KSD municipalities on the utilities bill.

Provinces and Municipalities:
Delayed process of ownership verification for properties in KSD that were billed by the municipality but not in the Asset register. These were later included in the Departmental Asset Register after verification process was finalized.

Expanded Public Works Programme	155,497	148,804	6,693	4.3 %

Good and Services:
Delayed procurement of Personal Protective Equipment and Tools for the students.

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4.2 Per economic classification

Figures in Rand thousand	Note	2024/2025		2023/2024
		Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Current payments					
Compensation of employees		828,294	828,294	-	- %
Goods and services		959,866	936,973	22,893	2 %
Interest and rent on land		57,785	57,785	-	- %
Transfers and subsidies					
Provinces and municipalities		585,558	580,034	5,524	1 %
Households		37,578	37,578	-	- %
Payments for capital assets					
Buildings and other fixed structures		190,894	190,894	-	- %
Machinery and equipment		22,761	21,708	1,053	5 %

Explanation of variance

Goods and Services:
Delayed verification process of invoices received from SITA, delayed submission of invoices by the BCMM, OR Tambo and KSD municipalities on the utilities bill and delayed procurement of Personal Protective Equipment and Tools for the students.

Provinces and Municipalities:
Delayed process of ownership verification for properties in KSD that were billed by the municipality but not in the Asset register. These were later included in the Departmental Asset Register after verification process was finalized.

Machinery & Equipment:
Delayed verification of invoices received from Government Fleet Entity.

4.3 Per conditional grant

Figures in Rand thousand	Final Appropriation	Actual Expenditure
EPWP conditional grant	6,806	6,806

No variance.

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6.2.3 Statement of Financial Performance

Figures in Rand thousand	Note(s)	2024/2025	2023/2024
Revenue			
Annual appropriation	1	2,682,736	2,515,853
Expenditure			
Current expenditure			
Compensation of employees	3	828,294	755,126
Goods and services	4	936,973	952,283
Interest and rent on land	5	57,785	599
Total current expenditure		**1,823,052**	**1,708,008**
Transfers and subsidies			
Transfers and subsidies	6	617,612	560,059
Expenditure for capital assets			
Tangible assets	7	212,602	193,020
Total expenditure		**2,653,266**	**2,461,087**
Surplus for the year		**29,470**	**54,766**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds			
Annual appropriation		29,470	54,766
		29,470	**54,766**

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6.2.4 Statement of Financial Position as at 31 March 2025

Figures in Rand thousand	Note(s)	2024/2025	2023/2024
Assets			
Current Assets			
Cash and cash equivalents	8	2,233	1,310
Prepayments and advances	9	3,259	-
Receivables	10	44,528	58,596
		50,020	**59,906**
Non-Current Assets			
Receivables	10	104	89
Total Assets		**50,124**	**59,995**
Liabilities			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	11	29,470	54,766
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	1,614	1,819
Payables	13	17,444	1,883
		48,528	**58,468**
Total Liabilities		**48,528**	**58,468**
NET ASSETS		**1,596**	**1,527**
Represented by:			
Recoverable revenue		1,596	1,527
Total		**1,596**	**1,527**

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6.2.5 Statement of Changes in Net Assets

Figures in Rand thousand	Note	2024/2025	2023/2024
Recoverable revenue			
Opening balance		1,527	1,467
Debts raised		69	60
Closing balance		**1,596**	**1,527**

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6.2.6 Cash Flow Statement

Figures in Rand thousand	Note(s)	2024/2025	2023/2024
Cash flows from operating activities			
Receipts			
Annual appropriated funds received	1.1	2,682,736	2,515,853
Departmental revenue received	2	18,133	14,715
Interest received	2.2	-	1,862
		2,700,869	**2,532,430**
Net (increase)/ decrease in working capital		26,372	(96,898)
Surrendered to Revenue Fund		(73,258)	(16,895)
Current payments		(1,765,267)	(1,707,409)
Interest paid	5	(57,785)	(599)
Transfers and subsidies paid		(617,612)	(560,059)
Net cash flow available from operating activities	14	**213,317**	**150,570**
Cash flows from investing activities			
Payments for capital assets	7	(212,602)	(193,020)
Proceeds from sale of capital assets	2.3	154	777
(Increase)/ decrease in non-current receivables	10	(15)	24
Net cash flows from investing activities		**(212,463)**	**(192,219)**
Cash flows from financing activities			
Increase/ (decrease) in net assets		67	60
Net increase/ (decrease) in cash and cash equivalents		921	(41,589)
Cash and cash equivalents at beginning of year		1,310	42,899
Cash and cash equivalents at the end of the year	15	**2,233**	**1,310**

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6.2.7 Accounting Policies

Summary of significant accounting policies

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

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

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

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

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Accounting Policies

7. Revenue

7.1 Appropriated funds

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

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

Appropriated funds are measured at the amounts receivable.

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

7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

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

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

7.3 Accrued departmental revenue

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

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

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

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.

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Accounting Policies

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

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

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

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

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

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Accounting Policies

8.4.2 Finance leases

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

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

At commencement of the finance lease term, finance lease assets acquired are recorded and measured at:

- the fair value of the leased asset; or if lower,
- the present value of the minimum lease payments.

Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.

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.

Prepayments are derecognised as and when the goods /services are received, or the funds are utilised in a future period longer that one month from payment and the amount is material.

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Accounting Policies

11. Loans and receivables

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

Amounts that are potentially irrecoverable are included in the disclosure notes.

12. Financial assets

12.1 Financial assets (not covered elsewhere)

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

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

12.2 Impairment of financial assets

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

13. Payables

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

14. Capital assets

14.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the annual financial statements at cost or fair value where the cost cannot be determined reliably. As per Sectorial Guide: Accounting and Reporting for Immovable Assets, the Department has used Municipal Valuation Rolls (including Supplementary Rolls) or Valuation Certificates to determine fair value in order to avoid fruitless ad wasteful expenditure. Further per Sectorial Guide, where a municipal valuation has not been finalised or not done for specific properties, the affected properties will be reflected at the same value as for exceptional cases (R1 000). Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Only assets which the Department has legal title for is disclosed. This includes properties registered in the name of the Province; properties confirmed vested in terms of Section 239 or item 28(1) to Schedule 6 of the Constitution; and properties registered in historical names of former Model C Schools. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

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

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The disclosure note to the financial statements represents the consolidated position of the immovable assets under the custodian of Public Works as per Eastern Cape Land Disposal Act 7 of 2000. Assets related to the Housing Act 107 of 1997 and the Housing Amendment Act 4 of 2001 remain in the custody of the Department of Human Settlements. Where documentary evidence supporting completed projects for the current financial year is considered to be either incomplete or inaccurate, the project will not be included. Additional information on immovable assets not reflected in the assets register is provided in the notes to annual financial statements.

14.2 Movable capital assets

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the Office of the Accountant General) may be recorded at R1

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

14.3 Intangible assets

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

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

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

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

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

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Accounting Policies

14.4 Project costs: Work-in-progress

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

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

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

15. Provisions and contingents

15.1 Provisions

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

15.2 Contingent liabilities

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

15.3 Contingent assets

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

15.4 Capital commitments

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

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16. Fruitless and wasteful expenditure

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

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

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

17. Irregular expenditure

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

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

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

18. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively 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 annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the annual financial statements.

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20. Principal-Agent arrangements

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

21. Recoverable revenue

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

22. Related party transactions

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

23. Key Management Personnel

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

24. Public-Private Partnerships

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

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

25. Employee benefits

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

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

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

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

1. Annual appropriation

1.1 Annual appropriation

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

	Final budget	Actual funds received	Funds not requested/ not received	Final budget	Appropriation received
Programmes					
Administration	627,467	627,481	(14)	553,605	553,605
Public Works Infrastructure	1,899,772	1,899,758	14	1,815,176	1,815,176
Expanded Public Works Programme	155,497	155,497	-	147,072	147,072
Total	**2,682,736**	**2,682,736**	**-**	**2,515,853**	**2,515,853**

1.2 Conditional grants**

Total grants received	34	6,806	9,463
Provincial grants included in total grants received		6,806	9,463

2. Departmental revenue

Sales of goods and services other than capital assets	2.1	17,874	14,662
Interest, dividends and rent on land	2.2	-	1,862
Sales of capital assets	2.3	154	777
Transactions in financial assets and liabilities	2.4	259	53
Total revenue collected		**18,287**	**17,354**
Less: Own revenue included in appropriation	12	18,287	17,354
Departmental revenue collected		**-**	**-**

2.1 Sales of goods and services other than capital assets

Sales by market establishment	17,001	13,828
Other sales	873	834
Sales of goods and services produced by the department	**17,874**	**14,662**

2.2 Interest, dividends and rent on land

Interest	-	1,862

2.3 Sales of capital assets

Tangible assets		
Buildings and other fixed structures	-	272
Machinery and equipment	154	505
	154	**777**

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024
2.4 Transactions in financial assets and liabilities			
Other receipts including recoverable revenue		259	53
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		590,614	536,590
Performance award		-	12
Service based		425	247
Compensative/circumstantial		735	700
Other non-pensionable allowances		104,859	102,483
Total		**696,633**	**640,032**
3.2 Social contributions			
Employer contributions			
Pension		76,944	66,944
Medical		53,169	46,949
Bargaining council		199	185
Insurance		1,349	1,016
Total		**131,661**	**115,094**
Total compensation of employees		**828,294**	**755,126**
Average number of employees		1,823	1,664
4. Goods and services			
Advertising		3,898	2,036
Minor assets	4.1	1,706	1,921
Bursaries (employees)		1,630	2,676
Catering		877	1,713
Communication		6,852	7,276
Computer services	4.2	25,191	31,184
Consultants: Business and advisory services		89,648	144,534
Infrastructure and planning services		13,674	15,626
Legal services		2,264	14,208
Contractors		237	103

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024
4. Goods and services (continued)			
Agency and support / outsourced services		44,288	45,108
Audit cost - external	4.3	10,654	10,496
Inventory	4.4	461	673
Consumables	4.5	13,854	15,835
Operating leases		268,029	245,189
Property payments	4.6	411,302	368,244
Rental and hiring		3,268	1,330
Travel and subsistence	4.7	25,213	34,384
Venues and facilities		1,593	3,391
Training and development		4,502	3,805
Other operating expenditure	4.8	7,832	2,551
Total		**936,973**	**952,283**
4.1 Minor assets			
Tangible assets			
Machinery and equipment		1,706	1,921
4.2 Computer services			
SITA computer services		15,409	14,977
External computer service providers		9,782	16,207
Total	4	**25,191**	**31,184**
4.3 Audit cost - external			
Regularity audits		10,169	10,496
Investigations		485	-
Total	4	**10,654**	**10,496**
4.4 Inventory			
Clothing material and accessories		461	673
4.5 Consumables			
Uniform and clothing		2,251	-
Household supplies		6,391	7,078
Building material and supplies		1,800	182
Communication accessories		-	3,755
IT consumables		342	1,645
Other consumables		1,232	395
Consumable supplies		**12,016**	**13,055**
Stationery, printing and office supplies		1,838	2,780
Total	4	**13,854**	**15,835**

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024
4.6 Property payments			
Municipal services		79,475	360,855
Property management fees		266,896	80
Property maintenance and repairs		64,878	7,094
Other		53	215
Total	4	**411,302**	**368,244**
4.7 Travel and subsistence			
Local		25,213	34,384
4.8 Other operating expenditure			
Professional bodies, membership and subscription fees		774	179
Resettlement costs		7,052	2,355
Other		6	17
Total	4	**7,832**	**2,551**
5. Interest and rent on land			
Interest paid		57,785	599
6. Transfers and subsidies			
Provinces and municipalities		580,034	540,006
Households	Annexure 1G	37,578	20,053
Total		**617,612**	**560,059**
7. Expenditure for capital assets Tangible capital assets			
Buildings and other fixed structures	30	190,894	164,782
Machinery and equipment	28	21,708	28,238
Total		**212,602**	**193,020**
7.1 Analysis of funds utilised to acquire capital assets - 2024/2025			
Tangible assets			
Buildings and other fixed structures		190,864	190,894
Machinery and equipment		21,708	21,708
Total		**212,602**	**212,602**

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

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

7.3 Finance lease expenditure included in expenditure for capital assets

Tangible assets		
Machinery and equipment	13,436	13,151

8. Cash and cash equivalents

Consolidated paymaster general account	2,168	1,310
Disbursements	65	-
Total	**2,233**	**1,310**

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

9.Prepayments and advances

Prepayments (Not expensed)	9.1	3,259	-
Analysis of total prepayments and advances			
Current prepayments and advances		3,259	-

During 2024/25 the Department was in the process of purchasing ERF 3956 a portion of ERF 34884 in East London. Funds were paid to the trust of the transferring attorney (Conveyancer) as an intention to both fulfil the above and hold the offered price and until the property is transferred into the name of the province. These funds are expected to be included in expenditure in the 2025/26 financial where this transfer in the name of the province has taken place.

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9. Prepayments and advances

9.1 Prepayments (Not expensed)

Figures in Rand thousand	Note(s)	Balance as at 01 April 2024	Less: Amount incurrent in current year	Add or Less: Other	Add: Current year prepayments	Balance as at 31 March 2025
Listed by economic classification						
Capital assets		-	-	-	3,259	3,259
Total		**-**	**-**	**-**	**3,259**	**3,259**

9.2 Prepayments (Expensed)

Figures in Rand thousand	Note(s)	Balance as at 01 April 2023	Less: Amount incurrent in current year	Add or Less: Other	Add: Current year prepayments	Balance as at 31 March 2024
Listed by economic classification						
Capital assets		55 312	(55 312)	-	-	-
Total		**55 312**	**(55 312)**	**-**	**-**	**-**

During the 2022/23 financial year the Department was in the process of purchasing a property with a value of R55 311 682, being Erf 310 in Bhisho. These funds were made and expensed in the same financial years. Funds were paid to the trust of the transferring attorney (Conveyancer) as an intention to both fulfil the above and hold the offered price and until the property was transferred into the name of the province.

10. Receivables

		2024/2025			2023/2024		
Figures in Rand thousand	Note	Current	Non- current	Total	Current	Non- current	Total
Claims recoverable	10.1	41,452	-	41,452	55,190	-	55,190
Recoverable	10.2	74	-	74	587	-	587
expenditure Staff debt	10.3	3,002	104	3,106	2,624	89	2,713
Other receivables	10.4	-	-	-	195	-	195
Total		**44,528**	**104**	**44,632**	**58,596**	**89**	**58,685**

10.1 Claims recoverable

National departments				21	20
Provincial departments				41,431	55,170
Total	**-**	**-**	10	**41,452**	**55,190**

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

10. Receivables (continued)

10.2 Recoverable expenditure

Salary recoverable expenditure	74	587

10.3 Staff debt

Staff debt	3,106	2,713

10.4 Other receivables

Third Parties	-	195

10.5 Impairment of receivables

Estimate of impairment of receivables	2,664	2,643

Impairment is applied to all recognized debtors' balances that are outstanding for more than 30 days and older. Inter- Departmental debtors that are not impaired except when non-recovery is certain but steps to warranty write-off are not yet complete.

11. Voted funds to be surrendered to the Revenue Fund

Opening balance	54,766	185
Transferred from statement of financial performance (as restated)	29,470	54,766
Paid during the year	(54,766)	(185)
Closing balance	**29,470**	**54,766**

11.1 Reconciliation of unspent conditional grants

Total conditional grants received	1.2	6,806	9,463
Total conditional grants spent		(6,806)	(9,463)
Unspent conditional grants to be surrendered		**-**	**-**

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

Opening balance		1,819	1,175
Own revenue included in appropriation	2	18,287	17,354
Paid during the year		(18,492)	(16,710)
Closing balance		**1,614**	**1,819**

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024
13. Payables - current			
Advances received	13.1	16,395	1,403
Clearing accounts	13.2	1,049	480
Total		**17,444**	**1,883**

Increase is due to funds received from the Department of Health. These funds were received so that the Department pays infrastructure service providers on behalf of Department Health. These funds were not utilised by 31 March 2025.

13.1 Advances received			
National departments	Annexure 8B	1,403	1,403
Provincial departments	Annexure 8B	14,992	-
Total	13	**16,395**	**1,403**

13.2 Clearing accounts		
Clearing accounts	1,049	480

14. Net cash flow available from operating activities		
Net surplus as per Statement of Financial Performance	29,470	54,766
Add back non cash/ cash movements not deemed operating activities (Increase)/ decrease in receivables	14,068	(42,757)
(Increase)/ decrease in prepayments and advances	(3,259)	-
Increase/ (decrease) in payables – current	15,561	(54,141)
Proceeds from sale of capital assets	(154)	(777)
Expenditure on capital assets	212,602	193,020
Surrenders to Revenue Fund	(73,258)	(16,895)
Own revenue included in appropriation	18,287	17,354
Net cash flow generated by operating activities	**213,317**	**150,570**

15. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated paymaster general account	2,168	1,310
Disbursements	65	-
Total	**2,233**	**1,310**

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

Liable to Nature

Claims against the department	Annexure 3B	5,355,254	112,098
Other	Annexure 3B	321,623	223,632
Total		**5,676,877**	**335,730**

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

There were no reimbursement arrangements in place or reasonably probable.

Other represents:

1. Municipalities - Rates and Taxes

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

2.Camping Allowances

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

3.Pending investigation

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

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

5. Lease agreements - Refers to a provisional sum and contingency of 5% of the contract value of the Rental lease agreement.

Increase is mainly due to a case filed against the Department for the cell masts awarded for revenue generation. The bidder is contesting the award.

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024
16.2 Contingent assets			
Nature of contingent asset			
2nd & 3rd notches		314	337
Occupational rent		6,887	4,143
Municipal credits		9,737	15,387
Total		**16,938**	**19,867**
17. Capital commitments			
Buildings and other fixed structures		174,033	285,430
Machinery and equipment		9,756	17,482
Total		**183,789**	**302,912**
Included in the above are projects that are committed over a 1 year totaling R117,010,717.00			

18. Accruals and payables not recognised
18.1 Accruals

	2024/2025			2023/2024
Figures in Rand thousand	30 Days	30+ Days	Total	Total
Listed by economic classification				
Goods and services	210,237	31,160	241,397	238,120
Transfers and subsidies	113,635	-	113,635	-
Capital assets	19,977	-	19,977	9,691
Total	**343,849**	**31,160**	**375,009**	**247,811**
Listed by programme level				
Administration			129,292	62,849
Public Works Infrastructure			239,407	173,076
Expanded Public Works Programme			6,310	11,886
Total			**375,009**	**247,811**

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

18.2 Payables not recognised

	2024/2025			2023/2024
Figures in Rand thousand	30 Days	30+ Days	Total	Total
Listed by economic classification				
Goods and services	12,167	73,713	85,880	94,191
Transfers and subsidies	-	165	165	-
Capital assets	1,782	17,341	19,123	17,978
Total	**13,949**	**91,219**	**105,168**	**112,169**

Listed by programme level		
Administration	63,209	24,020
Public Works Infrastructure	40,156	87,181
Expanded Public Works Programme	1,803	968
Total	**105,168**	**112,169**

Included in the above totals are the following:			
Confirmed balances with other departments	Annexure 5	555	1,269
Confirmed balances with other government entities	Annexure 5	4,597	4,955
Total		**5,152**	**6,224**

19. Employee benefits

Leave entitlement	41,152	39,596
Service bonus	24,966	22,311
Capped leave	21,538	26,967
Other	45,629	44,830
Total	**133,285**	**133,704**

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

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

19. Employee benefits (continued)

Included in the above totals are the following:

Confirmed balances with other departments	Annexure 5	555	1,269
Confirmed balances with government entities	Annexure 5	4,597	4,955
Total		**5,152**	**6,224**

20. Lease commitments

20.1 Operating leases

2024/2025

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	247,657	247,657
Later than 1 year and not later than 5 years	505,555	505,555
Later than five years	16,064	16,064
Total lease commitments	**769,276**	**769,276**

2023/2024

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	231,487	231,487
Later than 1 year and not later than 5 years	575,210	575,210
Later than five years	42,617	42,617
Total lease commitments	**849,314**	**849,314**

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

The lease commitments are calculated based on a contractual obligation between the department and the lessor. The lease agreements have an annual escalation of between 0% and 8%.

The agreements entered into do not have an offer to purchase at the end of the lease term and do not allow the department to enter into any sub-leasing agreements.

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

20.1 Operating leases (continued)

The department is required to maintain the premises to be in the same conditions as at the start of the lease agreements. The decrease is due to payments made during the year.

The 2023/24 amount of R776 660 000 has been restated to R849 314 000 due to mainly lease agreements that were omitted. The net amount of overstatement was R72 654 000.

20.2 Finance leases ** 2024/2025

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	12,189	12,189
Later than 1 year and not later than 5 years	22,548	22,548
Total lease commitments	**34,737**	**34,737**

2023/2024

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	13,131	13,131
Later than 1 year and not later than 5 years	14,273	14,273
Total lease commitments	**27,404**	**27,404**

**This note excludes leases relating to public private partnership as they are separately disclosed in Note no 25.

The Department entered into operating or finance lease agreements for rental of photocopiers and white fleet for a period of 36 months for photocopiers and period up to 5yrs for white fleet, depending on kilometres travelled. The rentals are fixed for the duration of the period and there is no renewal or purchase or escalation clauses. The maintenance of both photocopy machines and white fleet are done by the lessors.

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

20.3 Operating lease future revenue 2024/2025

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	1,515	1,515
Later than 1 year and not later than 5 years	937	937
Total lease commitments	**2,452**	**2,452**

2023/2024

Figures in Rand thousand	Buildings and other fixed structures	Total
Not later than 1 year	2,358	2,358
Later than 1 year and not later than 5 years	2,297	2,297
Total lease commitments	**4,655**	**4,655**

21. Accrued departmental revenue

Sales of goods and services other than capital assets	208,782	181,335
Other	376	74,243
Total	**209,158**	**255,578**

21.1 Analysis of accrued departmental revenue

Opening balance	255,578	155,922
Less: Amounts received	(17,002)	(13,828)
Less: Services received in lieu of cash	(74,243)	-
Add: Amounts recognised	43,714	115,481
Other (Specify)	1,111	(1,997)
Total	**209,158**	**255,578**

The 2023/24 amount of R253 084 000.00 was adjusted by an amount of R2 494 000.00 to be R255 578 000.00

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

21.2 Impairment of accrued departmental revenue

Estimate of impairment of accrued departmental revenue	190,754	167,099

Due to impracticality of reviewing each debtor individually, debtors have been grouped by type. Each debtor type has then been reviewed for impairment using National Treasury approach. Impairment is applied to all debtors' balances that are outstanding for more than 30 days and older. Increase is due to low recovery form lease debtors.

22. Unauthorised, Irregular and Fruitless and wasteful expenditure

Irregular expenditure	5,542	5,201
Fruitless and wasteful expenditure	78,348	622
Total	**83,890**	**5,823**

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

Increase in fruitless and wasteful expenditure is due to capital amount and interest incurred in a long outstanding court case.

23. Related party transactions

Control of the same executive authority, Eastern Cape Department of Human Settlements

Eastern Cape Department of Public Works and Infrastructure and the Eastern Cape Department of Human Settlements have been under the control of the same executive authority, effective from 21 June 2024, following the provincial executive council restructuring.

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

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

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

24. Key management personnel

Political office bearers (provide detail below)	460	2,121
Level 15	1,550	2,375
Level 14 and District Directors at level 13	27,341	25,722
Total	**29,351**	**30,218**

Key Management includes acting and appointed District Directors at level 13 and those officials acting on their behalf. There were no payments made to close family members of Key Management Personnel.

25. Public Private Partnership

Any guarantees issued by the department are disclosed in Note 16.1.

The PPP is currently registered in terms of National Treasury however the PPP was reactivated in August 2015. Transaction advisors have been appointed for the Project Initiation and Management of the Bhisho Precinct Project. Expenditure incurred during 2023/2024 is R1 470 068.00 and in 2024/2025 is R856 520.00. The cumulative expenditure from inception on Bisho Precinct consultants fees is R68 064 286.86. There has been no contracting between the Department and the Private Party by 31 March 2025.

26. Provisions

Property rates under investigation	235,762	221,834
Interest accrued but not paid	63,372	57,674
Retentions- contracts	53,540	42,087
Legal case judgement	-	76,578
Total	**352,674**	**398,173**

Decrease in provisions is due to the legal case judgement that was due and paid in the 2024/25 financial year.

26.1 Reconciliation of movement in provisions - 2024/2025

Figures in Rand thousand	Property rates under investigation	Interest accrued but not paid	Retentions - contracts	Legal case judgement	Total provisions
Opening balance	221,834	57,673	42,088	76,578	398,173
Increase in provision	13,928	5,698	11,453	-	31,079
Settlement of provision	-	-	-	(76,578)	(76,578)
Closing balance	**235,762**	**63,371**	**53,541**	**-**	**352,674**

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

26.2 Reconciliation of movement in provisions - 2023/2024

Figures in Rand thousand	Property rates under investigation	Interest accrued but not paid	Retentions - contracts	Legal case judgement	Total provisions
Opening balance	170,982	43,315	35,270	-	249,567
Increase in provision	50,852	14,358	6,818	76,578	148,606
Closing balance	**221,834**	**57,673**	**42,088**	**76,578**	**398,173**

Balances under investigation as well as interest accrued but not paid at year end are classified as Provisions. These are amounts billed by Municipalities against properties owned by the Department but there is uncertainty on the timing / amount thereof. Retentions are amounts that are withheld for work done and not paid until satisfaction of conditions specified in the awarded contracts. Once all conditions specified in the contract have been met and the retention amount is paid, the Department will record the payment as capital expenditure and add it to the cost of the asset.

27. Non-adjusting events after reporting date

There are no adjusting and non adjusting events after reporting date.

28. Movable tangible capital assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2025

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment				
Transport assets	1,116	799	307	1,608
Computer equipment	52,512	4,093	665	55,940
Furniture and office equipment	35,917	3,586	860	38,643
Other machinery and equipment	11,431	825	591	11,665
	100,976	**9,303**	**2,423**	**107,856**
Finance lease assets				
Finance lease assets	31,754	16,476	12,796	35,434
Total movable tangible capital assets	**132,730**	**25,779**	**15,219**	**143,290**

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

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

28.1 Movement for 2023/2024

Movement in movable tangible capital assets per asset register for the year ended 31 March 2024

Figures in Rand thousand	Opening balance	Prior period error	Additions	Disposals	Closing balance
Machinery and equipment					
Transport assets	831	285	-	-	1,116
Computer equipment	51,615	302	1,803	1,208	52,512
Furniture and office equipment	27,619	78	8,339	119	35,917
Other machinery and equipment	11,046	320	188	123	11,431
	91,111	**985**	**10,330**	**1,450**	**100,976**
Finance lease assets					
Finance lease assets	26,664	-	6,637	1,547	31,754
Total movable tangible capital assets	**117,775**	**985**	**16,967**	**2,997**	**132,730**

28.1.1 Prior period error

Figures in Rand thousand	Note	2023/2024
Nature of prior period error		
Relating to 2022/2023 (affecting the opening balance)		
Machinery and equipment		985

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

28.2 Minor assets

Movement in minor capital assets per the asset register for the year ended as at 31 March 2025

Figures in Rand thousand	Machinery and equipment	Finance lease assets	Total
Opening balance	24,311	1,555	25,866
Additions	2,252	203	2,455
Disposals	574	61	635
Total minor capital assets	**25,989**	**1,697**	**27,686**

Figures in Rand thousand	Machinery and equipment	Finance lease assets	Total
Number of R1 minor assets	2,762	-	2,762
Number of minor assets at cost	13,257	427	13,684
Total number of minor assets	**16,019**	**427**	**16,446**

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

Movement in minor capital assets per the asset register for the year ended as at 31 March 2024

Figures in Rand thousand	Other machinery and equipment	Finance lease assets	Total
Opening balance	23,199	-	23,199
Prior period errors	-	95	95
Additions	1,764	1,481	3,245
Disposals	652	21	673
Total minor capital assets	**24,311**	**1,555**	**25,866**

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

Figures in Rand thousand	Other machinery and equipment	Finance lease assets	Total
Number of R1 minor assets	2,829	-	2,829
Number of minor assets at cost	12,617	273	12,890
Total number of minor assets	**15,446**	**273**	**15,719**

28.2.1 Prior period error

Nature of prior period error

Relating to 2022/2023 (affecting the opening balance)		
Cellphones minor finance lease assets capitalised	95	-

28.3 Movable tangeable capial assets written off

Movable capital assets written off for the year ended as at 31 March 2025

Figures in Rand thousand	Machinery and equipment	Total
Assets written off	571	571

Movable capital assets written off for the year ended as at 31 March 2024

Assets written off	884	884

29. Intangible capital assets

Movement in intangible capital assets per asset register for the year ended 31 March 2025

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

Intangible capital assets under investigation

There are no intangible capital assets under investigation.

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29.1 Movement for 2023/2024

Movement in intangible capital assets per asset register for the year ended 31 March 2024

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

30. Immovable tangible capital assets

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2025

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
Buildings and other fixed structures				
Dwellings	461,125	261	(1)	461,385
Non-residential buildings	8,695,763	224,594	-	8,920,357
Other fixed structures	252,394	-	-	252,394
	9,409,282	**224,855**	**(1)**	**9,634,136**
Heritage assets				
Heritage assets	201,993	-	(1)	201,992
Land and subsoil assets				
Land	287,031	29	-	287,060
Total immovable tangible capital assets	**9,898,306**	**224,884**	**(2)**	**10,123,188**

There are 1 426 properties included in the Immovable Asset Register (IAR) which are disclosed at a nominal value of R1000. This is in line with the Valuation model included as an Annexure in the Immovable Asset guide issued by National Treasury. 136 of these are classified as Road Reserves and 1290 have no municipal or market values received from the municipalities and as an interim have been allocated R1000 nominal value.

Immovable tangible capital assets under investigation
There are no tangible capital assets under investigation.

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

30.1 Movement for 2023/2024

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2024

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
Buildings and other fixed structures				
Dwellings	454,192	7,184	(251)	461,125
Non-residential buildings	8,282,922	426,271	(13,430)	8,695,763
Other fixed structures	252,391	3	-	252,394
	8,989,505	**433,458**	**(13,681)**	**9,409,282**
Heritage assets	150,726	51,267	-	201,993
Heritage assets				
Land and subsoil assets	286,518	513	-	287,031
Land				
Total immovable tangible capital assets	**9,426,749**	**485,238**	**(13,681)**	**9,898,306**

30.1.1 Prior period error

Figures in Rand thousand	Note	2023/2024
Nature of prior period error		(6,390)
Relating to 2023/2024 Non-residential buildings		

The prior period error is made up of two amounts of R5 910 411 and R480 000. The prior period error relating to R5 910 411 occurred during a verification exercise for Section 42 transfer signed on 20 April 2023, whereby property details relating to two properties in the same transfer list were mismatched. This resulted in an overstatement of R5 910 411 in respect of erf 816, Community Development Centre. The error of R480 000 only affects the disclosure note. During December 2023 the Department registered a new consolidation of Erf 989. There were initially 18 properties forming part of the consolidation, but the values were only allocated to Erf 841 and erf 405 at R190 000 and R290 000 respectively. In the WIP register there should have been a disclosure of R480 000 as a transfer out or disposal so that when the new consolidation is added the net effect as a result of the consolidation is Zero since R480 000 already existed in the IAR. The net effect in the IAR is Zero but the disclosure note did not show it.

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

30.2 Immovable tangible capital assets: Capital work-in-progress

Capital work-in-progress as at 31 March 2025

Figures in Rand thousand	Note	Opening balance	Current year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance
Buildings and other fixed structures		284,645	190,894	24,644	450,895

1. Included in R24 644 203 is an amount of R8 245 839 in respect of completed projects linked to properties which are already included in the asset register and this amount has been capitalised accordingly. The figure also includes an amount of R16 398 364 which relates to expenditure on completed projects linked to unaudited properties, in line with the Guide on Accounting and Reporting for Immovable Assets. This figure has not been capitalized to the Immovable Asset Register.

Payables not recognised relating to capital work-in-progress

Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress	35,829	26,594

Capital work-in-progress as at 31 March 2024

Figures in Rand thousand	Note	Opening balance	Prior period error	Current year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance
Buildings and other fixed structure		227,499	(24,842)	161,627	79,639	284,645

1. Included in R79 639 000 is an amount of R 17 195 356 for completed projects linked to properties which are already included in the asset register and this amount has been capitalised accordingly. Also included in the afore mentioned is an amount of R203 446 relating to a cancelled project (Office extension for Department of Transport in Queenstown).

2. Prior Period Error: The adjustment of R31 389 337 is made up of R24 842 329 and R4 356 069 relating to a prior period error in respect of Water reticulation project at Tyamzashe building during 2022/23 and 2023/24 financial years respectively. The project was completed in 2023. Also included in the adjustment of R31 389 337 is an amount of R2 190 939 relating to Whittlesea :Renovation of training centre (Phase 2 electrical works). This is an EPWP project which was completed during 2023/24 financial year.

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Figures in Rand thousand		Note(s)	2024/2025	2023/2024
30. Immovable Tangible Capital Assets (continued)				
30.3 Immovable assets (additional information)				
a) Unsurveyed land	Estimated completion date 5 years	Annexure 9	Area	Area
Specify			N/A	N/A
b) Properties deemed vested		Annexure 9	Number	Number
Land Parcels			4,650	4,643
Facilities			3,111	3,071
Schools				
Clinics			317	317
Hospitals			72	69
Office buildings			75	76
Dwellings			229	279
Storage facilities			11	11
Other			835	820
c) Facilities on unsurveyed land	Duration of use	Annexure 9	Number	Number
Schools	Life		596	552
Clinics	Life		115	120
Hospitals	Life		2	3
Office buildings	Life		14	18
Dwellings	Life		5	5
Storage facilities	Life		5	5
Other	Life		97	97
d) Facilities on right to use land	Duration of use	Annexure 9	Number	Number
Schools	Life		666	660
Clinics	Life		193	192
Hospitals	Life		38	38
Office buildings	Life		53	52
Dwellings	Life		208	208
Storage facilities	Life		5	5
Other	Life		250	254

1. Unsurveyed land - Area of unsurveyed land cannot be determined as the land has not been surveyed in order to have an area (extent) calculated. The only known variable is the number of properties to be surveyed. The estimated time of completion of the process of surveying is managed by the Office of the Surveyor General (SG). The Province pro-actively appointed land surveyors to survey provincial state domestic functions (e.g. schools, colleges, etc.). The approval of the diagrams resides with the SG Office. Due to survey challenges (e.g. old order rights) of underlying land in the former homelands, the survey process in areas of underlying quitrents cannot be implemented (Caveat against diagrams with underlying quitrents-diagrams cannot be used for registration purposes). The diagram is only valid to confirm the exact extent of the land and to issue an item 28 (1) certificate where applicable.

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

30.3 Immovable assets (additional information) (continued)

2. Duration of use is perpetual for all Immovable Assets.

3. Properties from departments of Education and Health are in the process of being verified and have therefore not been included in the table above.

4. Estimated Completion Date: The department commenced with the 5 year survey plan in the 2020/21 Financial Year.

31. Principal-agent arrangements

31.1 Department acting as the principal

South African Post Bank		932	918

The Department uses South African Post Bank as an implementing agent for the facilitation of the payment of EPWP beneficiaries.

The Department entered into this agreement to ensure that service delivery does take place and to circumvent capacity constraints.

There are no resources under custodianship of the agent in the 2024/25 financial year.

32. Changes in accounting estimates and Changes in accounting policies

32.1 Changes in accounting policies

Nature of changes in Accounting Policy

Figures in Rand thousands	Note(s)	Opening balance before the changes	Adjustment to opening balance	Restated opening balance after the change	Adjustment for 2023/2024	Restated closing balance 31 March 2024
		01 April 2024		01 April 2024		
Finance lease assets						
Movable Tangible Capital Assets	28	-	26,664	26,664	5,090	31,754
Minor Tangible Capital Assets	29	-	95	95	1,460	1,555

Included in the opening balances for 2023/2024 and 2024/2025 is a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by the Department at the commencement of the lease term rather than at the end of the lease term. The change in accounting policy is applied retrospectively.

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Figures in Rand thousand	Note(s)	2024/2025	2023/2024

33. Prior period errors

33.1 Correction of prior period errors 2023/2024

Figures in Rand thousand	Notes	Amount bef error correction	Prior period error	Restated amount
Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Immovable tangible assets	30	9,904,696	(6,390)	9,898,306
Movable tangible assets - Machinery and Equipment	28.1	99,991	985	100,976
Minor tangible capital assets	28.2	24,163	148	24,311
Capital Work in Progress	30.2	316,034	(31,389)	284,645
Accrued Departmental Revenue	21	253,084	2,494	255,578
Net effect		**10,597,968**	**(34,152)**	**10,563,816**

1. Immovable Tangible Capital Assets: The prior period error is due to two properties in the same transfer list that were mismatched which resulted in an overstatement of R5 910 411.00 and a consolidation error of R480 000.00.

2. Movable tangible Capital Assets: Prior period error is due to assets that could not be verified at the time of transfer of the Roads function to Department of Transport and which were taken off the asset register. They were later verified and transferred.

3. Minor Capital Assets: Prior period error is due to assets that could not be verified at the time of transfer of the Roads function to Department of Transport and which were taken off the asset register. They were later verified and transferred.

4. Capital Work In Progress: The error of R31 389 337 is made up of R24 842 329 and R4 356 069, relating to a prior period error in respect of Water reticulation project at Tyamzashe building during 2022/23 and 2023/24 financial year, respectively. The project reached practical completion on 31 March 2023. Also included in the error of R31 389 337 is an amount of R2 190 939 relating to Whittlesea: Renovation of training centre (Phase 2 electrical works). This project was completed during 2023/24 financial year.

5. Accrued Departmental Revenue. The error is due to adjustments made to rental debtors as a result of errors identified in billings.

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Figures in Rand thousand	2024/2025	2023/2024

33.1 Correction of prior period errors 2023/2024 (continued)

Figures in Rand thousand	Note(s)	Amount bef error correction	Prior period error	Restated amount
Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Operating lease commitments	20.1	776,661	72,654	849,315
Capital commitments	17	291,761	11,151	302,912
Contingent liabilities	16	324,683	11,047	335,730
Net effect		**1,393,105**	**94,852**	**1,487,957**

1. Operating lease commitments: Prior period error is due to mainly to a lease agreement's future commitment that was calculated using an incorrect yearly incremental rate and some commitments for lease agreements that were omitted.

2. Capital commitments: Prior period error is due to a project commitment that was omitted in 2023/24 financial year.

3. Contingent liabilities: The error is due to adjustments made to rental debtors as a result of errors identified in monthly billings and landlords' contingencies that were omitted.

34. Statement of conditional grants received

Figures in Rand thousand	Division of Revenue Act/ Provincial Grants	Grant allocation		Spent		2023/2024	
Name of grant		DORA Adjustments	Total Available	Amount received by department	Amount spent by department	Division of Revenue Act	Amount spent by department
EPWP Incentive Grant	6,806	-	6,806	6,806	6,806	9,463	9,463

35. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the Annual Report under the section titled B-BBEE Compliance Performance Information.

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Annexure 1G

Statement of Transfers to Households

Households	Transfer Allocation		Expenditure		2023/24	
	Adjusted Budget	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	%	R'000	R'000
Transfers						
Employee leave gratuity	9,719	9,719	9,719	100.0%	11,404	11,404
Bursaries (Non-employees)	6,028	6,028	6,028	100.0%	8,649	8,649
Claims against the State	21,831	21,831	21,831	100.0%	-	-
Total	**37,578**	**37,578**	**37,578**	**100.0%**	**20,053**	**20,053**

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Annexure 1K

Statement of actual monthly expenditure per grant

Figures in Rand thousand

Grant type	April 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Total
EPWP Incentive grant	-	2 018	2 025	1 996	892	-261	-	-	-	-	136	-	**6 806**
Total	**-**	**2 018**	**2 025**	**1 996**	**892**	**-261**	**-**	**-**	**-**	**-**	**136**	**-**	**6 806**

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Annexure 3B

Statement of contingent liabilities as at 31 March 2025

Nature of liability Figures in Rand thousand	Opening balance 1 April 2024	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Closing balance 31 March 2025
Nature of Liability **Claims against the department**				
Legal cases	112,098	5,259,378	16,222	5,355,254
Other				
Camping allowance	489	-	-	489
Transfers to Municipalities: Rates & Taxes services	204,635	97,335	-	301,970
Pending investigations - ASIDI payments	5,281	-	-	5,281
Tenants Lease rentals	2,830	656	-	3,486
Landlords' contingencies	6,390	4,006	-	10,396
Subtotal	219,625	101,997	-	321,622
Total	**331,723**	**5,361,375**	**16,222**	**5,676,876**

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Annexure 4

Claims recoverable

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
Figures in Rand thousand	2024/2025	2023/2024	2024/2025	2023/2024		
Department						
Eastern Cape Department of Education	2,716	2,716	2,716	2,716		
Eastern Cape Department of Education (Office Accommodation)	11,662	11,662	11,662	11,662		
Eastern Cape Department of Education (IDA)	26,299	802	26,299	802		
Eastern Cape Department of Health (Infrastructure)	-	39,673	-	39,673		
Eastern Cape Department of Health (Salary related)	-	261	-	261		
Mpumalanga Department of Agriculture	56	56	56	56		
National Department of Correctional Services	20	20	20	20		
Eastern Cape Office of the Premier	52	-	52	-		
Eastern Cape Department of Human Settlements	638	-	638	-		
Eastern Cape Department of Transport	8	-	8	-		
Subtotal	**41,451**	**55,190**	**41,451**	**55,190**		

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Annexure 5

Inter-government payables

Government entity	Confirmed balance outstanding	Total
Figures in Rand thousand	2024/2025	2024/2025
Departments		
Current		
Eastern Cape Office of the Premier	555	555
Other government entity		
Current		
State Information Technology Agency (SITA)	4,597	4,597
Total Inter-government payables	**5,152**	**5,152**

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Annexure 6

Inventories

Inventory for the year ended 31 March 2025

Figures in Rand Thousand	Note	Materials and supplies	Total
Opening balance		294	294
Add: Additions/Purchases - Cash		461	461
(Less): Issues		(462)	(462)
Closing balance		**293**	**293**

Inventory for the year ended 31 March 2024

Figures in Rand	Note	Materials and supplies	Total
Opening balance		363	363
Add: Additions/Purchases - Cash		673	673
(Less): Issues		(742)	(742)
Closing balance		**294**	**294**

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Annexure 7
Movement in capital work-in-progress

Movement in capital-work-in progress for the year ended 31 March 2025

Figures in Rand Thousand	Opening balance	Current year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
Buildings and other fixed structures				
Non-residential buildings	284,645	190,894	24,644	450,895

Movement in capital-work-in progress for the year ended 31 March 2024

Figures in Rand	Opening balance	Prior period errors	Current year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
Buildings and other fixed structures					
Non-residential buildings	227,499	(24,842)	161,627	79,639	284,645

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Annexure 8B
Movement in capital work-in-progress

Inter-entity advances received (note 13)

Entity Balance	Unconfirmed outstanding		Total	
Figures in Rand thousand	2024/2025	2023/2024	2024/2025	2023/2024
National departments				
Current				
National Department of Basic Education (ASIDI)	1,403	1,403	1,403	1,403
Provincial departments				
Current				
Eastern Cape Department of Health	14,992	-	14,992	-
Total	**16,395**	**1,403**	**16,395**	**1,403**

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Annexure 9

Additional information on immovable assets

The immovable assets of the Department and its User Departments are recorded in the provincial immovable asset register and management system – Logica. The immovable assets are classified to distinguish between various levels of registration. Properties registered in the name of the Province; properties confirmed vested in terms of Item 28(1) or Section 239 of the Constitution and former state-aided Model C Schools constitute Legal Title as per National Treasury guidelines and is therefore recorded in the financial statements of the Department.

Excluded from this disclosure are provincial deemed-owned immovable fixed assets that fall outside the definition of Legal Title as per the Sector Guide on Accounting of Immovable Assets. These assets include provincial properties not yet confirmed vested in terms of Item 28(1) to Schedule 6 of the Constitution and registered in the name of the Province of the Eastern Cape. As the GIAMA processes unfold these assets will eventually be “uplifted” into the definition of Legal Title and be included in the audited asset register for financial disclosure purposes.

Fixed asset recording type	Number
Audit Assets (legal title)	6,186
Unaudited Assets (deemed provincial assets)	6,907
	13,093

The number of immovable assets controlled by the Department of Public Works and Infrastructure in terms of Act 7 of 2000 and subsequently recorded in Logica as unaudited on the 31 March 2025 was 6 907 (inclusive of State Domestic Functions on municipal land, national land and land of parastatal institutions).

The surveying of provincial State-Domestic Functions (SDFs) on unsurveyed communal land in the former Transkei and Ciskei remains a challenge. The department has identified 845 SDFs still to be surveyed in order to obtain Legal Title.

A total of **3 642** properties were recorded as unregistered state land (no Title Deed issued) in the asset register.

The recorded figures exclude township establishment related assets under the custodianship of the Department of Human Settlements (e.g. RDP-houses and public open spaces in townships).

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Land use function / facility	Number of fixed assets
Agricultural Land (grazing, cultivation and irrigation fields)	25
Agricultural Research Stations and Experimental Farms	28
Care Centers and Old Age Homes	11
Cemeteries	22
Clinics	625
Colleges	8
Crèches	53
Education related facilities (schools sport grounds, school hostels, etc.)	22
Forestry (incl. plantations)	-
Halls (incl. community halls)	6
Health related facilities (hostels for health staff, mortuaries, etc.)	1
Hospitals	112
Libraries	65
Museums	13
Nature reserves and protected areas (incl. botanical gardens)	147
Office Buildings	143
Parking Facilities	8
Recreation (incl. opera house, caravan park, golf course, swimming pool, public open space and theatre)	24
Road Camps	55
Road Reserves	68
Residential (formal dwellings)	421
Residential (informal settlements)	7
Residential (traditional rural villages)	18
Retail (formal and informal business premises)	12
Schools (school buildings only)	4,374
Storage Facilities (incl. depots, warehouses, stores, sheds, silos, etc.)	45
Vacant Buildings / Facilities	14
Vacant Land	440
Miscellaneous (Land Etc)	40
	6,907

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The Department only has one user agreement in the form of a caretaker agreement with National Public Works for **28** houses in King William's Town. No other written agreements are in place with our Department. In the past User Departments obtained reservation certificates or permission to occupy certificates for schools and clinics where such SDFs are located on communal land. These reservation certificates are now being replaced by formal survey diagrams and eventually state titles.

In addition to the above the Department identified **1 413** provincial state domestic functions (SDFs) located on other public land, i.e. municipal land. The location of schools and clinics and other SDFs on municipal land is a result of historic transfers due to apartheid town planning (i.e. Proclamation R293/1962 townships) and the legacy of the homeland border industrial towns and labour practices. These assets on municipal land are managed by non-official agreements of use and will eventually be transferred back to the Province after proper township establishment and/or land administration processes are completed.

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Annexure 12

Analysis of prepayments and advances (note 9)

Figures in Rand Thousand

Name of entity	Sector of the entity	Description of goods, services, and/or capital assets paid for capital asset	Classification categories	Total contract Value	Frequency of the prepayment or advance	Total amount prepaid / advanced in the current year	Balance outstanding as at 31 March 2025
Prepayments ABDO & ABDO Attorneys, notries & Convenyancers	Legal	Legal ERF 39536 Portion of ERF 34884 East London Buffalo City Metropolitan Municipality	Capital Asset	3,259	Once	3,259	3,259

The prepaid funds were transferred to a Conveyancer who is finalising the deeds transfer for the property to be in the name of the Eastern Cape Province.

Vision

“Leader in provincial infrastructure delivery, coordination and socio-economic investment”

Mission

“A custodian of provincial government immovable assets and a coordinator and provider of sustainable infrastructure resulting in socio-economic transformation and development”

Values

Commitment - Integrity - Accountability - Professionalism - Service excellence - Transparency - Innovation - Fairness

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