



2019
2020

Annual Report



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

Ms P. De Lille (MP)
Minister of Public Works and Infrastructure

I have the honour of submitting the Annual Report of the Department of Public Works for
the period 1 April 2019 to 31 March 2020

Mr. Imtiaz Fazel
Acting Director-General
XX November 2020

Table of Contents

i. List of Abbreviations	5
CHAPTER 1.....	8
General Information	8
1.1 Foreword by the Minister	8
1.2.1 Overview	11
1.2.2 Significant events and major projects	12
1.3 Overview of the Financial Results	26
Overview of Financial Results	26
CHAPTER 2.....	48
Performance Information	48
2. Legislative and other mandates	49
Legislative and Policy Mandates	49
2.1 Overview of Departmental Performance	55
Part A.....	57
Department of Public Works	57
(Main Vote)	57
2.2 Performance Information of the Department of Public Works.....	57
2.2.1 Programme Performance	58
2.3 Performance Information of the Property Management Trading Entity	86
2.3.1 Programme Performance	87
2.4 Strategy to Overcome Areas of Under Performance.....	122
2.5 Transfer Payments to Public Entities	123
2.6 Conditional Grants	134
2.7 Capital Investment	138
CHAPTER 3.....	140
Governance	140
3.1 Introduction	140
CHAPTER 4.....	169
Human Resource Management	169
CHAPTER 4.....	170
HUMAN RESOURCE INFORMATION	170
Part B.....	203
PMTE Human Resource Information	203

CHAPTER 4.....	203
HUMAN RESOURCE INFORMATION: PMTE	203
CHAPTER 5.....	239
Financial Information.....	239

i. List of Abbreviations

FULL DESCRIPTION	ACRONYM
Accounting Standards Board	ASB
Adult Basic Education and Training	ABET
Annual Financial Statement	AFS
Agrément South Africa	ASA
Annual Performance Plan	APP
Assets under construction	AUC
Business Intelligence	BI
Built Environment Professionals	BEP
Border Control Operating Coordinating Committee	BCOCC
Asset Register Management	ARM
Basic Accounting System	BAS
Black Economic Empowerment	BEE
Broad-Based Black Economic Empowerment	BBBEE
Built Environment Professions	BEPs
Business Continuity Plan	BCP
Client Relationship Management	CRM
Community Based Organisations	CBOs
Construction Contact Centres	CCC's
Community Works Programme	CWP
Construction Industry Development Board	CIDB
Continued Professional Development	CPD
Contractor Incubator Programme	CIP
Council for Built Environment	CBE
Custodian Asset Management Plan	CAMP
Department of Cooperative Governance and Traditional Affairs	COGTA
Capital Works Implementation Programme	CWIP
Department of International Relations and Cooperation	DIRCO
Department of Public Works	DPW
Department of Water Affairs	DWA
Department of Public Works Intergovernmental Forum	DPWNIF
Department of Rural Development and Land Reform	DRDLR
Division of Revenue Act	DORA
Document Management System	DMS
Engineering Council of South Africa	ECSA
Early Childhood Development	ECD
Economic and Employment Cluster	EEC
Employee Development and Management System	EDMS
Estimates of National Expenditure	ENE
Employment Skills Development Agency	ESDA
Expanded Public Works Programme	EPWP
Executive Management Committee Meeting	EXCO

Full Time Equivalent	FTE
Facilities Management	FM
Financial Year	FY
Generally Accepted Accounting Principles	GAAP
Generally Recognised Accounting Practice	GRAP
Geographical Information System	GIS
Government Immovable Asset Management Act	GIAMA
Head of Department	HOD
Home Community Based Care	HCBC
Human Resource Development	HRD
Immovable Asset Register	IAR
Independent Development Trust	IDT
Integrated Risk Management Framework	IRMF
Industrial Policy Action Plan	IPAP
Information Communication & Technology	ICT
Integrated Financial Management System	IFMS
Information Technology	IT
Infrastructure Delivery Improvement Programme	IDIP
Information Technology Acquisition	ITAC
Information Technology Procurement	ITP
Institute of Internal Auditors	IIA
Integrated Growth Plan	IGP
Key Account Management	KAM
Land Redistribution Agricultural Development	LRAD
Logistical Information System	LOGIS
Memorandum of Understanding	MOU's
Medium Term Budget Policy Statement	MTBPS
Medium Term Expenditure Framework	MTEF
Medium Term Strategic Framework	MTSF
Middle Management Services	MMS
Millennium Development Goals	MDGs
Municipal Infrastructure Grant	MIG
Management Information System	MIS
Non-Governmental Organisations	NGOs
Non-Profit Organizations	NPOs
National Contractor Development Programme	NCDP
National Economic Development And Labour Council	NEDLAC
National Infrastructure Maintenance Strategy	NIMS
National Youth Service	NYS
Occupational Specific Dispensation	OSD
Occupational Health and Safety Act	OHSA
Pan African Parliament	PAP
Performance Based Building	PBB
Public Finance Management Act	PFMA
Performance Management and Development System	PMDS
Planned Maintenance Implementation Programme	PMIP

Portfolio Performance and Monitoring	PPM
Property Charter Council	PCC
Property Incubator Programme	PIP
Property Management Information System	PMIS
Property Management Trading Entity	PMTE
Property Performance Standards	PPS
Public Finance Management Act	PFMA
Parliamentary Villages	PV
Regulatory Impact Assessment	RIA
Recognition of Prior Learning	RPL
South African Local Government Association	SALGA
Supply Chain Management	SCM
Implement Service Delivery Improvement Programme	SDIP
Senior Management Services	SMS
Service Delivery Standards	SDS
Service Level Agreement	SLA
Software Asset Management	SAM
Strategic Plan	SP
Strategic Performance Management	SPM
State of the Nation Address	SONA
State Owned Entities	SOE's
Spatial Development Framework	SDF
User Asset Management Plan	UAMP
Union Building	UB
International Union of Architects	UIA
User Requirement Specification	URS
Virtual Private Network	VPN
Voice over internet protocol	VOIP
Web Based Reporting Systems	WBS
Workplace Skills Plan	WSP
Works Control System	WCS

CHAPTER 1 General Information

1.1 Foreword by the Minister



'To boost economic growth, the country's will bring together critical role-players in the infrastructure investment space through the SIDS methodology that will become a single point of entry where the overall National Infrastructure Plan for South Africa is defined and the pipeline of bankable projects are focused within this methodology'

The 2019/20 financial year was a difficult year characterised by low economic growth, high unemployment rate, fiscal deficit, declining global competitiveness, sector wage bill, and poor performance of state-owned enterprises and reduced levels of public infrastructure investment. This placed tremendous pressure on the operations of the Department and service delivery by government in general. For example, in relation to the Department's environment, the construction and property sectors were hit hard meaning that contractors and some landlords suffered in that regard.

At the beginning of the year 2020, the world was struck by a dangerous virus – COVID-19 which had spread throughout the world as a result of human-to-human transmission with some countries reporting significant number of those that are positive and unfortunate fatalities. At the beginning of March 2020, the World Health Organisation (WHO) reported the virus to have spread through China and to about 85 countries outside of China. The first confirmed Covid 19 case in South Africa was announced on 5th March 2020.

Notwithstanding the challenges faced in 2019/20, I am pleased to highlight some of the achievements made by the Department in relation to the Expropriation Bill, land reform, Expanded Public Works Programme and Operation Phakisa: Oceans Economy. Other significant achievements are detailed in the accounting officer report.

During the period under review, the Department continued to work on several legislative amendment undertakings such as, inter alia, the Expropriation Act, 63 of 1975. Consultations on the Expropriation Bill have advanced since the rejection of the Bill by Parliament in 2018. This rejection gave impetus to the new Expropriation Bill in 2019. Cabinet referred the Bill to the National Economic, Development and Labour Council (NEDLAC) to address new insertions to the Bill.

On land reform, the Department working together with the Inter-Ministerial Committee (IMC) plays an integral role in fast-tracking integrated land restitution and redistribution and to address challenges related to the slow pace of land reform. Critical to the terms of reference, amongst others, is the urgent need to accelerating urban land redistribution to decisively change the apartheid geography of cities and towns and unlock economic value in townships villages and small towns.

The Expanded Public Works Programme (EPWP) has been a vehicle for government in creating work opportunities. Different phases of the programme have generated significant work opportunities over time. Since its inception in 2004, the programme continues to provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities. Over the last five years, the programme created 4.5 million work opportunities (2014-2019) with the 2019/20 financial year recording a total of 994 699 work opportunities towards a 5 million work opportunities target. The successful implementation of youth empowerment policies by the programme saw South Africa bringing home a bronze award in October 2019 from the prestigious Future Policy Award 2019 ceremony held in Belgrade, Serbia. The recently launched EPWP phase IV has the objective to provide work opportunities and income support to poor and unemployment people through the delivery of public and community services and assets.

The Department contributes to Operation Phakisa: Oceans Economy through the Small Harbours and costal development programme. A significant achievement has been the harbour revitalisation work stream that focusses of environmental transformation, security upgrades and revitalisation of existing harbours. Having managed 333 state coastal property leases across the four coastal provinces, the Department was able to generate over R20 million and created 963 work opportunities during the 2019/20 financial year.

Fraud and corruption is one of the greatest obstacles to economic and social development as it damages policies and programs that aim at service delivery and changing people's livelihoods for the better. The Department has an approved Fraud Prevention Strategy that outlines the implementation of the fraud prevention program. The strategy evolves as the Department makes changes and improvements in its drive to promote good governance, accountability and effectively fight fraud and corruption. The Strategy is reviewed periodically to enable the strategy to be effective in responding to nature of the prevailing challenges.

A total of 293 investigations on a series of allegations of fraud and corruption have been conducted since the 2012/13 financial year. Of this total number of investigations, 256 have since been completed (representing 87%), 18 cases are at various stages of investigation and 19 cases were referred to other law enforcement agencies. Cases consisting of criminal acts related to misrepresentation, and fraud and corruption have been referred to the South African Police Services (SAPS) for further investigation and possible prosecution of the perpetrators

Going forward in driving growth through infrastructure

The Department will focus on public land and building assets and infrastructure and the way in which they can be utilised to stimulate and sustain economic growth in the built environment. If government invests in the sustainable lifecycle of its infrastructure it will create investor confidence in Africa and the World. The Infrastructure Development Act, 2014 (Act 23 of 2014) includes amongst others, the facilitation and coordination of public infrastructure development, which is of significant national importance, as well as promoting the development goals of the state through infrastructure development investment. One of the golden threads running through infrastructure development investment in the 6th Administration is the rollout of the District Development Model across South Africa's 44 districts.

This exciting added role allows the Department, alongside the Infrastructure Investment Office in the Presidency ("IIO"), to structure the country's Infrastructure-led Economic Growth under a single point of entry where the overall National Infrastructure Plan for South Africa is defined and the pipeline of bankable projects are focused within a new methodology. This Department, and its Public Entities, has a strenuous road ahead to traverse, and it will take substantial effort and dedication, which I believe exists once the reorganised Department comes together under its new mandate and focuses on the tasks at hand. However, we cannot do it alone and we will need to work in partnership with our various stakeholders - from the communities that we are there to serve to our sister departments, provinces and municipalities, and with the private sector and the international community. All play a critical role in this journey of implementation and targeted service delivery for the public good.

I hereby present the Department of Public Works and Infrastructure's Annual Report for the 2019/20 financial year.

Ms. Patricia de Lille (MP)
Public Works and Infrastructure Minister

1.2 Report by the Accounting Officer



"2019/20 was a difficult time for the country characterised by low economic growth, high unemployment rates and weak investment. Related to the Department, the construction sector and property sector were hard hit. Going forward, infrastructure investment will be needed as a catalyst to grow the economy and overcome poverty and inequality"

1.2.1 Overview

The South African economy went through a turbulent period in the 2019 teetering on the brink of uncertainty, characterised by low economic growth owing to inter-alia load shedding, weak investment levels and a gold mining strike and unemployment rates rising to 29% in the second quarter of 2019 from 27.6 in the previous period. The mining sector rebounded as strikes came to an end in the second quarter with a growth of 14.4% - contributing a full 1.0 percentage point to GDP growth. Towards the end of the 2019, the Reserve Bank of South Africa's figures showed an economy entering its 70th month of a downward cycle - the longest since 1945.

The construction sector, a significant contributor to employment and growth in South Africa, has been in a slump since 2009. The sector shed around 142 000 jobs in the first quarter of 2019 facing significant pressure as spending on infrastructure declined, failure of the economy to grow and concerns mounted about the expropriation of land without compensation.

The local property sector also took a hit owing to low investor confidence. This was evidenced by high vacancies and protracted rental pressure across the country's four economic hubs. Some factors of this negative trends in commercial property point to the high levels of political and economic uncertainty, with investors and business leaders preferring to hold back on long-term commitments while the country remains in a fragile position. Public Works Department has an interest in construction and property sector driven by its mandate. Significant budget allocations are made available for construction projects and property particularly office accommodation for government at large. Slow growth coupled with low demand for construction and office space may have implications on the ability of the government to spend. Spin off activities such as the creation of work opportunities and effecting empowerment policies within the construction and property space are also affected.

Going forward, infrastructure investment will be needed as a catalyst to grow the economy and overcome poverty and inequality, as well as building environmental sustainability and urban resilience, particularly in the light of rapidly risen urbanisation rates.

1.2.2 Significant events and major projects

The overview of the current state of the economy presented earlier provides the context in which the performance of the Department is to be understood in the period under review. The Department's programmes have remained relatively the same as the previous financial year for consistency and measurability of progress over time. Therefore, the period under review follows the same approach as the previous financial year. The main vote (the Department) focused mainly on intergovernmental coordination, coordination of EPWP programmes, Property and Construction Industry Policy and Research and management of the prestige portfolio. The core business of property management was ring-fenced under the PMTE with emphasis on, inter alia, managing relations between the Department and client departments, planning and precinct development, construction project management, management of the immovable asset register and facilities management. The significant and major achievements of the Department are thematically discussed as follows:

- Anti-Fraud and Corruption, Management of Capacity and Compliance
- Policy, Regulation and Empowerment
- Sector Coordination, Concurrent Mandate and Capacity Building
- Coordination of Public Employment Programmes
- Real Estate and Facilities Management
- Construction Project Management
- Contributions to the Oceans Economy through Small Harbours Development

The thematic approach allows for a holistic presentation of the performance of the Department for the period under review.

Anti-Fraud and Corruption, Management of Capacity and Compliance

- Anti-Fraud and Corruption

The Department maintains an allegation register of all cases reported for investigation and in order to promote and maintain accountability, all cases are reported quarterly to the Audit Committee. Allegations reported to the Department are screened / assessed to establish whether they meet the minimum elements of fraud, corruption and/or serious maladministration and to determine on a preliminary basis the strategy to act in response to the allegations made.

Since the 2012/13 financial year to the end of March 2020, the Department conducted 293 investigations on a series of allegations of fraud and corruption in the Department, of which 256 have since been completed, 18 cases are at various stages of investigation and 19 cases were referred to other law enforcement agencies.

As a result of these investigations, 325 disciplinary proceedings were initiated against departmental officials for various misconducts relating to corruption, financial misconduct and non-adherence to Departmental policies and procedures. Of the total 325 recommended disciplinary proceedings 288 have been finalized. Of the 288 finalised proceedings, sanctions against officials range from dismissals, final written warnings, written warnings and suspensions without pay, resignations before finalization of disciplinary hearings, retirement, non-prospects of successful prosecution and not found guilty. A total of 46 cases which consist of criminal acts related to misrepresentation, and fraud and corruption have also been referred to the South African Police Services for further investigation and possible prosecution of the perpetrators.

- Management of Capacity and systems within the Organisation

The Department made significant strides in reducing the vacancy rates since the previous financial years. Measures employed included the identification and prioritisation of positions in terms of funding, implementation of a recruitment drive and the abolishment or deactivation of unfunded vacancies from the post establishment.

The above measures had the effect of drastically reducing the vacancy rate to 13% as at 31 March 2019. Further recruitment drive resulted in the vacancy rate dropping to 10.8% by 31 March 2020. The Department had in line with the Public Service Regulations 2016, set itself the target of 100% filling of the prioritised funded vacancies. The setting of a time frame of filling these identified vacancies within a period of six months (6) months from the date of advertisement contributed to a greater extent in the massive reduction of the vacancy rate.

The Department could have achieved even better results but the majority of the positions filled during the financial year under review were advertised during the third and the last quarters of the 2018/19 financial year and the first quarter of 2019/20 financial year. The period of transition between the 5th and 6th Administration together with the placement of the moratorium on the filling positions between June and September of 2019 contributed to the Department not meeting its target for the filling of prioritised funded vacancies within six (6) months from date of advertising. The Department has received an additional mandate of infrastructure coordination that also required the reconfiguration of its organisational structure.

The addition of the mandate of infrastructure coordination provides an opportunity to improve performance in areas of training and development and performance management. The Department intends implementing an improved and sustained performance in the following Financial Year through the performance management development system (PMDS). Focus will be put on development and implementation of PMDS year plans and ensure

compliance to various phases of managing performance. Key interventions will be driven by Implementation of the PMDS Policy and the Training & Development Policy.

The Departmental Information Technology (IT) did not fare well within the year under review. Poor governance arrangements, inadequate leadership and capacity contributed to the failure to meet milestones. The progress made had been patchy but certainly significant. In the first and second quarter progress was recorded with the LeaseIN module being fully implemented in the Enterprise System Archibus and Sage. All the transaction for the Lease-In module including payment of these leases was implemented in the Enterprise System. This had the effect of improving performance and the addition of important controls as each payment made could be traced and tracked in the system. There is nevertheless massive work in the next Financial Year to conclude all outstanding work on the ERP with a focus on the immovable asset register being fully transactional.

- Occupational Health and Safety Compliance

In the area of Occupational Health and Safety Compliance as at March 2020, inspections at 612 (six hundred and twelve) state-owned buildings, 145 (hundred and forty five) leased buildings, and 346 (three hundred and forty six) construction projects were conducted for OHS compliance. Non-compliance with legislation continues to be a problem as evidenced in a number of prohibition and/or contravention notices. This includes, inspections on two state-owned facilities for compliance with the Asbestos Regulation and the OHS Act in general, that is the Department of Home Affairs (Client services) and the Department of Employment to identify asbestos, which will be addressed in 2020/21. This is seen as a huge milestone when eradicating facilities with asbestos. Furthermore, a total of 11 (eleven) inspections of active and spiked railway sidings were conducted.

The Occupational Health and Safety Compliance Directorate through consultation with the Regional OHS Managers has developed a new building and construction checklist. The tool was developed by the National task team. The tool has been finalized and adopted for utilization during the OHS Compliance workshop which was held on 12 and 13 March 2020. The working tool has been rolled out to all the regional offices for implementation. Evacuation Chairs were procured for the Department of Health, Civitas Building.

Policy, Regulation and Empowerment

During the period under review, the Department continued to work on several legislative amendment undertakings. The work entailed amendment of the Expropriation Act, 63 of 1975; Construction Industry Development Board Act, 2000 and the Council for the Built Environment Act, 2000, amongst others.

The Expropriation Bill [B4D-2015] was rejected by Parliament in September 2018. This rejection gave impetus to the new Expropriation Bill, 2019, which was gazetted in December 2018 for public comments. During this period, consultations were undertaken with key stakeholders and various interest groups such as Inter-Ministerial Committee on Agriculture

and Land Reform (IMC), Forum for South African Directors- General (FOSAD), Economic Sectors, Investment, Employment and Infrastructure Development (ESIEID) Clusters and Cabinet. Inputs received enhanced new nil compensation insertions in the Expropriation Amendment Bill. The key focus of the inputs received were mainly on Clause 12(3) and 4 of the Expropriation Amendment Bill, 2019, which refers to nil compensation for expropriation. In December 2019, the Department engaged with Cabinet on the intention to table the Expropriation Amendment Bill for Parliamentary processes. Cabinet was however of the view, amongst a few recommendations provided, that the Expropriation Amendment Bill be tabled at the National Economic, Development and Labour Council (NEDLAC), to address new insertions to the Bill. The Department started engagements with NEDLAC from 05 December 2019 to March 2020. Despite the Department's commitment to finalise the NEDLAC engagement prior to the close of 2019/20 financial year, measures to combat the spread of COVID-19 pandemic however impeded it. Conclusion of this process will be finalised towards the way for the Bill to be tabled for Parliamentary processes in due course.

It was anticipated that the process to amend the Construction Industry Development Board Act, 2000 to enable it to fulfil its mandate would culminate in a draft legislative amendment developed for submission to Minister for consideration. Whereas this was achieved, legal opinion received recommended that due process must be undertaken which include policy development process must be completed prior to the legislation being drafted. This has led the Department to focus on development of a Policy position document for consideration by the Minister. Similar approaches are being undertaken towards amending legislation governing Built Environment Professions (BEPs).

Regarding the Department's role in International Relations, successful engagements were concluded with the Cuban authorities and the Department of International Relations and Cooperation (DIRCO) to facilitate the renewal of the Cuban Technical Agreement for a further three years. The renewal of the agreement will ensure that the Department will continue to implement the Cuban Technical Assistance Programme in the provinces.

Additionally, participation of the Department's officials in international training programmes was successfully facilitated to achieve capacity building and skills development objectives. Capacity building programmes were facilitated with such international organisations as the Japanese International Cooperation Agency (JICA), Independent Training Institutions, Universities and the Indian Technical and Economic Cooperation (ITEC). Most of the training provided is sponsored by the institutions concerned.

Sector Coordination, Concurrent Mandate and Capacity Building

In the period under review, the Department contributed to improved sector coordination through regular engagements with intergovernmental governance structures to ensure seamless programme and policy implementation. The review of Technical MinMEC governance structures was undertaken to evaluate the effectiveness thereof. In line with the recommendations of the review report, the realignment of the sector structures was thus necessitated, resulting in the formation of the two governance clusters, namely:

- (a) Governance, Policy and Legislative Cluster;

(b) Operations Cluster

The two governance clusters will oversee the functionality of the workstreams in support of Technical MinMEC and MinMEC. The operationalization of sector cluster system will be implemented in the new financial year.

The recommendations of the Sector 5 year review report were tabled in the first Minmec meeting for engagement and infusion into work programme of the 6th administration. One of the critical recommendation made was the need for the review of the sector Programme of Action and Customised Sector Indicators. This process led to the development of the Sector Plan that will drive the implementation of cross cutting standardized performance indicators throughout the sector. The development of the Sector Plan is currently underway, entailing the alignment of the National and Provincial Annual Performance Plans, the Medium Term Strategic Framework (MTSF), the 6th Administration service delivery priorities and the Sector 5 Year Review Report. Intensive engagements are undertaken with the sector to ensure the development of a well thought through and all-encompassing Sector Plan. This process will be concluded in the 2020/21 financial year. Implementation will therefore take place from 2021 going forward.

The integrated Sector Plan will thus address challenges such as fragmented planning experienced within the sector. This document will be reviewed on an annual basis to provide an opportunity to monitor its effectiveness and curb the existing challenges. The Department regularly interacted with other spheres of government through certain public participation programmes, hosted in various Provinces. A number of public participation events were conducted during the period under review. In line with the sector IGR awareness programme coordinated, a two-day workshop was held in May 2019, hosted by the Limpopo Province. The workshop was aimed at bringing together stakeholders representing the Province, Municipalities, the Departmental Regional Office and relevant line function to discuss the role of the three spheres of government in pursuit of the theme *“Towards integrated, policy, planning and coordinated implementation approach for efficient service delivery. The role of the three spheres of Government”*.

- **Capacity Building**

The strategic objective of the Professional Services programme in the Department is to build technical capacity for the State focusing on the Built Environment. This emanates from the insufficient technical skills within the State to deliver Public Infrastructure and positively reduce over reliance on consultant's fees and improve service delivery. The programme has piloted the integrated Capacity Building Programmes within Public Works Sector. In the 2018/19-2019/20 financial years, the Department embarked on aligning Capacity Building Programmes of Provincial Public Works to the Skills Pipeline Strategy. The objective of the Skills Pipeline Strategy approach is to create a sustainable skills pipeline and retain the technical skills within the State. The Skills Pipeline Strategy is folded into three sub-strategies:

- Pull Strategy – focusing on the School level to promote and attract the learners to the Built Environment and further create funding opportunities by awarding bursaries to create a sustainable skills pipeline;
- Intermediate Strategy – focusing on structured Work Integrated Learning, Internship, Artisan Development opportunities. Intermediate strategy further enables Structured Mentorship

opportunities to accelerate professional registration towards transforming the sector and ensure numbers of registered professionals within the Built Environment represent demographic of the country;

- Push Strategy – focusing on retention of scarce and critical skills within the State for a capable workforce.

Provincial Public Works has developed Capacity Building strategies that are aligned to the Skills Pipeline Strategy. The next phase will be to ensure implementation and monitoring to achieve the desired outcomes to capacitate Public Works Sector with required skills to be able to deliver on its various mandates and in compliance with the Infrastructure Delivery Management System (IDMS)

Additionally the need for the Public Works Academy was identified and this academy was expected to be operational in the year under review. Owing to financial constraints, this programme was put on hold and discussion underway to manage the programme within the Department.

The Department also contributes to the National Development Plan vision 2030, the National Skills Development Plan 2030, and Skills Development Act. The Department implements Capacity Building Programmes that are aligned to the Skills Pipeline Strategy and the following were achieved for 2019/20 year:

- A total number of 1212 beneficiaries participated on DPWI Skills Development Programme
- Young Professionals – 170
- Management Trainees - 37
- Interns - 208
- Artisans - 424
- Learnership –176
- Bursaries -197

Additional 40 Schools Programme participants were awarded bursaries to enroll for built environment qualifications and 40 Bursary Holders completed their qualification and there are currently participating on the Internship and or Young Professionals Programme. The Department realized the success of the programme as 60 beneficiaries secured sustainable jobs and 12 Young Professionals obtained professional registrations.

- Land Reform

In terms of land reform initiatives, an Inter-Ministerial Committee (IMC) was established in August 2018, headed by Deputy President. The IMC's terms of reference is based on the following focus areas:

- Overseeing progress on legislative processes intended to conclude current and ending bills.
- Ensuring productive utilisation of restored and redistributed land, including land of high biodiversity value in, and outside, protected areas.
- Development and implementation of packages for post settlement support to enhance agricultural production and economic growth.
- Massifying agricultural production in communal areas including the provision of intensified support before the planting season starts.

- Ensuring security of tenure for farm dwellers on land already occupied by these households without negatively affecting production.
- Implementing measures to address governance and capacity constraints around communal Property Associations and improving institutional capacity to accelerate land reform, particularly the finalization of outstanding land claims.
- Accelerating urban land redistribution to decisively change the apartheid geography of cities and towns and unlock economic value in townships villages and small towns.

The IMC further serves as a catalyst to fast-track integrated land restitution and redistribution and to address challenges related to the slow pace of land reform. This IMC collaborates with 11 sector departments to identify and implement measures to accelerate land reform. The Department plays an integral role in the IMC as one of the custodians of State owned land by releasing identified land to support the Department of Agriculture, Land Reform and Rural Development as well Human Settlements and Water and Sanitation with land restitution and sustainable human settlements.

Coordination of Public Employment Programmes

The Expanded Public Works Programme (EPWP) is a nation-wide government-led initiative aimed at drawing a significant number of unemployed South Africans into productive work in a manner that will enable them to gain skills and increase their capacity to earn an income that will contribute towards the development of their communities. Within the framework of an overall social protection system, the EPWP is positioned to assist in addressing a gap in the current social protection system by providing employment for those not covered by the social welfare system and are willing and able to work. Since its inception in 2004, the programme continues to provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities in four thematic areas/sectors – Infrastructure, Environment and Culture, Non-State and Social. EPWP projects are designed to equip participants with a modicum of training, where feasible at programme level, and work experience to enhance their ability to earn a living in the future.

From 01 April 2019, the EPWP has started to implement the EPWP Phase IV for the next 5 years ending 31 March 2024. The objective of the EPWP Phase IV is to: “Provide work opportunities and income support to poor and unemployment people through the delivery of public and community services and assets.” Phase IV builds on the lessons from the past fifteen years as well as international experience, and aims to take the role of Public Employment Programmes (PEPs) to the next level. It is important, therefore, that the EPWP builds on the experience and innovations to date to identify measures that will address some of the weaknesses of the programme that have emerged, while capitalising on the various developmental opportunities. The key changes that will be implemented in Phase IV are the following:

- Strengthening the monitoring of the core EPWP principles to improve compliance to the EPWP guidelines.
- Expansion of the programme through replication and improvements in programmes across all sectors.
- Ensuring and monitoring the provision of quality services and the creation of quality assets.
- Enhancing the EPWP coordination and institutional arrangements including the PEP-IMC.

- Implementing projects and programmes that are more attractive to the youth who are in the Not in Education, Employment or Training Sector and increasing the participation of women across all programmes and sectors.
- Ensuring transparency and accountability through social audits and strengthening programme evaluation to enable improved performance of the programme guided by evidence.
- Strengthening impact evaluation of the EPWP and ensure greater transparency and accountability through the introduction of social audits.
- Strengthening partnerships with the private sector and Technical and Vocational Education and Training (TVET) colleges.

In the period under review, the programme has achieved 994 699 work opportunities against the annual target of 981 497 work opportunities which translates to 101% achievement through the implementation of 13 407 projects covering all the EPWP Sectors across the country. From the work opportunities reported, the following demographics have been achieved 679 693 (68% vs 60% target) for women, 417 194 Youth (42% vs 55% youth target) and 9 562 (1% vs 2% target). The impact of the EPWP is more than just the work opportunities (WOs) created. The programme also transferred R12 billion as income support to the participants in this financial year. Through the productive work of participants in the EPWP, each project delivers concrete outputs which improve the lives of the poor by providing a wide range of services and assets.

The EPWP Phase III Impact Report released in November 2019 confirms that despite the fact that the EPWP offers short term employment, the income support provided in the form of wages to participants contributes towards reducing poverty levels. When participants are working in EPWP, the wages they earn reduces the level of poverty for them and their households. The report further notes that bulk of the income (i.e. 80%) paid as wages to EPWP participants is transferred to rural municipalities compared to urban municipalities.

In the same reporting period, 334 Contractors and 319 Supervisors were trained as part of the EPWP Vuk'uphile Learnership Programme by the Department of Public Works and Infrastructure in partnership with the various public bodies. However, in implementing the programme there are various challenges which constrain the delivery of the work done. These challenges include delays in implementation of projects by public bodies especially at a municipal level, and the lack of sufficient funding for mentorship of contractors. To address this shortcoming, more public bodies will be engaged in 2020/21 to accelerate the implementation of the Vuk'uphile Learnership Programme.

With regard to the implementation of the EPWP National Youth Service (NYS) programme, a total of 909 youth have been recruited for the period 1st April 2019 to 31st March 2020. The number of youth recruited was affected by delays in the implementation of projects targeted. In the 2020-21 financial year, additional projects within the department will be targeted to increase the number of youth recruited.

Through the Non-State Sector (NSS) Programme, a total of 339 Non-Profit Organisations (NPOs) against a set target of 350 NPOs were contracted to implement the NSS: NPO Programme in all provinces across the 44 Districts in the country. Some of the NPOs that

applied to participate in the programme could not meet the eligibility criteria set for NPOs to participate in the programme and a few NPOs that were appointed did not accept the terms of the contract provided.

To ensure public bodies continue to mainstream and implement the EPWP projects, a total of 291 public bodies were provided with technical support on EPWP. Protocol Agreements containing targets and outlining responsibilities of different public bodies will be signed in the 2020/21 financial year to support the mainstreaming of EPWP as well as improving accountability in terms of performance. Following the roll out of the EPWP Recruitment Guidelines in Provinces in 2018/19, in 2019/20 the branch continued to present the EPWP Recruitment Guidelines in various workshops hosted by Municipalities that found it difficult to implement the Recruitment Guidelines, due to interference in the recruitment processes of EPWP participants. The intention of these workshops was to raise awareness on the right recruitment practices to be followed in EPWP towards ensuring that target population of participants in the programme are afforded an equal opportunity to participate. To address the recurring under-performance on the attainment of Youth and People with Disabilities (PWDs) targets, the branch hosted a Colloquium in January 2020 with stakeholders from across all the three spheres of government together with the civil society groups representing Youth and People with Disabilities. The aim of the Colloquium was to share best practices on programmes/projects implemented targeting participation of Youth and People with Disabilities (PWDs); and to map out strategies that can be considered to increase Youth and PWD participation from 2020/21 financial year.

Through the EPWP Enterprise Development function, support was provided to EPWP participants to start and operate small businesses resulting in 320 entities supported. This support entail assistance with legal compliance, as well as providing them with capacity building in both technical and business skills; offering linkages to access finance through financial institution both from the government and private sector; and to access markets for the sustainability of SMMEs.

Furthermore, 5 320 participants underwent a capacity building programme aimed at improving the financial literacy of EPWP participants. The programme considers issues such as managing your money; how to plan your budget; how a budget helps you; insurance, credit records and credit bureaus and savings. The capacity building programme is undertaken in partnership with the Financial Sector Conduct Authority (FSCA). Through the National Skills Fund (NSF), the EPWP has also received training funds from the Department of Higher Education and Training (DHET) and in 2019/20 financial year, these funds enabled EPWP to train 682 EPWP participants on various skills programmes.

In recognition of the strides that are being made by the Programme, the EPWP won a bronze award for the implementation of successful youth empowerment policies. The announcement was made at the prestigious Future Policy Award 2019 ceremony in Belgrade, SERBIA on 16 October 2019. The Deputy Minister received the award on behalf of the Department.

Integrated Planning, Real Estate and Facilities Management

Planning and Precinct Development programme within the Department is responsible for integrated planning within Urban, and Rural Areas in collaboration with various government departments at national, provincial and municipal level. The planned development initiatives within this programme, requires to alignment with the District based model as well as well as Municipal Spatial Development Frameworks.

- Public Works' contribution is through unlocking the potential of its collective asset base to stimulate the local economy in meeting the accommodation requirements of its Users. Precincts are identified in collaboration with municipalities in compliance with their Spatial Development Frameworks and Master Plans that have been compiled to facilitate integrated development,
- PPD develops precincts with the intent to create Government accommodation solutions within identified precincts in collaboration with municipalities and sector departments to ensure efficiencies for the state
- Precinct Planning guides the location of government infrastructure development and creating a catalyst for government and private sector investments.
- Government Precinct Plans must ensure effective management of precincts promoting safe, accessible, and environmentally sustainable government facilities.
- Reduce lease cost, encourage shared services and generate revenue towards a government estate concept as we improve our abilities to generate revenue for the PMTE

In managing the property portfolio, the Department focused on reduction of costs in doing business and efficiency in delivering services to users. A total of 1 379 leases were renewed in the 2019/20 financial at reduced rental costs resulting in less budget commitment for future financial years. In the process, the Department secured total saving of R447 306 544. This saving will be realised in the first year for all concluded leases. Funded maintenance commitments were firmly tied into the lease contracts to ensure the quality of accommodation.

The expiry of COEGA contracts on development of standard operating procedures (SOPs) had negative effect in terms of re-engineered processes and alignment to IDMS. This was further exacerbated by delayed implementation of enterprise resource planning software applications. Despite these challenges, significant progress was reported in the period under review.

The Department is working on a strategy that will see many of its unutilised properties let out to the public and interested investors. A letting strategy is at its final stages of being concluded. This will free/see a total of 2 447 unutilised buildings (constituting 3% of the total portfolio) which were weighing heavily on rates and taxes, contracted security services to guard these properties, eroded value due to illegal occupation, dilapidation and vandalism. These properties also became a safe haven for criminals in communities where they are located.

Whilst working on its strategy to let out in an organized fashion, the Department has seen an opportunity to avail some of these properties for use for gender based violence programme. This came as a response to the President's call for government departments to make a contribution towards intensifying fight against gender based violence. At the end of 2019/20 financial year, the Department had already started repairing and refurbishing some of these

properties. Upon completion of the repair work, the Department will conclude contracts with Social Development Department.

The Department rolled-out the Archibus Day to Day maintenance module and training on the implementation and use of the module was provided to some of the Department's regional offices. This initiative has resulted in improved the service delivery to the client departments in terms of response and tracking of work orders. Further training on the revised Day to Day Guidelines for R100 000 delegation for Users was also concluded with client departments and other relevant stakeholders.

The maintenance programme is managed through Total Facilities Management (TFM). Consultations were held with clients in implementing a phased approach for TFM. In this regard phase 1(a) includes:

- Agrivaal (HQ of DPSA)
- Civitas (HQ of DOH)
- 1 Military (Prioritized facility for DoD)
- Limpopo high court (new court for DoJ)

Through the Department's Implementing Agent (DBSA), a panel of TFM Companies was established and TFM for the four sites has progressed fairly well, the scoping and tendering processes are completed with budget concurrence as a last milestone for the appointment of the successful TFM service providers. The next level of phase 1 (b) facilities include:

- Plettenberg Bay Magistrate Court
- Booysen Magistrate Court
- Nelspruit High Court
- Pretoria High Court
- Dalibhunga Museum
- Qunu Museum
- Home Affairs New Corporation
- Complex Home Affairs JHB
- 2 Military Hospital
- 3 Military Hospital
- Department of Science and Technology (DST)
- Robben Island
- Ditsong Museum, comprising;
 - o Pioneer Museum
 - o Willem Prinsloo Agricultural Museum
 - o Sammy Marks Museum
 - o Tswaing Meteorite Museum
 - o Cultural History Museum
 - o Military History Museum
 - o Natural History Museum
 - o Kruger Museum.

The TFM for phase1 (b) implementation is ongoing. Approval to proceed with DBSA as an implementing agent has been concluded. Further, the Department has increased the

coverage of Term Contracts for Maintenance with approximately 333 Term contracts being implemented nationally, therefore reducing the emergency approach. This further improves significantly our response time to Emergency and Day to Day Maintenance. Term Contract specification documents standardisation has progressed significantly to ensure single standardised documents across all 11 regions. Completed standardised documentation are for lifts, HVAC and boilers. Other services are earmarked for 2020/2021 financial year. It is the responsibility of the Department to maintain and ensure that government buildings are kept in a functional condition. To this end, the Facility Condition Assessment Guidelines have been finalised and ready to be institutionalised in the Department. The sector and regional offices have been engaged to standardize the Condition Assessment competency for the Public family.

A Facility Condition Assessment in-house pilot project has commenced, for various facilities. The first project will target three (3) DAC facilities from June to July 2020. The main objectives behind the implementation of these in-house FCA projects are the following:

- To target the FM “Productive Assets” for 2020/2021 financial year.
- To develop Facility Maintenance Management Plans, in alignment with GIAMA and NIAMMS, and use them as inputs for future maintenance projects.
- To test the effectiveness of the tool that the Branch have developed “Condition Assessment and Maintenance Planning Guidelines”

In terms of maintaining lifts in various buildings, the Department has implemented a national roll-out of the Original Equipment Manufacturer (OEM) mostly in the Johannesburg, Port Elizabeth and Pretoria regional offices.

The Department (through the CTAs skills transfer program) trained a total of 120 Artisans from May 2018 to date, 35 (out of the 120) were trained in 2019/2020 financial year. The training programs and the skills that have been transferred to the artisans, are in alignment with the competencies required to be developed as stated in NIAMMS Competency Framework. The beneficiaries have received training in Facility Condition Assessment, cost estimation for maintenance activities, asset (components) identification, project management principles and computing skills such as AutoCAD and MS Projects – to name a few.

Construction Project Management

The purpose of the Construction Management in the Department is to provide effective and efficient delivery of accommodation needs for the Department and client departments through construction and other infrastructure improvement programmes. For the year under review the Construction Management Branch spent an amount of **R4.1 billion** on infrastructure projects.

In the mist of delivering infrastructure projects, we encountered a number of challenges which include but not limited to the following: Incapacity of some emerging contractors

implementing our projects is adversely affecting timeous delivery of projects; Clients requests for additional work and community protests and demands to be considered as service providers has financial implication on the preliminaries and generals costs of the projects; Limited professional services positions, for Sketch Plan approvals, which adds to delays for approval of sketch plans; Extended tender adjudication and award dates; Community protests and work stoppages; Incapacity of some emerging contractors implementing our projects is adversely affecting timeous delivery of projects; Clients requests for additional work and community protests and demands to be considered as service providers has financial implication on the preliminaries and generals costs of the projects. Several mitigation plans were put in place, and it is an ongoing progress

Contributions to the Oceans Economy through Small Harbours Development

The Department convened the Operation Phakisa: Oceans Economy: Small Harbours Development Lab in November 2018. During the Small Harbours Lab a total of fifteen initiatives were developed across the four thematic areas (workstreams). The implementation of the Operation Phakisa initiatives have commenced with progress being made under the Institutional Arrangements workstream. This will allow for clear roles and responsibilities to be enumerated within an Implementation Protocol between all spheres of government. Additional progress has also been made within the Harbour Revitalisation workstream that focusses of environmental transformation, security upgrades and revitalisation of existing harbours.

To date, the Department has spent a total of **R500 Million** on the special intervention repair and maintenance programme to the Proclaimed Fishing Harbours in the Western Cape. This programme has progressed with the removal of sunken vessels being completed. Dredging, repairs to slipways and shore cranes are nearing completion within all the identified harbours. Both civil and electrical infrastructure upgrades has commenced in Hout Bay Harbour with a specific focus on security infrastructure. The entire programme thus far has created a total of 380 jobs and empowered 45 local SMME companies to the value of approximately **R40 Million**.

As a response to the shortfall of funding for infrastructure, the Small Harbours Development Unit took the initiative to apply for availed funding opportunities at National Treasury. Applications for the Budget Facility for Large Strategic Infrastructure Proposals (BFI) and the General Budget Support Programme (GBS) were approved with allocations **of R1.6 billion** and **R60 million** respectively. This Unit is still engaging with the Chinese Government through DIRCO on the provision of Chinese Grant Funding.

The first allocation of the BFI funding to the tune **of R100 million** was provided to the Small Harbours Unit where it was utilised to fund the remaining civil and electrical infrastructure projects to the Proclaimed Fishing Harbours. The funding was further allocated to the repairs to slipway in Saldanha Bay Harbour which had a historical design flaw. The augmented funding from National Treasury will operationalise the existing harbours and allow for increased local economic development within the harbours.

Under the Small Harbours Development programmes, the Department generates approximately R21.1 million annually from 333 state coastal property leases across the four coastal provinces. During the 2019/20 Financial Year, a total of 963 new work opportunities were created through the letting out of state coastal properties and properties within small harbours.

The Department has commenced with the awarding of Operation Phakisa aquaculture leases. Thus far, 1 lease has been awarded and 2 leases are currently in the negotiation phase. Upon completion of the aquaculture leases, the Department will focus on the renewal of existing tenants lease agreements and last but not least any all new developmental proposals.

1.3 Overview of the Financial Results

1.3.1 Main Account

Overview of Financial Results

- Departmental revenue 2019/20

The table below depicts a comparison of the departmental revenue receipts against estimates and compared to the prior year performance.

Table 1.1: Programme Receipts

Departmental receipts	2019/20			2018/19		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	320	305	15	345	292	53
Interest, dividends and rent on land	13 000	25 652	(12 652)	2 400	1 451	949
Sale of capital assets	200	139	61	200	90	110
Financial transactions in assets and liabilities	1 100	971	130	429	1 645	(1 216)
Total Departmental receipts	14 620	27 067	(12 447)	3 374	3 478	(104)

The Department collected R27 million as per different categories reflected in Table 1.1. The increase in revenue collection mainly relate to interest to the amount of R26 million received on transfer payments made to the IDT for the Non-State Sector Incentive, which includes R11 million for the 2018/19 financial year.

- Budget Allocation 2019/20

The Department's adjusted appropriation for the year under review was R7.907 billion, which is an increase of 6% compared to the 2018/19 financial year's adjusted appropriation of R7.483 billion. The increase in the budget allocation was mainly for current payments and transfers and subsidies for the EPWP incentives and PMTE.

As depicted in Table 1.2, the bulk of the appropriated financial resources (91%) are allocated between Expanded Public Works Programme (34%) and Property and Construction Industry Policy and Research (57%). These two programmes represent the major proportion of the Department's mandate or deliverables.

Table 1.2: Budget Allocation per Programme

Programmes	R'000	Allocation as %
Programme 1: Administration	511 013	6%
Programme 2: Intergovernmental Coordination	56 386	1%
Programme 3: Expanded Public Works programme	2 680 814	34%
Programme 4: Property and Construction Industry Policy and Research	4 538 905	57%
Programme 5: Prestige Policy	119 927	2%
Total	7 907 045	100%

- Expenditure Analysis

A summary of the Department's financial performance is provided in Tables 1.3, 1.4 and 1.5 below which show the overall budget and expenditure as well as spending per economic classification.

Table 1.3: Expenditure Analysis

	2019/20 R'000	2018/19 R'000
Budget allocation	7 907 045	7 483 326
Actual Expenditure	7 760 214	7 448 549
Actual: Spent Budget %	98.1%	99.5%
Unspent funds	146 831	34 777

Actual: Unspent Budget %	1.9%	0.5%
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TABLE 1.4: Expenditure Analysis per Programme

	2019/20				2018/19		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as %	Final Appropriation	Actual Expenditure	Expenditure as %
	R'000	R'000	R'000	%	R'000	R'000	%
Administration	511 013	460 670	50 357	90.1%	470 674	448 316	95.2%
Intergovernmental Coordination	56 386	52 448	3 939	93.0%	53 868	50 425	95.0%
Expanded Public Works Programme	2 680 814	2 638 163	42 651	98.4%	2 538 562	2 532 725	99.8%
Property And Construction Industry Policy and Research	4 538 905	4 523 839	15 065	99.7%	4 232 691	4 232 318	100.0%
Prestige Policy	119 927	85 094	34 833	71.0%	188 531	184 765	98.0%
Totals	7 907 045	7 760 214	146 831	98.1%	7 483 326	7 448 549	99.5%

TABLE 1.5: Spending Per Economic Classification – DPW

	2019/20				2018/19		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation
	R'000	R'000	R'000	%	R'000	R'000	%
Current payments							
Compensation of employees	557 085	503 535	53 550	90.4%	518 172	496 388	95.8%
Goods and services	451 721	364 744	86 977	80.7%	469 723	469 583	99.9%
Interest and rent on land	107	107	-	100%	395	395	100%
Transfers & subsidies							
Provinces & municipalities	1 598 233	1 598 232	1	100.0%	1 516 868	1 516 868	100.0%
Departmental agencies & accounts	4 486 911	4 486 911	-	100.0%	4 173 787	4 173 787	100.0%
Foreign governments & international organisations	24 621	24 621	-	100.0%	22 723	22 710	100.0%
Public corporations & private enterprises	5 000	5 000	-	100.0%	28 362	28 362	100.0%
Non-profit institutions	750 424	750 424	-	100.0%	720 158	720 158	100.0%
Households	9 536	8 995	541	94.3%	9 315	8 714	93.5%
Payment for capital assets							
Machinery & equipment	22 784	17 022	5 762	74.7%	21 220	8 981	42.3%
Software & other intangible assets	457	457	-	100.0%	518	518	100.0%
Payment for financial assets	166	166	-	100.0%	2 085	2 085	100.0%

Total	7 907 045	7 760 214	146 831	98.1%	7 483 326	7 448 549	99.5%

Departmental spending for the period under review is R7.760 billion which represents 98.1% of the adjusted budget of R7.907 billion. Under spending of R147 million mainly relates to compensation of employees, goods and services, transfers and subsidies and machinery and equipment.

Details of underspending per programme and economic classification is discussed below:

- Programme 1: Administration

The under spending of R50.4 million in Programme 1 relate to:

- Compensation of employees under spending of R31 million is mainly due to the delay in advertising and filling of vacant positions.
- Goods services under spending of R17.3 million is mainly due to the following:
 - Communication due to participation in transversal contract by Treasury and implemented cost containment measures.
 - Audit fees due to decrease number of activities in DPWI which require extensive attention of AGSA.
 - Operating leases due to lower than projected spending on leasing of Office Accommodation.
 - Travel and subsistence due to implemented cost containment measures.
- Machinery and equipment under spending of R1.7 million is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

- Programme 2: Intergovernmental Coordination

The under spending of R3.9 million in Programme 2 relate to:

- Goods services under spending of R3 million mainly due to reduced number of sector engagements meetings.
- Transfers and subsidies underspending of R239 000 is mainly due low spending on household for exit packages.
- Machinery and equipment under spending of R402 000 is due to a delay in the planned acquisition of assets.

- Programme 3: Expanded Public Works Programme

The under spending of R42.7 million in Programme 3 relate to:

- Compensation of employees under spending of R15 million is mainly due to the delay in advertising and filling of vacant positions in line with the identified priority positions.
- Goods services under spending of R26 million is mainly due to delays in public bodies confirming projects for mentorship in terms of contract development and non-responsive bidders for procurement.
- Machinery and equipment under spending of R1 million is due to a delay in planned acquisition of assets resulting from unfilled vacant positions.

- Programme 4: Property and Construction Industry Policy and Research

The under spending of R15 million in Programme 4 relate to:

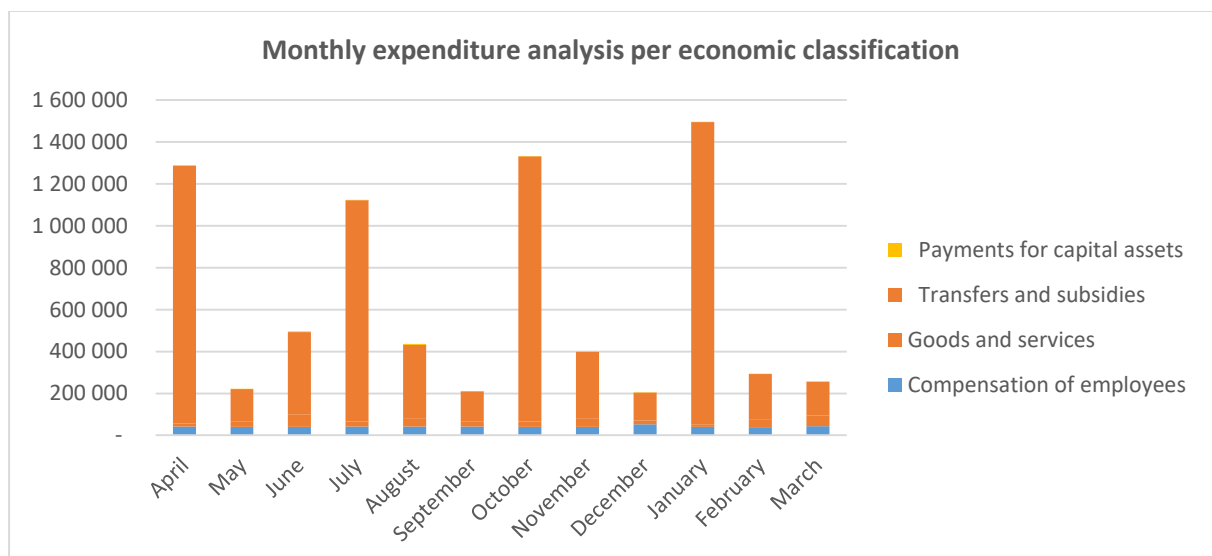
- Compensation of employees under spending of R5.5 million is mainly due to the delay in advertising and filling of vacant positions in line with the identified priority positions.
- Goods services under spending of R9 million is mainly due to a delay in entering into new agreements with the Property and Construction Charter institutions which resulted in the planned payment to both Property and Construction Charter Councils not being paid in the current financial year.

- Programme 5: Prestige Policy

The under spending of R34.8 million in Programme 4 relate to:

- Compensation of employees under spending of R1.2 million is mainly due to the delay in advertising and filling of vacant positions in line with the identified priority positions.
- Goods services under spending of R31 million is mainly due to lower than projected spending on Presidential Inauguration and decrease in number of State Functions during the current financial year.
- Machinery and equipment under spending of R2.4 million is due to a delay in the planned acquisition of assets.

- Spending trends



The monthly expenditure was in the average region of R647 million with high spending of R1.3 billion and R1.5 billion in October 2019 and January 2020 respectively. High expenditure relate to the transfer payment to the PMTE.

- Virement

At the end of the financial year, the department shifted funds between sub programmes and economic classification in line with the PFMA and the set threshold of 8% was not exceeded. The funds were then utilised as per the table below:

Table 1.6: Virement for 2019/20

	Programme 1 R'000	Programme 4 R'000	Total R'000
Compensation of employees	(727)	(14)	(741)
Goods and services	-	-	-
Transfers and subsidies	727	14	741
Payments for capital assets	-	-	-
Payments for financial assets	-	-	-
Total	-	-	-

The following virement of funds were applied:

- Programme 1 has decreased with an amount of R727 000 from compensation of employees to transfers and subsidies for households due to higher than projected expenditure for payment relating to exit packages.
- Programme 4 has decreased with an amount of R14 000 from compensation of employees to transfers and subsidies for households due to higher than projected expenditure for payment relating to exit packages.

Unauthorised Expenditure

No unauthorised expenditure was incurred. The report for the total cumulative unauthorised expenditure of R261.2 million has been submitted to the National Treasury to be considered for the condonement by the Parliament.

1.3.2 Property Trading Management Entity

- PMTE revenue 2019/20

The table below depicts a comparison of the estimated PMTE revenue compared to the actual receipts (excluding municipal services revenue of R4 078 041 recovered in line with the agent-principal)

	2019/20				2018/19			
	Final budget	Actual receipts	Variance	% recovered	Final budget	Actual receipts	Variance	% recovered
Revenue	R'000	R'000	R'000		R'000	R'000	R'000	
Accommodation charges –leasehold	5 039 642	3 986 164	1 053 478	79%	4 394 218	4 785 640	-391 422	109%
Accommodation charges – state owned	7 566 959	7 330 966	235 993	97%	7 487 291	6 141 302	1 345 989	82%
Accommodation charges freehold- private	58 320	49 100	9 220	84%	54 000	50 675	3 325	94%
Augmentation	4 315 736	4 315 736	0	100%	4 009 490	4 009 490	0	100%
Interest, fines, recoveries and other receipts	9 592	0	9 592	0%	9 084	20 195	-11 111	222%
Municipal Services Management Fees	212 220	193 734	18 486	91%	184 633	185 030	-397	100%
Construction revenue	0	0	0	0%	328 495	328 495	0	100%
Total	17 202 469	15 875 700	1 326 769	92%	16 467 211	15 520 827	946 384	94%

The actual receipts for this period amounts to R 16b which represents 92% of the projected annual receipts. This is mainly due to the reduced expenditure on Client Capital which led to reduced revenue being received as well as the low recovery rate on private leases due to the recurring disputes relating to occupation, the other reason is due to the fact that the Department of Defence paid their invoices after year end. PMTE has intensified its recovery management through various actions with specific emphasis on the top six debtors.

Budget allocation per programme -PMTE

Programme	R'000	Allocation as %
Administration	934 223	5%
Real Estate Investment Services	206 705	1%
Construction Project Management	4 977 810	29%
Real Estate Management Services	6 802 946	40%
Real Estate Information & Registry Services	106 580	1%
Facilities Management Services	4 174 205	24%
Total	17 202 469	100%

Overall expenditure analysis – PMTE

	2019/20	2018/19
	R'000	R'000
Budget allocation	17 202 469	14 981 022
Actual expenditure	15 536 577	14 711 904
Actual: spent budget %	90%	98%
(Over)/ under spending	1 665 892	269 118
Actual: budget (over)/ under spend %	10%	2%

Expenditure analysis per programme: PMTE

Programme	2019/20				2018/19			
	Final allocation	Actual expenditure	Variance	% spent	Final allocation	Actual expenditure	Variance	% spent
	R'000	R'000	R'000		R'000	R'000	R'000	
Administration	934 223	778 041	156 182	83%	861 944	856 726	5 218	99%
Real Estate Investment Services	206 705	183 195	23 510	89%	180 818	175 529	5 289	97%
Construction Project Management	4 977 810	3 924 616	1 053 194	79%	4 936 049	3 920 153	1 015 897	79%
Real Estate Management Services	6 802 946	6 743 696	59 250	99%	6 451 061	6 245 850	205 211	97%
Real Estate Information & Registry Services	106 580	62 995	43 585	59%	56 032	54 469	1 563	97%
Facilities Management Services	4 174 205	3 844 034	330 171	92%	3 981 307	3 829 343	151 963	96%
Total	17 202 469	15 536 577	1 665 892	90%	16 467 211	15 082 070	1 385 141	92%

Spending per economic classification – PMTE

Economic Classification	2019/20				2018/19			
	Final allocation	Actual expenditure	Variance	% spent	Final allocation	Actual expenditure	Variance	% spent
	R'000	R'000	R'000		R'000	R'000	R'000	
<i>Current payments</i>								
Cleaning and Gardening	303 263	276 746	26 516	91%	298 521	280 002	18 519	94%
Leasing (Private owned)	5 098 642	5 081 000	17 642	100%	4 536 489	4 533 567	2 922	100%
Repairs	1 339 429	1 057 534	281 895	79%	1 416 540	1 309 223	107 316	92%
Day-to-day Maintenance	1 781 095	1 781 095	0	100%	1 570 448	1 548 005	22 443	99%
Municipal Services non-recoverable	499 004	499 004	0	100%	388 605	363 698	24 907	94%
Property Rates	1 008 110	1 008 110	0	100%	1 386 125	1 210 051	176 074	87%
Compensation of Employees	2 051 049	1 813 276	237 773	88%	1 763 057	1 763 856	-799	100%
Admin Goods and Services	509 226	454 156	55 070	89%	518 330	565 013	-46 683	109%
Construction costs	0	0	0	0%	328 495	328 495	0	100%
<i>Total current payments</i>	12 589 817	11 970 922	618 895	95%	12 206 610	11 901 910	304 700	98%
<i>Capital payments</i>								
Capital non-recoverable	2 083 443	1 531 878	551 565	74%	1 496 365	1 409 365	87 000	94%
Machinery & Equipment	54 750	30 409	24 341	56%	31 440	29 222	2 218	0%
Capital recoverable	2 474 459	2 003 368	471 092	81%	2 706 979	1 715 756	991 223	63%
Intangibles	0	0	0	0%	20 206	20 206	0	100%
Finance Leases	0	0	0	0%	5 611	5 611	0	100%
<i>Total capital payments</i>	4 612 652	3 565 654	1 046 997	77%	4 260 601	3 180 161	1 080 441	75%
Total	17 202 469	15 536 577	1 665 892	90%	16 467 211	15 082 070	1 385 141	92%

Details of underspending per programme and economic classification is discussed below:

The total expenditure for the period ended March 2020 was R 15.5b which represents 90% of the total budget.

This is mainly due to under-expenditure against infrastructure projects and compensation of employees. Although the expenditure against infrastructure increased significantly during March 2020, a total amount of R1.3m was not spend.

The expenditure level is below the level of performance of the previous year.

Programme 1: Administration

The under-expenditure on this programme was attributable to the low spending on compensation of employees due to the delay in the filling of vacancies. The other reason was due to the unspent funds which were reserved for the rolling out of the additional Video Conferencing facilities in the regions to cut down on cost of travelling. Tenders were advertised but could not be adjudicated before the end of the financial year. Funding allocated for procurement of laptops throughout this branch was not spent due to delays experienced by ICT with the SITA contract.

Programme 2: Real Estate Investment Services

The under-expenditure on this programme was attributable to the low spending on compensation of employees due to the delay in the filling of vacancies and due to funding that was allocated for the procurement of laptop which has not been utilized due to delays experienced by ICT with the SITA contract.

Programme 3: Construction Management Programme

The under-expenditure on this programme was attributable to the low spending on compensation of employees due to the delay in the filling of vacancies and due to funding that was allocated for the procurement of laptop which has not been utilized due to delays experienced by ICT with the SITA contract. The other reason was due to the delay in the execution of projects which was caused by poor performance of some of the contractors, delays in appointing new contractors as well as the delays of the extension of time on some of the projects.

As some of the projects are recoverable, the PMTE has to request approval from the client departments before tenders are advertised, when recommended bids are higher than the estimate and every time there is an increase in the cost of the project. Delays in client responses is a major cause of under-expenditure. Clients are expected to sign-off on their available allocations before the start of the financial year, but some Clients only make the allocations available during the first quarter of the financial year. This leads to further delays and under-expenditure as projects cannot be placed on the Procurement Plan before approval of the budget.

Programme 4: Real Estate Management Services

The under-expenditure on this programme was attributable to the low spending on compensation of employees due to the delay in the filling of vacancies.

Programme 5: Real Estate Information & Registry Services

The under-expenditure on this programme was attributable to the low spending on compensation of employees due to the delay in the filling of vacancies as well as the underspending on funds which were allocated for the updating and correcting of the immovable asset register.

Programme 6: Facilities Management Services

The under-expenditure on this programme was attributable to the low spending on compensation of employee due to the delay in the filling of vacancies. The other reason was due to the delay in the procurement of new contracts for cleaning and horticultural services that are provided to the facilities occupied by PMTE, the Department of Justice and Constitutional Development and Prestige. The reason for the delay was the extended time it took to obtain the security vetting results.

1.6 Entities reporting to the Minister

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
1. CONSTRUCTION INDUSTRY DEVELOPMENT BOARD	Promote the contribution of the construction industry in meeting national construction demand and in advancing national, social and economic development objectives	DPW subsidy transferred to the entity annually	Categorisation and grading of contractors on the national Register of Contractors. The Register of Contractors reflects the nature, size and geographic distribution of contractors and therefore the country's capacity to meet construction demand
	Provide strategic leadership to construction industry stakeholders to stimulate sustainable growth, reform and improvement of the construction sector		Establishment of the i-Tender system and the national Register of Projects. The Register of Projects reflects the nature, size and geographic distribution of projects.
	Promote uniform application of policy with regards to construction industry throughout all spheres of Government		Development and implementation of the Standard for Uniformity in Construction Procurement which is aimed at bringing about standardisation and uniformity in construction procurement documentation, practices and procedures.
	Promote sustainable growth of the construction industry and the participation of the emerging sector		<ul style="list-style-type: none"> Establishment of the National Contractor Development Programme (NCDP), which is a public sector led programme comprising of a partnership between the cidb,

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
			<p>National and Provincial Public Works and other willing stakeholders and partners.</p> <ul style="list-style-type: none"> Establishment of the Best Practice Contractor Recognition System which enables organs of state to manage risk on complex contracting strategies; and promotes contractor development in relation to best practice standards and guidelines developed by the Board in terms of section.
	Promote, establish and endorse uniform standards and ethical standards that regulate actions, practices and procedures of parties engaged in construction contracts		Establishment of the Code of Conduct for all Parties Engaged in Construction Procurement to guide and regulate the behaviour of parties engaged in construction-related procurement.
2. COUNCIL FOR THE BUILT ENVIRONMENT	The CBE executes its mandate, derived from the CBE Act 43 of 2000. The scope of the CBE and Professional Councils in the built environment value chain is to regulate those built environment professions who	DPW subsidy transferred to the entity annually	<ul style="list-style-type: none"> The built environment professions, as defined by the Council for the Built Environment (CBE), include architects, engineers, landscape architects, project and construction managers,

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
	conceptualise, design, build, maintain and transfer social and economic infrastructure.		<p>property valuers and quantity surveyors.</p> <ul style="list-style-type: none"> • These professionals play an indispensable role in the production of the built environment, and are crucial to the industry's ability to deliver infrastructure. • It calls on these professionals to provide imaginative thinking, be at the cutting edge of technology, exercise strategic managerial skills, and be skilled crafts men in order to conceptualize and manage the delivery of the physical infrastructure, fundamental to the development of the community they serve. • Built environment professionals are renowned for their ability to add real value through devising physical solutions in response to their briefs, maximizing the potential of the site, and overcoming planning and other constraints.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
			<ul style="list-style-type: none"> Construction industry participants exercise a significant influence on the lives of their customers, which include current users, those who pass by their buildings, and those users yet to be born. They must therefore ensure that they deliver physical infrastructure, responsive to customers' needs.
3. INDEPENDENT DEVELOPMENT TRUST	<ul style="list-style-type: none"> Constitution of the Republic of South Africa: Act, 1996 (Act No. 108 of 1996) Public Finance Management Act, 1999 (Act No. 1 of 1999) Construction Industry Development Board Act, 2000 (Act No. 38 of 2000) National Treasury Regulations Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004) Labour Relations Act, 1995 (Act No. 66 of 1995) Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) Employment Equity Act, 1998 (Act No. 55 of 1998) Pension Funds Act, 1996 (Act No. 24 of 1996) 	Supplementary Funding Support	Social Infrastructure Programme Management Services, e. g. schools, hospitals, courts etc

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
	<ul style="list-style-type: none"> Companies Act, 2009 (Act No. 71 of 2009) as Amended The Trust Property Control Act, 1988 (Act No. 57 of 1988) Promotion of Administrative Justice Act 2000 (Act No.3 of 2000) 		
4. AGRÉMENT SOUTH AFRICA	Act No. 11 of 2015: Agrément South Africa Act, 2015	Receives an annual grant from the national department of public works.	Agrément South Africa is a world class technical Assessment Agency whose primary role is undertaking technical assessment and certification of non-standard construction products in South Africa for which no national standard exists.

Statement of responsibility and confirmation of accuracy for the annual report

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

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

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

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

The Annual Financial Statements (Chapter 5) 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 2020

Yours faithfully

Mr Imtiaz Fazel
Accounting Officer (Acting)

Date:

CHAPTER 2

Performance Information

Part A – The Department of Public Works (Main Vote)

Part B – The Property Management Trading Entity (PMTE)

2. Legislative and other mandates

The Constitution of the Republic of South Africa (1996) is the supreme law of the country and makes provision for other legislations regarding planning and performance monitoring across the three spheres of government. The Constitutional mandate for the Department is provided in Schedule 4, Part A, of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) [The Constitution] which makes reference to “Functional Areas of Concurrent National and Provincial Legislative Competence,” the mandate being derived from Public Work as a function of Government implemented by all spheres of Government.

Constitutional Mandate

Schedules 4, 5 and 6 of the Constitution	Provide functional areas of concurrent National, Provincial and Local Government legislative competency.
Section 25 of the Constitution	This section covers matters relating to land expropriation.

Legislative and Policy Mandates

The legislative mandate of DPWI is underpinned by the following Acts as per Table A 3 that the Department is directly responsible for administering and implementing, in performing its primary and secondary mandates:

Legislative and Policy Mandates

<i>Key Legislative Mandates</i>	
The Government Immovable Asset Management Act, 2007 (Act 19 of 2007)	Aims to ensure competent immovable asset management in National and Provincial Government in order to improve service delivery.
Land Affairs Board Act, 1987 (Act 101 of 1987)	Section 6: Provides for the function of the Land Affairs Board in relation to determinations of valuations for immovable assets under the custodian of the Department.
The Construction Industry Development Board Act, 2000 (Act 38 of 2000)	Provides for the establishment of the Construction Industry Development Board (cidb), for the implementation of an integrated strategy for the reconstruction, growth and development of the construction industry and other matters connected thereto. Ensures that infrastructure projects are procured and delivered in accordance with cidb Prescripts.
The Council for the Built Environment Act, 2000 (Act 43 of 2000)	Makes provision for the establishment of a juristic person known as the Council for the Built Environment, the

	composition, functions, powers, assets, rights, duties and financing of that Council and for matters connected thereto.
The Professional Council Acts regulate the six Built Environment Professions (BEPs)	Organises the built environment professions to serve the imperatives of Government, including transformation, public protection, good governance, etc.
Expropriation Act, 1975 (Act 63 of 1975)	Section S12 (1): Determines the basis of the compensation amount.
State Land Disposal Act, 1961 (Act 48 of 1961)	Provides for the disposal of certain state land and for matters incidental thereto, and prohibits the acquisition of the state land by prescription.
<i>Built Environment Compliance Legislative Framework</i>	
Municipal Property Rates Act, 2004 (Act 6 of 2004)	Section 48-49: Inspections of and objections to valuations on the general valuations roll.
Spatial Planning and Land Use Management, 2013 (Act 16 of 2013)	<p>The Act was adopted shortly after the introduction of the NDP. SPLUMA is an important component of the drive to set the broad spatial agenda of the country, promoting the development principles of spatial justice, spatial sustainability, efficiency, spatial resilience and good administration.</p> <p>Section 33(1): Requires that all land development applications must be submitted to a municipality as the authority of first instance (this ensures land developments are aligned to Municipal strategic plans (IDPs and SDFs)</p> <p>Section 49 (1): Requires the payment contributions of internal engineering services by the Developer or Applicant (i.e. DPWI).</p>
National Environmental Management Act, 1998 (Act 107 of 1998)	Section 4: Ensures compliance and enforcement of environmental management laws.
Integrated Coastal Management Act, 2008 (Act 24 of 2008)	Section 59: Ensures that the development and use of natural resources in the coastal zone is social and economically justifiable and ecologically sustainable.
Occupational Health and Safety Act, 1993 (Act 181 of 1993)	Section 16 (1): Compels every employer to provide environment that is safe without harm.
National Building Regulations and Building Standards Amended Act, 1984 (Act 36 of 1984)	Provides for new definitions and extending existing definitions.

National Forestry Act, 1998 (Act 30 of 1998)	Section 53: Regulates in respect of management of the protected natural state forest and obligations on the owner.
Water Services Act, 1997 (Act 108 of 1997)	Section 2: Provide for access to water and basic sanitation to ensure that the environment is not harmful to human health and well-being
The Critical Infrastructure Protection Act, 2019 (Act 8 of 2019)	Ensures that National Key Points are safeguarded.
<i>Administrative Compliance Legislative Framework</i>	
The Public Finance Management Act, 1999 (Act 1 of 1999)	<p>Promotes the objective of good financial management to maximise service delivery through the proficient use of the limited resources.</p> <p>Section 38 (d): Provides for the management including safeguarding and maintenance of the assets; Implement a procurement system that is fair, equitable, transparent, competitive and cost-effective.</p> <p>Section 54 (d): Ensures that National Treasury and Accounting Officer approve the acquisition and disposal of immovable assets.</p> <p>Section 16 read with NTR A7.3-4: Provides for the determination of market related values for all purposes including letting.</p> <p>Section 76(1) (l) read with NTR 21.3: Regulates the donation of the state immovable assets to or by the state.</p>
The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)	To develop and implement policies that advances preferential procurement for designated groups in order to advance economic transformation.
Public Service Act, 1994 as amended 2007	Regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act 4 of 2000)	Section 9: Ensures direct or indirect discrimination against any persons on the ground of disability in terms of the State owned immovable assets.
Employment Equity Act, 1998 (Act 55 of 1998)	Provides for achieving equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure equitable representation in all occupational categories and levels in the workforce.

Public Administration Management Act, 2014	<p>The objects of this Act are to:</p> <ul style="list-style-type: none"> • Promote the basic values and principles governing the public administration referred to in section 195(1) of the Constitution; • Provide for the transfer and secondment of employees in the public administration; • Regulate conducting business with the State; • Provide for capacity development and training; to provide for the establishment of the National School of Government; • Provide for the use of information and communication technologies in the public administration; • Establish the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit; • Provide for the Minister to set minimum norms and standards for public administration; • Establish the Office of Standards and Compliance to ensure compliance with minimum norms and standards; • Empower the Minister to make regulations; and • Provide for related matters.
Basic Conditions of Employment Act, 1997 (Act 75 of 1997)	<p>The Basic Conditions of Employment Act, No 75 of 1997 gives effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation. The Basic Conditions of Employment Amendment Act, No 20 of 2013 was published and became effective on 1 September 2014.</p>
The Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)	<ul style="list-style-type: none"> • As these relate to the Property Sector and, in particular but without limitation, inter alia, to: <ul style="list-style-type: none"> ○ promote economic transformation in the Property Sector to enable meaningful participation of black people and women; ○ unlock obstacles to property ownership and participation in the property market by black people; ○ promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and ○ facilitates the accessibility of finance for property ownership and property development.

	Section1, Section 6 and Section 13: To ensure that B-BBEE requirements are adhered to within the SCM prescripts and policies.
Skills Development Act, 1998	The Skills Development Act aims to expand the knowledge and competencies of the labour force in order to improve productivity and employment.
Labour Relations Act, 1995 as amended (Act 66 of 1995)	Makes provision for a framework for labour related issues for employers, employees, employer organisations and trade unions. It also regulates the fundamental rights of workers and employers.
Protected Disclosure Act, 2000 (Act 26 of 2000)	Encourage people to report serious wrongdoing in their workplace by providing protection for employees who want to 'blow the whistle'. This applies to public and private sector workplaces.
The Promotion of Access to Information Act, 2000 (Act 2 of 2000)	To ensure availability of records in accordance with PAIA.
The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)	To establish fair administrative processes to ensure those affected by the administrative decisions have necessary recourse.
The National Archives and Record Service of South Africa Act, 1996	Section13.5: To provide systems, policies and procedures for proper management, care, preservation and use of departmental records.
<i>Policies and Strategies Supporting the Mandate</i>	
DPW White Paper: Public Works, Towards the 21st Century (1997) [White Paper (1997)]	Documented the challenges facing the Department and continues to serve as an overarching policy framework for the Department's restructuring process. This has led to directing the Department to meet Government's socio-economic objectives by becoming a client-orientated organisation which will focus on policy and service reform; property investment, property and facilities management and the implementation of the National Public Works Programmes.
DPW White Paper: Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999 [White Paper (1999)]	The White Paper (1999), sets out Government's policy objectives for the construction industry and focuses on the need to enhance delivery, achieve greater stability, improve industry performance, create value for money and facilitates growth of the emerging construction sector.
Construction Sector Transformation	The Charter 2006, inter alia, aims to:

Charter, 2006 (Charter 2006)	<ul style="list-style-type: none"> • Provide the construction sector with the first quantitative method of monitoring and evaluating the progress of an enterprise towards achieving Broad-Based Black Economic Empowerment targets and thereby contributing to ending the malpractice of fronting; • Expand the employment potential and absorption capacity of the sector by using labour-intensive approaches where, economically feasible and possible; and • Address skills development in a manner that accelerates the advancement of black people, women and designated groups with particular emphasis on learner-ships, as well as technical and management training.
Property Sector Transformation Charter, 2007 (Charter 2007)	<p>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) [BBBEE Act] as these relate to the Property Sector and, in particular but without limitation, inter alia, to:</p> <ul style="list-style-type: none"> • Promote economic transformation in the Property Sector to enable meaningful participation of black people and women; • Unlock obstacles to property ownership and participation in the property market by black people; • Promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and • Facilitate the accessibility of finance for property ownership and property development.
Property Management Strategy on BBBEE, Job Creation and Poverty Alleviation, 2007 (PMS BBBEE 2007)	<p>The objective of the PMS BBBEE 2007 is to:</p> <ul style="list-style-type: none"> • 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.
Green Building Framework, 2001	<p>This Framework outlines the Department's commitments to address key elements in the New Growth Path and the Industrial Policy Action Plan by promoting sustainable development, reducing greenhouse gas emissions, promoting energy efficiency, stimulating new green industries, etc.</p>

2.1 Overview of Departmental Performance

The Department's programmes have remained relatively the same as the previous financial year for consistency and measurability of progress over time. The main vote (the Department) focused mainly on the intergovernmental coordination, coordination of EPWP programmes, Property and Construction Industry Policy and Research and management of the prestige portfolio. The core business of property management was ring-fenced under the PMTE with emphasis on, inter alia, managing relations between the Department and client departments, planning and precinct development, construction project management, management of immovable asset register and facilities management. The programme structure of the main vote is depicted below.

The PMTE currently manages largest Real Estate portfolio in South Africa, which was previously the core business of the Department of Public Works. As the custodian and manager of Government's immovable assets, the PMTE directly impacts efficiency and effectiveness of all user departments given the critical role that well-functioning infrastructure plays in enabling service delivery. The business model of the PMTE is based on an interdisciplinary approach with greater synergies between the Department's traditional property and asset management functions and an integrated approach to delivery. The core business of the PMTE consists of three focused operational divisions being Real Estate Investment Services, Real Estate Management Services, and Facilities Management.

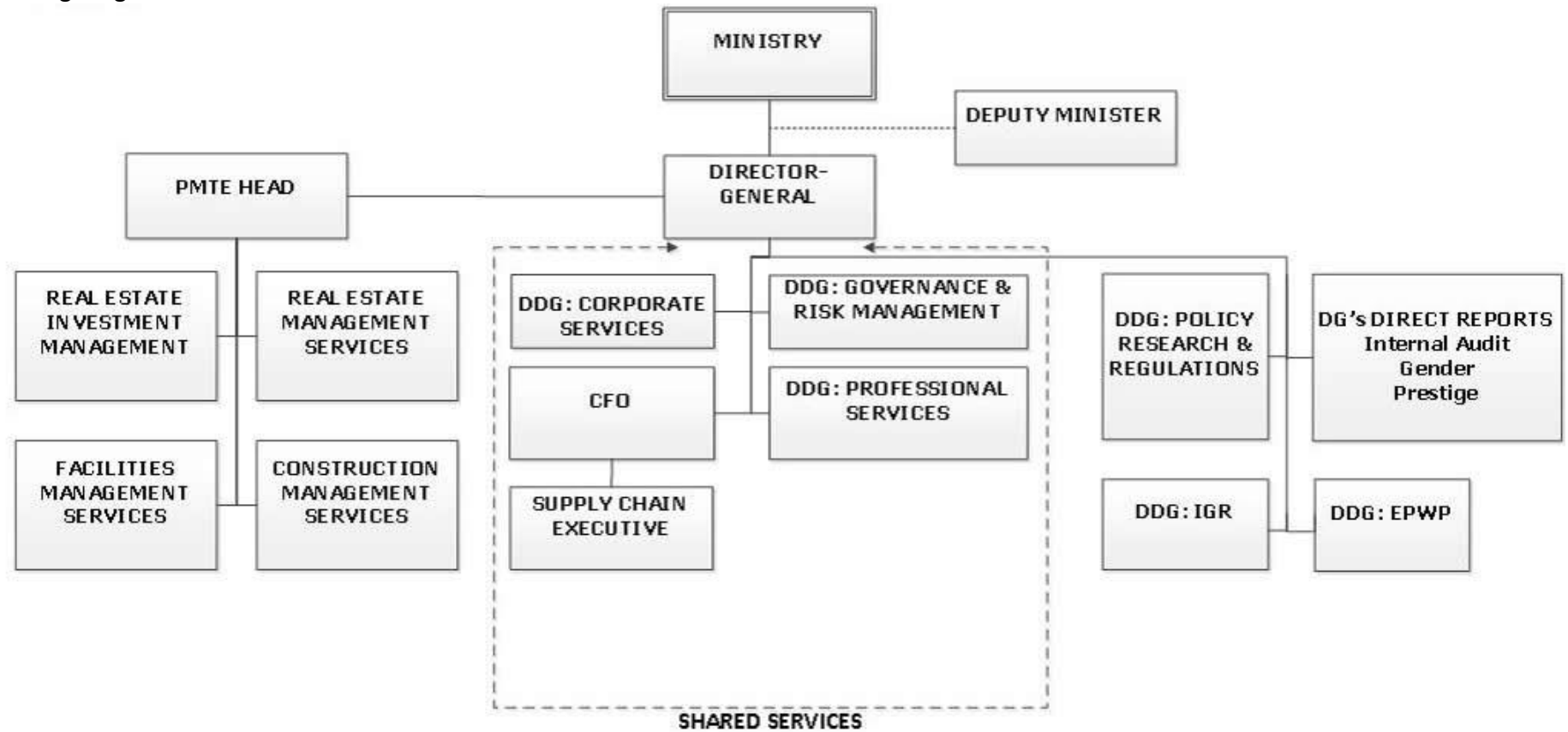
The Department has a total staff establishment of 4 986 posts. The Main Vote has a total staff establishment of 701 posts of which 643 are filled permanently, 58 are filled additionally and 80 are vacant and the current PMTE has a total staff establishment of 4 285 posts of which 3 829 are filled permanently, 456 are filled additionally and 520 are vacant. Approximately 80% of the PMTE headcount is located at the Regional Offices as at the end of November 2019.

In responding to the priorities of National Government, an integrated Human Resource Plan has been developed and is being implemented through an intensive recruitment drive to ensure that the Department has the required skills and competencies to deliver on its mandate and objectives and to proactively address the Department's prioritised areas.

The current capacitation of DPWI is weakened by a number of issues that includes high level of contract employees and an organisational structure that is confined to the allocated compensation of employees.

However, as one of the successes, post approval of the 2016 organisational structures realised the reduction of contract positions into permanent appointments, for an example, security officers and cleaners. A separation of organisational structure into the main vote and the PMTE allowed for improved governance and delivery of projects.

DPW Organogram





Part A
Department of Public Works
(Main Vote)

2.2 Performance Information of the Department of Public Works

Vision

Convenient access to dignified public services.

Mission

The Department is committed to the attainment of a transformed built environment sector by:

- Providing strategic leadership to the South African Construction and Property industries;
- Establishing and ensuring compliance to Policy and Legislative prescripts for the :
 - management of State-owned and leased-in immovable assets; and
 - South African Construction and Property sectors;
- Providing strategic direction on the integration of Public Works priorities; and



- Contributing to the National goals of job creation and poverty alleviation through Public Works Programmes.

Values

The Department's values align with the values espoused in the Constitution. The core values that underpin the culture of the Department are:

- Innovation: by tirelessly seeking opportunities for service delivery improvement by thinking without restraint and unconfined by old, non-functional, or limiting structures, rules, or practices.
- Integrity: by consistently honouring our commitments, upholding ethical, honest behaviour and transparent communication.
- Motivation: by ensuring our best efforts and actions toward the realisation of our organisational goals.
- Professionalism: by treating our clients with respect and delivering, reliably, against expectations.
- Accountability: by discharging our duties in a responsible manner in compliance with the relevant legislative prescripts.
- Results-orientated: by knowing what results are important and focusing resources to achieve them.
- Teamwork: by respecting our diversity while sharing a common purpose and working in cooperation with each other.
-

Strategic outcome-orientated goals

In order to execute its mandate, the Department has identified five strategic outcome-oriented goals that define its direct service delivery responsibilities. These goals are to:

- i. Transform the Construction and Property Sectors through the development of policy and legislative prescripts;
- ii. Provide oversight of the public works sector;
- iii. To provide an oversight role in the implementation of Public Employment Programmes (PEPs) through Expanded Public Works Programme (EPWP) standardised frameworks.
- iv. Oversee the efficient delivery of identified services to Prestige Clients; and
- v. Support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements.
- vi. To build State capacity in the Built Environment Professions

2.2.1 Programme Performance

The Department (Main Vote) has five programmes and the performance of these programmes is depicted in the tables below:

Table 2.6: Performance Programme and its purpose

Programme	Purpose
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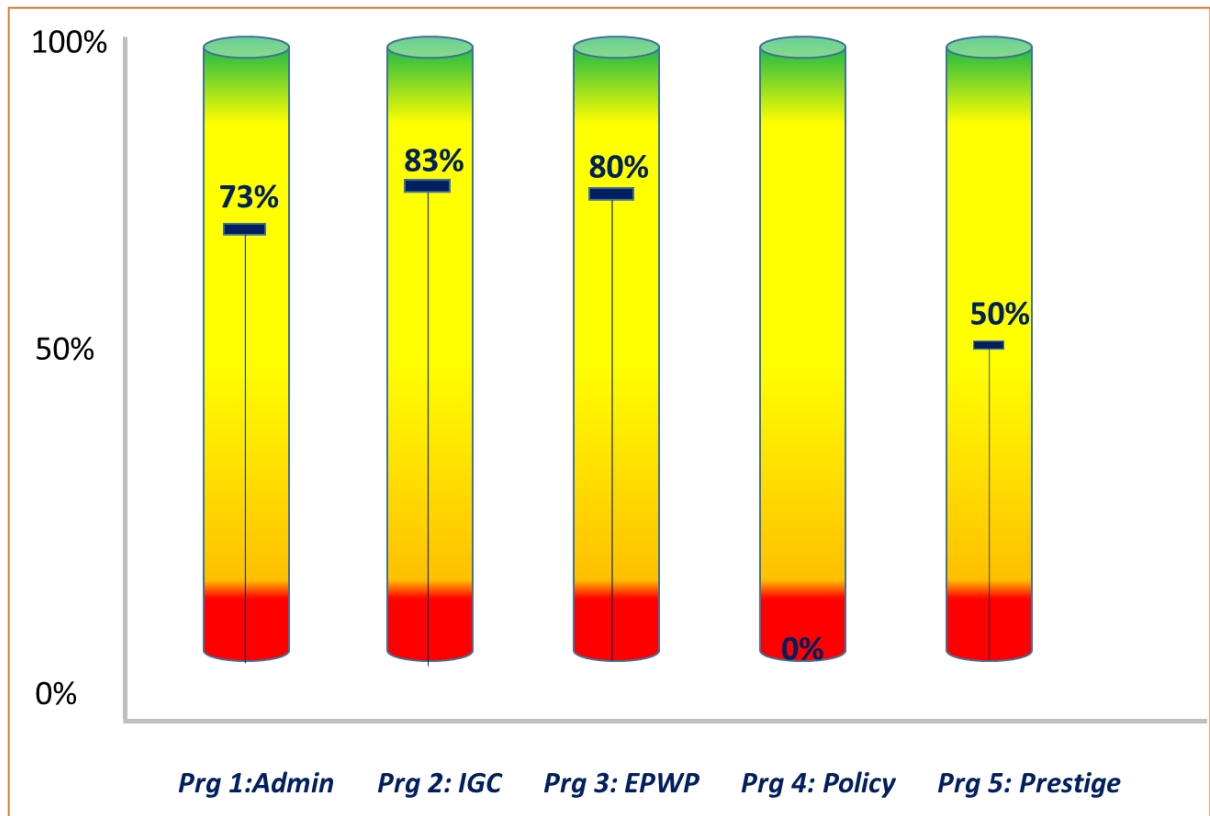
Programme 1: Administration	Provide strategic leadership management and support services to the Department
Programme 2: Intergovernmental Coordination	Provide sound sectoral intergovernmental relations and strategic partnerships. Coordinate with Provinces on immovable asset register, construction and property management, the implementation of Government Immovable Asset Management Act (2007).and the reporting on performance information within the public works sector
Programme 3: Expanded Public Works Programme	Coordinate the implementation of the expanded public works programme which aims to create work opportunities and provide training for unskilled, marginalised and unemployed people in South Africa.
Programme 4: Property and Construction Industry Policy Regulation	Promote the growth and transformation of the construction and property industries. Promote a standardised approach and best practice in construction and immovable asset management in the public sector.
Programme 5: Prestige Policy	Provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for State functions.

- Summary of Performance

The performance of the Department is presented below. The performance grid is provided to understand the performance colour coding and the interpretation of performance in the Department. Performance colour coding key is shown below.

Green – Target achieved and beyond. It may be quantified as follows – anything achieved above 90% in terms of outputs/deliverables.	90% and above	Good Performance Average Performance Weak Performance Poor Performance
Yellow - Progress above 50% but not fully achieving the target. This means that some output/deliverable has been achieved but not achieved fully as per the target. An example: achieving 6 projects out of 10 = 60%.	50%-89%.	
Orange – Progress below 50% of target. This means that some activity has started but has not yielded any output. It may also reflect completed activity but that is not output. An example: compiling stakeholder management inputs towards the final Draft document etc.	11%-49%	
Red – No achievement at all – nothing was done at all and may be quantified as follows: anything between 0-10%	0%-10%	

DPWI – Main Vote – Annual Performance (Targets Achieved)



The overall performance of the Department for the Financial Year under review is 65%. This reflects an average performing Department. Programme 4 performed poorly.

DPW: Performance Information

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Sub-Programme: Gender					
Number of initiatives undertaken to accelerate the transformation agenda of the Department	36 initiatives undertaken to accelerate the transformation agenda of the Department	36 initiatives undertaken to accelerate the transformation agenda of the Department	36 initiatives undertaken to accelerate the transformation agenda of the Department	Target Achieved	-
Sub-Programme: Anti-Corruption (Fraud Awareness)					
Number of Investigations instituted within 30 days of validated reported allegations	100% Investigations instituted within 30 days of validated reported allegations	100% Investigations instituted within 30 days of validated reported allegations	(28 out 28) 100% Investigations instituted within 30 days of validated reported allegations	Target Achieved	-
Number of interventions recommended for	2 interventions recommended for	2 x interventions recommended for	2 x interventions recommended	Target Achieved	-

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
mitigation of fraud risk within DPW and PMTE	mitigation of fraud risk within DPW and PMTE	mitigation of fraud risk within DPW and PMTE	for mitigation of fraud risk within DPW and PMTE		
Sub-Programme: Finance and Supply Chain Management					
Percentage of compliant invoices settled within 30 days	11% (R4.8 million)	100%	97%	Target Achieved (-3%)	Follow up emails sent to responsible people for long outstanding invoices
Percentage change in the irregular expenditure baseline	95% of compliant invoices settled within 30 day	100% (R114 million)	7%	Target Not Achieved (-93%) High vacancy rate, termination of contracts, limitation of scope transactions, and the new lengthy	Fill vacant positions, identify and conclude on all limitation of scope transactions, and consolidate and conclude on all high-valued similar transactions for approval by National Treasury.

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				condonation process	
Percentage of bids awarded within 56 working days from closure of tender advertisement	26 %. 13 out of 71 bids were awarded within 56 days	75%	82% 9 out of 11 bid(s) awarded within 56 working days of closure of tender advertisement	Target Over Achieved (+7%)	Target over achieved due to the availability of a dedicated capacity to process tenders and a clear response from the market reducing the need to further engage, clarify or negotiate
Percentage of quotations awarded within 30 working days from requisition date	67% 1729 out of 2457 quotations awarded within 30 working days	90%	88% 351 out of 397 Quotes awarded within 30 days	Target Achieved (-2%)	Positive market response - Bidders submitted quotes in line with the Request for Quotations
Percentage of procurement spend for bids awarded to designated groups in line with Preferential	99% R158 445 135,42/159 925 233,71	80%	89% R 46 989 462. 85 out of R 52 312 836. 40 awarded	Target Over Achieved (+9%)	Sufficient response from the market in terms of qualifying designated groups

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Procurement Regulations 2017			to designated groups		
Percentage of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	98% 70 out of 71	80%	89% 17 out of 19 bids awarded to designated groups in line with Preferential Procurement Regulations	Target Over Achieved (+9%)	Sufficient response from the market in terms of qualifying designated groups
Sub-Programme: Corporate Services					
Percentage of funded prioritised vacancies filled as per approved recruitment plan	73.17% (30 of 41) funded prioritised vacancies filled within 6 months from the date of advertisement	100% funded prioritised vacancies filled within 6 months from the date of advertisement	52% (180 of 344) positions filled within 6 months from date of advertising	Target Not Achieved (-48%) Delays in the nomination and approval of panels for positions advertised during	Prioritise the finalisation and filling of positions advertised in past financial years in the first quarter of the 2021 financial year

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				the 2018/19 financial year Moratorium on the filling of positions	
Number of Property Management modules implemented	0 Module implemented	1 module implemented (Investment Analysis)	No module implemented	Target Not Achieved (-1) Investment Analysis module not fully Implemented as there is only 20% completion of the Investment Analysis Module	<ul style="list-style-type: none"> • The development and business processes were not completed and finalised • The absence of approved business case has prevented the development of the URS (User Requirements Specifications) FRS (Functional Requirements)

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
					<p>Specifications), Customisation, UAT, Training and Go-live.</p> <ul style="list-style-type: none"> The department was compelled to refocus on the other modules (LeaseIN, IAR, Unscheduled maintenance, etc)
Number of modules enhanced as per ERP implementation plan	3 Modules enhanced (Phase 2-Immovable Asset register, Facilities Management Call Centre and Movable Assets)	5 Modules enhanced (scheduled maintenance, condition assessment, Lease IN, Lease Out and Construction Management)	4 modules enhanced viz. <i>Lease IN, unscheduled Maintenance and Immovable Asset Register Management.</i> (Scheduled Maintenance,	<p>Target Not Achieved</p> <p>(-1)</p> <p>Lease OUT and Construction Management were not</p>	<ul style="list-style-type: none"> The other modules where not completed due to changes in user requirements and in some instances unavailability of

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
			condition assessment, Lease IN, Lease OUT and Construction Management)	completely enhanced	business process owners in full however work was done as indicated below: <ul style="list-style-type: none"> • Construction Project Management Module work completed • Pilot and training Environment configuration • 2. Vanilla User manuals developed • 3. Training end users on vanilla CPM module of

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
					<p>ARCHIBUS, 10 regional office Process mapping, vanilla system walk through</p> <ul style="list-style-type: none"> • 4. Mapping of active Project data in preparation for migration • 5. Draft URS/ FRS(Functional Requirements Specifications) • Movable Assets Management Module work completed • Movable Asset Management

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
					<ul style="list-style-type: none"> • Bulk Asset Move and Receipt • Manage Background Data view - e.g. ICN Creation • Linking of movable asset
Integrated Single Asset Register developed for the Public Works Sector	100% completed-feasibility study for the Public Works Sector developed	Phase 1 of the Single Asset Register implemented for the Public Works Sector	Phase 1 of the Single Asset Register implemented for the Public Works Sector	Target Achieved	-
Percentage of reported fraud and corruption misconduct cases subjected to disciplinary processes	100% reported fraud and corruption misconduct cases subject to disciplinary processes	100% reported fraud and corruption misconduct cases subject to	100% of reported fraud and corruption misconduct cases subjected	Target Achieved	-

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
		disciplinary processes	<p>to disciplinary processes</p> <p>A total of 6 cases were addressed in 2019/2020 (comprises of 4 cases carried over from 2018/19 and 2 cases received in 2019/2020)</p> <p><u>Status of cases:</u> 3 cases finalised 2 cases pending finalisation of disciplinary hearings 1 pending Council to set</p>		

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
			down the matter for hearing		
Percentage of default judgments against the Department prevented	100% default judgments against the Department prevented	100% default judgments against the Department prevented	100% (36 out of 36) default judgment against the Department prevented	Target Achieved	-

Programme 2: Intergovernmental Coordination					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Sub-Programme: Intergovernmental Relations					
Number of performance review reports for the Sector Programme of Action presented to Technical MinMec	1 performance review reports for the Sector Programme of Action presented to Technical MinMec	2 performance review reports for 2019/20 Sector Programme of Action presented to Technical MinMec	No performance review report for the Sector Programme of Action presented to Technical MinMec	Not Applicable Changes in administration and aligning of the sector to the new priorities of Government affected this programme as initially planned	DPME has advised the sector to plan on standardised performance indicators and submit by September 2020 for 2021/22 FY
Number of agreements signed for joint service delivery with IGR Partners	13 agreements signed for joint service delivery with IGR Partners	15 agreements signed for joint service delivery with IGR Partners	12 (Twelve) agreements were facilitated	Target Not Achieved (-3)	Finalisation of the agreements will be undertaken in the next financial year

Programme 2: Intergovernmental Coordination					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
			during the period under review.	The MOU with the Free State Province and KZN municipalities will only be finalised in the new financial year. The NT agreement is pending finalisation between the IGR partners. A deadlock may result in the agreement not being signed at all.	
Number of reviews conducted on the	1 reviews conducted on the	1 reviews conducted on the	1 review conducted on	Target Achieved	-

Programme 2: Intergovernmental Coordination					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
intergovernmental governance structures	intergovernmental governance structures	intergovernmental governance structures	IGR governance structures		
Sub-Programme: Professional Services					
Number of beneficiaries participating in the DPW/PMTE Skills Development Programmes	1 202 beneficiaries Young Professionals: 170 Interns: 240 Learnerships: 185 Management Trainees: 13 Artisans Development : 420 Bursary Programme: 173	1 212 beneficiaries participating in the DPW Skills Development Programme: Young Professionals: 165 Interns: 240 Learnerships: 185 Management Trainees: 13 Artisans Development: 420 Bursary Programme: 173	1 212 beneficiaries participating in the DPW Skills Development Programme <i>Young Professionals: 170 Interns: 208 Learnerships: 176 Management Trainees: 37 Programme Artisans: 424</i>	Target Achieved	-

Programme 2: Intergovernmental Coordination					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
			<i>Bursary Programme: 197</i>		
Number of Provincial Public Works Departments with State Capacity Building Programmes in the built environment aligned to the Skills Pipeline Programme	3 Provincial Public Works Departments with State Capacity Building	3 Provincial Public Works Departments with State Capacity Building Programmes in the built environment aligned to the Skills Pipeline Programme (Limpopo, Gauteng & Mpumalanga)	3 Provincial Public Works Departments (Mpumalanga, Limpopo & Gauteng) with State Capacity Building Strategies in the built environment aligned to the Skills Pipeline Programme in place	Target Achieved	-
Number of Schools Programme participants enrolled for Built	30 Schools Programme participants graduating	40 Schools Programme participants enrolled	40 Schools Programme participants	Target Achieved	-

Programme 2: Intergovernmental Coordination					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Environment qualifications at Universities	matric with access to bachelor degrees	for Built Environment qualifications at Universities	enrolled for Built Environment qualifications at various Universities.		
Number of Bursary Holders beneficiaries with completed Built Environment qualifications	28 bursary schemes beneficiaries completed qualifications	40 bursary scheme beneficiaries with completed Built Environment qualifications.	40 Bursary Holders Completed Built Environment qualifications	Target Achieved	-
Public Works Academy established	Public Works Academy not approved	Public Works Academy operational	Public Works Academy not operational	Not Applicable The Department has put on hold the Academy plan	Integrate the Academy Work into Professionals Services Programme

Programme 3: Expanded Public Works Programme					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Programme 3: Expanded Public Works Programme					
Number of work opportunities reported in the EPWP-RS by public bodies	997 286 Work opportunities reported in the EPWP-RS by public bodies	991 792 work opportunities reported in the EPWP-RS by public bodies	994 699 work opportunities reported in the EPWP-RS by public bodies	Target Achieved (+13 202)	More work opportunities were reported than was expected
Percentage EPWP participation among designated groups (women, youth and persons with disabilities) reported on the EPWP-RS by public bodies	43% Youth 68% Women) 1% persons with disabilities	55% Youth 55% Women 2% Persons with disabilities	41.94% Youth 0.96% persons with disabilities	Target Not Achieved Youth (-13.06) PWD(-1.04)	Public bodies to be engaged on improving project design to attract Youth and Persons with disability. Engagements to be made with organisations representing the Youth and Person with disability to improve their
			68.33% Women	Failure to attract Youth and Persons with disabilities due to project design and lack of sufficient	

Programme 3: Expanded Public Works Programme					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				engagement with Youth and Persons with disability. Target on participation of Women was exceeded because many of the programmes implemented are conducive and attractive for their participation	participation in EPWP
Number of contracted Non Profit Organisations (NPOs) to implement the Non-State Sector (NSS): NPO Programme	362 Contracted NPOs supported	350 contracted NPOs supported	339 contracted NPOs supported	Target Not Achieved (-11)	There will be engagements with the DSD and SARS to assist shortlisted NPOs that could not

Programme 3: Expanded Public Works Programme					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				Most of NPOs that applied were not compliant and some that were appointed did not accept the allocated the conditions of the contract given to them	fully comply with the requirements on DSD registration and SARS requirements
Number of Public bodies provided with technical support.	322 Public bodies provided with technical support	290 public bodies provided with technical support	291 public bodies provided with technical support	Target Achieved (+1) Increased demand for technical	

Programme 3: Expanded Public Works Programme					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				support from public bodies	
Number of frameworks on sector convergence approved.	1 Framework not approved (EPWP Policy)	1 Framework approved (EPWP Policy)	1 Draft Framework (EPWP Policy)	Target Not Achieved (-1) Comments received on the draft policy positions documents are still being addressed	The Framework will be finalised once all comments have been processed and considered

Programme 4: Property and Construction Industry Policy and Research					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
Developed Public Works Bill	Draft Public Works Bill not submitted Minister for gazetting and public comment	Draft Public Works White Paper submitted to Minister for Parliamentary process.	The Draft Public Works White paper has not has not been submitted to the Minister for Parliamentary process.	Target Not Achieved Due to lack of capacity to drive the White paper process, the work is moving slowly	The finalisation of the White Paper process will progress in earnest once capacity has been put in place
Developed Expropriation Act	New Indicator	Draft Expropriation Bill submitted to Minister for Parliamentary process	The Draft Expropriation Bill has not been submitted to the Minister for Parliamentary process.	Target Not Achieved Consultations with NEDLAC took longer than anticipated. Consultation	Once this process has been completed, the Draft Expropriation Bill will be processed further for executive consideration

Programme 4: Property and Construction Industry Policy and Research					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
				<p>with NEDLAC started on 05 December 2019 till 14 March 2020.</p> <p>Finalisation of the NEDLAC report to the Executive Authority and the Speaker of the National Assembly which precedes the tabling of the Bill for parliamentary processes, was delayed due to series of engagement</p>	

Programme 4: Property and Construction Industry Policy and Research					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
				meetings with NEDLAC.	
Developed Construction Industry Development Board (CIDB) Amendment Bill	CIDB Amendment Bill not submitted to Minister for gazetting and public comment	Draft legislative amendments developed for submission to Minister	Draft Revised CIDB Amendment Bill Policy developed but could not be submitted to the Minister. Draft Preliminary SEIAS developed.	Target Not Achieved Submission to Minister to approve Policy document was delayed due to finalisation of a policy document by the task team.	Submission to the Minister will be finalised during the 2020/21 FY.
Developed Council for the Built Environment (CBE) Amendment Bill.	CBE Amendment Bill not submitted to Minister for gazetting and public comment	Revised Built Environment Profession (BEPs) Policy submitted to Minister for approval.	Final Draft Revised Built Environment Profession (BEPs) Policy developed towards submission to	Target Not Achieved Submission to Minister to approve Policy document was delayed due to finalisation of a	Submission to the Minister will be finalised during the 2020/21 FY.

Programme 4: Property and Construction Industry Policy and Research					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
			Minister for approval.	policy document by the task team.	

Programme 5: Prestige					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
Number of Prestige policies approved	No Prestige policy approved	2 policies approved	No Policy approved	Target Not Achieved (-2) Stake-holder consultations and engagement on the policy took longer than initially anticipated	Ensure stricter time-frames for stakeholder consultation and engagements

Programme 5: Prestige					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
Number of planned State events supported with movable structures	8 planned State events supported with movable structures	8 Planned State events supported with movable structures	8 planned and	Target Achieved In addition to the planned, 13 unplanned events were achieved	-
Percentage of Movable assets provided within 60 days after approval by prestige clients	30% of Movable assets provided within 60 days after approval by prestige clients	80% of movable assets provided within 60 days after approval by Prestige clients	No requests received	Not Applicable	There was no request received due to moratorium on purchase of Furniture.
Signed off infrastructure worklists for the Prestige Portfolio	5 signed infrastructure worklists for the prestige portfolio	1 Signed infrastructure worklists (Presidency and Parliament)	1 Signed infrastructure worklists (Presidency and Parliament)	Target Achieved	-



Part B

2.3 Performance Information of the Property Management Trading Entity

Vision

Convenient access to dignified public services.

Mission

Effective management of State's immovable assets to contribute towards economic and social development and transformation of the built environment.

Values

We align our values with the Constitution, as underpinned by the following culture drivers:

- *Innovation*: by tirelessly seeking opportunities for service delivery improvement by thinking freely and not bound by old, non-functional, or limiting structures, rules and practices.
- *Integrity*: by consistently honouring our commitments, upholding ethical, honest behaviour through transparent communication.
- *Motivation*: by having an attitude that brings out our best efforts and actions toward the realisation of organisational goals.
- *Professionalism*: by treating our clients with respect and reliably delivering against expectations.
- *Accountability*: by discharging our duties in a responsible manner in compliance with the relevant laws.
- *Results-orientated*: by knowing what results are important and focusing resources to achieve them.
- *Teamwork*: by respecting diversity while sharing a common purpose and working together in cooperation with each other.

2.3.1 Programme Performance

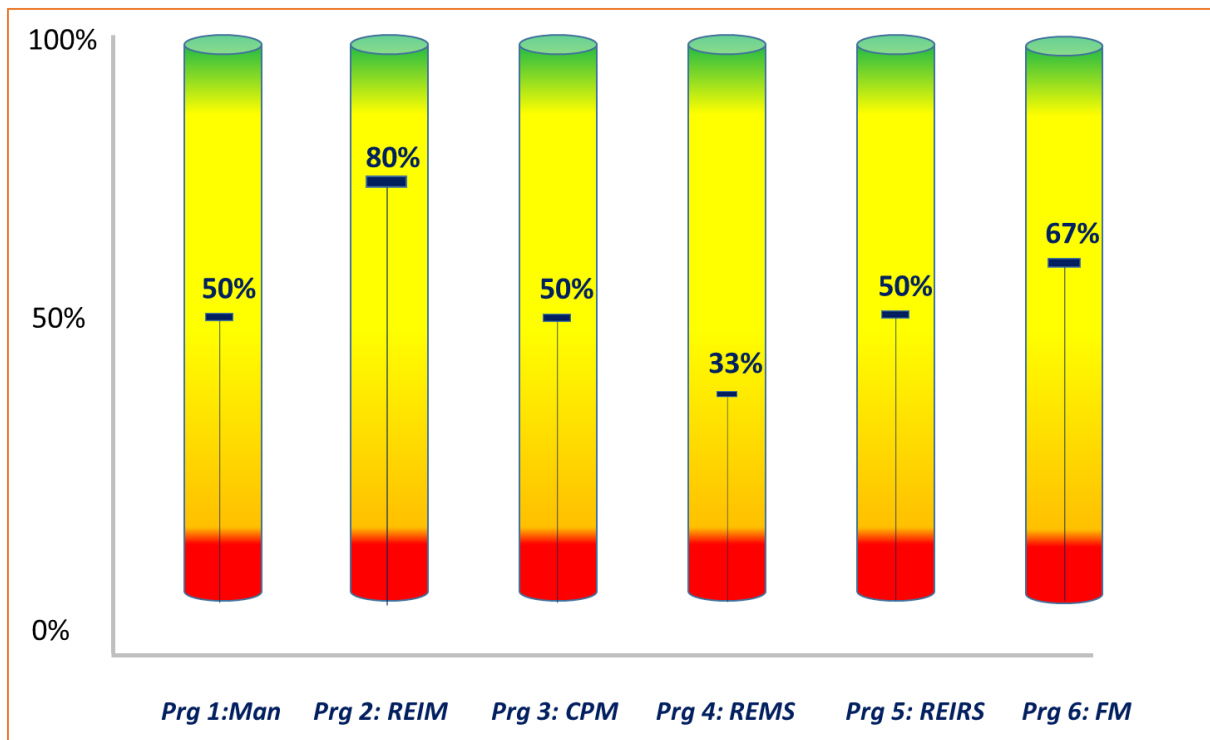
The Property Management Trading Entity Department has six programmes and the performance of these programmes is depicted in the tables below.

Table 2.7: Performance Programme and its purpose

Programme	Purpose
Programme 1: Management	To provide leadership, strategic management, governance and administrative support to the Property Management Trading Entity (PMTE)
Programme 2: Real Estate Investment Management	To achieve an efficient and competitive Real Estate Portfolio for the State through effective planning, analysis and informed investments
Programme 3: Construction Project Management	To provide effective and efficient delivery of accommodation needs for DPW and User Departments through construction and other infrastructure improvement programmes
Programme 4: Real Estate Management Services	To provide and manage Real Estate Portfolio in support of Government social, economic, functional and political objectives
Programme 5: Real Estate Information and Registry	To develop and manage a complete, accurate and compliant Immovable Asset Register to meet service delivery objectives for the State, Department and Property Management Trading Entity business requirements
Programme 6: Facilities Management	To ensure that immovable assets used by government departments and the public, are optimally utilised and

maintained in a safe, secure healthy and ergonomic environment while contributing to job creation, skills development and poverty alleviation

- Summary of Performance for the PMTE



The overall performance of the Department (PMTE side) for the Financial Year under review is 58%. This reflects an average performing Department. Weak performance is reported under Programme 4.

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
Sub-Programme Finance and Supply Chain Management					
Percentage of compliant invoices settled within 30 days	21% 41 Out of 187 invoices	100%	90%	Target Achieved (-10%) Client departments not confirming funds timeously, CSD information not updated timeously and disputed invoices by suppliers, delayed verification and certification by line managers, delays in updating banking details, services rendered without an order and subsequent ratification thereof,	Increased management oversight over long outstanding orders and unpaid invoices. Letters sent to officials not complying to procedures

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
				delays in the approval of day to day expenditure budget.	
Number of Client departments to be issued with itemized invoices	4 Departments approved for Itemized billing, agreements signed by PMTE and not yet signed by the client	6 Identified User-Department issued with Itemized billing	5 Users were identified: a) Dept. of Arts & Culture b) Dept. of Health; c) Dept. of Higher Education and Training; d) Dept. of Home Affairs; e) SASSA (Dept. of Social Dev)	Target Not Achieved (-1) User Charge Approval by National Treasury in Dec 2019 was for 5 Clients ONLY	To follow up with National Treasury to bring the sixth on board
Percentage of bids awarded within 56	21% 41 out of 187 bids	75%	26% 51 out of 193 bids awarded	Target Not Achieved (-49%)	Budget confirmation will be

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
working days from closure of tender advertisement			within 56 days of closure of tender advertisement	Business process review is being undertaken that will lead to revised turnaround times for all the steps in the procurement processes, external response timelines and improve efficiencies	processed following the IDMS process which is more efficient and effective
Percentage of quotations awarded within 30 working days from requisition date	64% 4 942 out of 7 622 quotations	90% of quotations awarded within 30 working days from requisition date	76% 5371 out of 7089 quotations were awarded within 30 days	Target Not Achieved (-14%) Non to Negative response from the market result in re-issuing quotations for another reasonable/longer period thereby increasing the	Establish term contracts for frequently used commodities

Programme 1: Administration					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
				period of processing/finalizing quotations.	
Percentage of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	90%: R664 489 375.60 out of R735 116 070.71	80% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	91% 2 372 208 768.94 out of 2 594 556 116.72 bids were awarded to designated groups	Target Over Achieved (+11%)	Sufficient response from the market in terms of qualifying designated groups
Percentage of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	91% 165 out of 181 bids	80% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	82% 175 out of 213 bids were awarded to designated groups	Target Over Achieved (+2%)	Sufficient response from the market in terms of qualifying designated groups

Programme 2: Real Estate Investment Services					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
User Demand Management					
Number of User Management Plans (U-AMPS) received from user departments.	20 U-AMPS received	24 User Management Plans (U-AMPS) received from user departments.	10 U-AMPS received	Target Not Achieved (-14) U-AMPS not received from clients	DPWI is still engaging with User Departments to finalize and sign U-AMPS
Number of signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists	9 signed off infrastructure worklists	Target Achieved (-1) Pending signing of the work list by Dept. of Arts & Culture	Once the User Department has finalized the work list, DPWI will upload the allocations on the WCS System
Sub-Programme: Real Estate Management Services					

Programme 2: Real Estate Investment Services					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
Number of Government Precinct Development plans aligned with identified municipal (rural & urban) Integrated Development Plans	5 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	4 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	4 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	Target Achieved	-
Number of sites established for development	1 site established for development (Tshwane - HG De Wit)	4 site established for development	3 sites established for development	Target Not Achieved (-1) This is a multi-faceted and multi-year process in which delays were encountered in terms of re-instating PPD Delegation Framework, obtaining PDIR, and acquiring city	To be followed through as a deliverable for the 2020/21 Financial Year

Programme 2: Real Estate Investment Services					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
				blocks from the City of Tshwane owing to the City issuing a Clearance Certificate	
Number of concept designs completed for identified user departments	5 concept designs completed for identified user departments	6 concept designs completed for identified user departments	6 concept designs completed for identified user departments	Target Achieved	-
Percentage of feasibility studies completed within scheduled timeframes	100% 255 out of 255 of feasibility studies completed within scheduled timeframes	90% feasibility studies completed with schedule timeframe	98,5% (260/264) Feasibility studies completed with schedule timeframe (Annual target	Target Over Achieved (+8.5%) • Information was easily accessible from external dependencies.	Some requests contained more than one sub-property / request resulting in overachievement

Programme 2: Real Estate Investment Services					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
			of 264 projects)	<ul style="list-style-type: none"> Number of High Level / UAMP Feasibility Studies conducted 	
Percentages of valuations completed within schedules timeframes	92%: 231 out of 252 Valuations completed within scheduled timeframes	90% valuations completed within scheduled time frames	90% (238/264) Valuation completed within scheduled time frames	Target Achieved	-
Percentages of responsive disposal requests approved within scheduled timeframes	70%: (117 out of 167 processed requests	90% disposal requests processed by 31 March 2019	84% (228/270) disposal requests processed by 31 March 2019	Target Achieved (-6%) Some of the planned projects could not be processed owing to insufficient	Engage relevant applicants to provided required supporting documentation

Programme 2: Real Estate Investment Services					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on deviations and/or Remedial Actions
				supporting documentation.	
Number of Custodian Asset Management Plan approved	1 C-AMP submitted to National Treasury	1 C-AMP submitted to National Treasury	1 C-AMP submitted to National Treasury	Target Achieved	-
Number of buildings performance measured in identified performance areas	850 buildings performance measured in identified performance areas	800 buildings performance measured in identified performance areas	813 buildings performance reports completed	Target Achieved (+13)	Availability of additional information

Programme 3: Construction Project Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Programme 3: CPM					
Number of approved infrastructure project designs	84 approved infrastructure project designs	103	120	Target Achieved (+17)	Improved monitoring during Project Review Meetings. The tracking system that we have developed for sketch plans is proving to be working well in ensuring we meet the our targets
Number of approved infrastructure projects ready for tender	147 approved infrastructure projects ready for tender	140	144	Target Achieved (+4)	Improved monitoring during Project Review Meetings

Programme 3: Construction Project Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Number of infrastructure sites handed over for construction	107 handed over for construction	116	116	Target Achieved	The sites that were handed over were also projects that were advertised in the previous year but their adjudication was finalized in the 2019/2020 financial year
Number of infrastructure projects completed	109 infrastructure projects completed	116	145	Target Achieved (+29)	Some projects were originally planned for completion in the last financial year and they only got completed in the new financial year (2019/20) Improved monitoring during Project Review

Programme 3: Construction Project Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
					Meetings. The Department also focused a little bit on the smaller projects which had a shorter construction period and also executed by internal Professional Services (or a combination of internal and external Professionals)
Number of infrastructure projects completed within agreed construction period	30 infrastructure projects completed within agreed	92	78	Target Not Achieved (-14) Slow progress and cash flows problems by contractors and the contractors not	Additional requests (scope) from Client Departments on projects that have advanced in construction.

Programme 3: Construction Project Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
	construction period			<p>paying sub-contractors on time.</p> <p>Capacity constraints of the service providers.</p> <p>Poor performance by the contractors.</p> <p>Delays as result of inclement weather.</p> <p>Termination of consultant contracts.</p> <p>SMME strikes and shutting down of sites by SMME.</p> <p>Delays in obtaining construction permit.</p> <p>Delays in ordering of specialised</p>	

Programme 3: Construction Project Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				installations by the contractors.	
Number of infrastructure projects completed within approved budget	89 infrastructure projects completed within approved budget	92	125	Target Over Achieved (+34)	Some projects were originally planned for completion in the last financial year and they only got completed in the new financial year (2019/20) Improved monitoring during Project Review Meetings.
Number of EPWP work opportunities created through construction projects	5 607 EPWP work opportunities created through	8 200	3 609	Target Not Achieved (-4 591) Work opportunities of about 72 projects have not been	Under reporting as a result of poor management of Project Managers and contractors.

Programme 3: Construction Project Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
	construction projects			validated and this affected the target. Only 3 609 work opportunities were validated.	7 major projects which were scheduled to create jobs within Q3 have not reached tender stage due to the following challenges: 1. Re-designs, 2. Structural Engineering appointment, appointed QS being de-registered. 3. Additional requirements from client requiring revised Norms 4. Re-advertising of projects. 5. Delays in security screening

Programme 3: Construction Project Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
					6. Audits by Probity Auditors have had a huge impact in delaying awards, as documents had to be checked and okayed before they serve in either the NBAC or RBAC
Number reduction of backlogs in infrastructure projects	13% reduction of backlogs in infrastructure projects	30%	8.5%	Target Not Achieved (-21.5%) Outstanding litigation. Project reached practical completion and yet client requested additional work (ICT Systems).	Change of scope by client Departments. Cancellation of contract and liquidation of the Principal Agents. Project overrun due to poor performance of contractors. Poor contract management by contractors.

Programme 3: Construction Project Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				Tender cancellations due to non-responsiveness of tenderers	Delays as result of inclement weather. Termination of consultant contract. Projects being put on hold. Delays in procuring the replacement contract as the initial contract had been terminated. Delay in confirmation of funds by the Client Departments
Number of contractors incubated through the Contractor Incubation Programme (CIP)	0 contractors incubated through the CIP	297	0	Target Not Achieved (-297) Delays in the conclusion of the Procurement Strategy	To be considered once procurement processes have been finalized

Programme 3: Construction Project Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				through the bid committees and lockdown restrictions, as this was not advertised in March 2020 as planned.	

Programme 4: Real Estate Management Services					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Programme 4: Real Estate Management Services					
Percentage of lease agreements signed within scheduled timeframes	636 lease agreements signed within scheduled timeframes	100% lease agreements signed within scheduled time frames	49% % lease agreements signed within scheduled timeframes	Target Not Achieved (-51%) Lease Agreements could not be signed within a scheduled time frame due the delay in value chain.	The post adjudication process involves more stakeholders. The period of one month needs to be reviewed to accommodate the post BAC process.
Number of private leases reduced within the security cluster	12 private leases reduced within the security cluster	13 private leases reduced within the security cluster	0 private leases reduced within the security cluster	Target Not Achieved (-13)	Project better in future taking into consideration the expected deferment and rescheduling of

Programme 4: Real Estate Management Services					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				Delayed upgrades and renovation of a state owned property (e.g. SAPS Headquarters).	dates due to construction and renovation or refurbishment challenges in getting facilities ready to be occupied by security cluster department/s.
Percentage increase in revenue generation through letting of State-owned properties (excluding harbour related properties)	21% increase in revenue generation through letting of State-owned properties (excluding harbour related properties)	15% increase in revenue generation through letting of State-owned properties (excluding harbour related properties)	0% increase in revenue generation through letting of State-owned properties (excluding harbour related properties)harbour related properties)	Target Not Achievement (-15%)	Target more on commercial leases with higher rental return of received

Programme 4: Real Estate Management Services					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Number of identified vacant surplus State-owned properties let out	95 identified vacant surplus State-owned properties let out	70 identified vacant surplus State-owned properties let out	105 identified vacant surplus State-owned properties let out	Target Over-achieved (+35)	Sessions with all stakeholders as means to offer support, discuss challenges and came up with resolutions for leasing.
Sub-Programme: Small Harbours and Coastal Development Unit					
Percentage of revenue increased through rentals of small harbours and state coastal properties	5.3% revenue increased through rentals of small harbours and state coastal properties	20% revenue increased through rentals of small harbours and state coastal properties	20% revenue increased through rentals of small harbours and state coastal properties	Target achieved	-
Number of work opportunities created through the letting out of Small harbours and State coastal properties	778 work opportunities created through the letting out of Small harbours and State coastal properties	2 000 work opportunities created through the letting out of Small harbours	963 work opportunities created through the letting out of Small harbours	Target Not Achieved (-1 037)	Poor economic conditions as well as declining fish stocks has resulted in the reduction of appointing new

Programme 4: Real Estate Management Services					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
		and State coastal properties	and State coastal properties		employees within the sector

Programme 5: Real Estate Information & Registry Services (REIRS)					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Programme 5: REAL ESTATE INFORMATION & REGISTRY SERVICES (REIRS)					
Percentage of approved disposals (in respect of socio economic purposes) processed for transfer	60% of approved disposals (in respect of socio economic purposes) processed for transfer	90% of approved disposals (in respect of socio economic purposes) processed for transfer	90% of approved disposals (in respect of socio economic purposes) processed for transfer	Target Achieved	-
Percentage of immovable assets updated on the IAR for completed infrastructure projects	100% of immovable assets updated on the IAR for completed infrastructure projects (4 of 4)	100% of immovable assets updated on the IAR for completed infrastructure projects	100% of immovable assets updated on the IAR for completed projects (33 of 33 completed projects capitalized and added to IAR)	Target Achieved	-

Programme 5: Real Estate Information & Registry Services (REIRS)					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Number of land parcels vested (confirmation of ownership)	333 land parcels vested (confirmation of ownership)	900 land parcels vested (confirmation of ownership)	528 of land parcels vested (confirmation of ownership)	Target Not Achieved (-372) Vesting applications on various stages are in process on LAW residing at DRDLR	The Department will engage National and Provincial custodians of immovable assets in order to fast track the vesting applications on LAW including regular monitoring and review of vesting applications.
Number of immovable Assets physically verified to validate existence	8 005 of immovable Assets physically verified to validate existence	24 636 immovable Assets physically verified to validate existence	21 401 of immovable Assets physically verified to	Target Not Achieved (-3 235) Some of the fieldworkers	Human resource contracts were extended to July 2020. Vehicle contract has been resolved.

Programme 5: Real Estate Information & Registry Services (REIRS)					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
			validate existence	<p>were not able to perform their duties in January 2020 due to contractual issues. Subsequent to that in February 2020 the vehicle contract was not renewed which led to the fieldworkers not being able to go on site.</p> <p>Challenges with Mobile verification tool</p>	<p>ICT has been engaged to assist the REIRS unit for an upgrade to the Mobile verification tool (QA system).</p> <p>ICT has also been requested to assist in providing ongoing project support for physical verification, by allocating a dedicated official to the unit</p>
Number of Provincial immovable Asset	9 of Provincial immovable Asset	9 of Provincial immovable Asset	9 of Provincial immovable	Target Achieved	-

Programme 5: Real Estate Information & Registry Services (REIRS)					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Register assessed for compliance	Register assessed for compliance	Register assessed for compliance	Asset Register assessed for compliance		
Number of National and Provincial Immovable Asset registers incorporated into single repository (National Database of state properties)	0	4 National and Provincial Immovable Asset registers incorporated into single repository	0 of National and Provincial Immovable Asset registers incorporated into single repository (National Database of State properties)	Target Not Achieved (-4) The project to create a national database or single repository of State properties was not implemented due to the lack of funds.	Engagements with key stakeholders in progress to secure funds for the project.

Programme 6: Facilities Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Number of facilities with maintenance contracts in place	1 036 facilities with maintenance contracts in place	550 facilities with maintenance contracts in place	2 083 facilities with 333 maintenance contracts in place	Target Over-Achieved (+1 533) Due to a focus on preventative maintenance regions are encouraged to enter into term contracts	-
Percentage of unscheduled reported maintenance incidents resolved within agreed timeframes	3.89% unscheduled reported maintenance incidents resolved within agreed timeframe	20% unscheduled reported maintenance incidents resolved within agreed timeframe	2% unscheduled reported maintenance incidents resolved with	Target Not Achieved (-18%) Worx4U - Inadequacy of the system	Worx4U - Inadequacy of the system which reflects faulty controls from the design. Migration from Worx4U to Archibus

Programme 6: Facilities Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
			agreed timeframes	which reflects faulty controls from the design. Migration from Worx4U to Archibus has commenced with 8 out of 11 regions.	has commenced with 8 out of 11 regions.
Percentage of terms contracts awarded to BBBEE companies	80% term contracts awarded to BBBEE companies	40% maintenance term contracts awarded to BBBEE companies	97% maintenance term contracts awarded to BBBEE companies	Target Over-Achieved (+50%) The majority of the term contracts are drawn from the BBBEE companies	-

Programme 6: Facilities Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
Reduction in energy consumption (kilowatt hours of renewable energy generated)	187 780 293.7 kWh reduction in energy consumption for identified buildings	155 000 000 kWh reduction in energy consumption for identified buildings	142 931 281.6 kWh	<p>Target Achieved</p> <p>(-12 068 718.4 kWh)</p> <p>On creative measures</p> <p>Two-three months lag between DPWI reporting and municipal billing unavoidable due to different administration processes of the two spheres of Government.</p>	The target has been revised in line with the new strategic term and will be reported on bi-annually.

Programme 6: Facilities Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				DPWI to depend more on Renewable Energy Generation and internal capacity for savings post Integrated Resource Efficiency Programme implementation, as opposed to current shared savings model.	
Number of kilowatt hours of renewable energy generated	0 kWh of renewable energy generated	20 000 000 kWh of renewable energy generated (Union Buildings)	0 (Zero)	Target Not Achieved (-20 000 000 kWh)	Programme focused on Renewable Energy is being finalised for launch in 2020/21 Q3-4. Renewable Energy Programme has been

Programme 6: Facilities Management					
Performance Indicator	Actual Achievement 2018/19	Planned Annual Target 2019/20	Actual Achievement 2019/20	Deviation (and Comments) from Planned Annual Target to Actual Achievement 2019/20	Comments on Deviation/Remedial Actions
				Implementation of Integrated Resource Efficiency Programme with private sector Renewable Energy Power Purchase Agreements	gazetted as part of Sustainable Infrastructure Development Initiatives. Government Gazette No 812 of 24 July 2020 attached. The target has been revised in line with the New Strategic Term
Reduction in water consumption (kilolitres for identified buildings)	12 780 865 kl reduction in water consumption for identified buildings	15 000 000kl reduction in water consumption for identified buildings	15 760 242.28 kl	Target Over Achieved (+760 242.28)	Increased performance due to focus on reducing utility expenditure in Government.

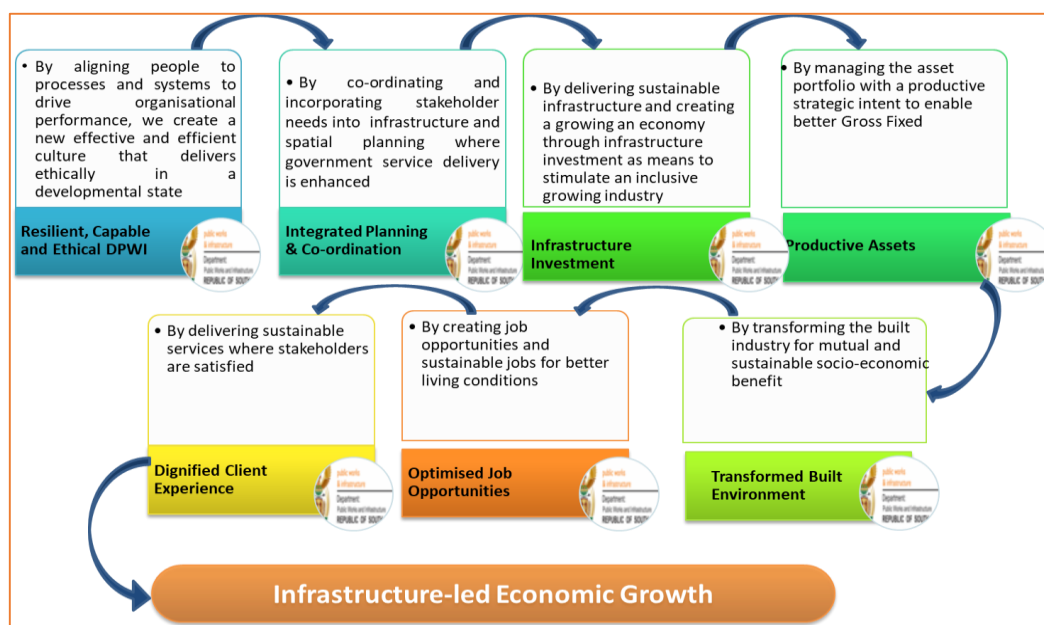
2.4 Strategy to Overcome Areas of Under Performance

For the financial years ahead, the Department has adopted a different approach to planning informed by the 2019 Revised Framework for Strategic Plans and Annual Performance Plans. The purpose of the Revised Framework is to build on the foundation of the 2010 Framework for Strategic Plans and Annual Performance Plans, reaffirm the planning logic and institutionalize planning to enable better service delivery. The planning principles to be implemented through the Revised Framework aim to focus the planning approach towards achieving results; standardize the concepts used in short and medium term planning instruments; streamline the planning, monitoring and evaluation processes; and increase learning and innovation through improved use of evidence and the findings from monitoring and evaluation. The Revised Framework has a particular focus on planning for women, youth and people with disabilities. This means that the structure of the programmes in the Strategic Plans and Annual Performance Plans for the next five years will be different.

The Department applied the Theory of Change methodology and developed outcomes linked to the 6th Administration priorities of government namely:

- PRIORITY 1: Building a capable, ethical and developmental state
- PRIORITY 2: Economic transformation and job creation
- PRIORITY 3: Education, skills and health
- PRIORITY 4: Consolidating the social wage through reliable and quality basic services
- PRIORITY 5: Spatial integration, human settlements and local government
- PRIORITY 6: Social cohesion and safe communities
- PRIORITY 7: A better Africa and world.

The challenges experienced in the 2019/20 financial year in relation programme performance will be addressed through the application of this new approach to planning in the Department. Below is the approach on ToC adopted by the Department.



2.5 Transfer Payments to Public Entities

Name of the Public Entity	Services Rendered by the Public Entity	Amounts transferred to the Public Entity	Amounts spent by the Public Entity	Achievement by the Public Entity
		R'000		
Agrément South Africa	To conduct technical assessments of non-standardised construction products and systems for which there are no South African National Standards and are fit for purpose	31 062	31 062	<ul style="list-style-type: none"> • Draft business Model for the Eco Label Scheme has been approved by the ASA Board • 86% achieved. 18/21 audit recommendations closed. • 89.1% of approved expenditure spent of the approved budget with 0.3% irregular expenditure • The completion of the overdue assessments from previous quarters were prioritized.

				<ul style="list-style-type: none"> • 26 of the 28 completed projects were overdue for completion • • 56% (64 of 114 certificate holders, with paid annual fees, inspected). • Draft marketing strategy was presented to the Board meeting on 10 December 2019 and approved and referred to the Industry Advisory sub-committee of the Board.
	Modify green building tool	600	103	<ul style="list-style-type: none"> • Accreditation is partially achieved as some staff members are still on training programme.

Name of the Public Entity	Services Rendered by the Public Entity	Amounts transferred to the Public Entity R'000	Amounts spent by the Public Entity	Achievement by the Public Entity
Council for the Built Environment		52 796	58 252	
	<p>Programme 1: Administration</p> <p>The scope of the CBE and the six Professional Councils in the built environment value chain is to regulate those built environment professions who conceptualise, design, build, maintain and transfer social and economic infrastructure</p>	47 804 ¹	46 781	An unqualified audit report achieved on financial statements, with no material findings for the 2018/19 financial (Clean Audit).
	<p>Programme 2: Skills for Infrastructure Delivery</p> <p>Provision of informed and researched advice to Government and all sectors of the economy on BE priority matters identified in the Medium Term Strategic Framework (MTSF),</p>	11 505	10 144	<ul style="list-style-type: none"> The CBE enrolled 152 learners in the Maths and Science support Programme – six exited the programme and two did not write the National Senior Certificate (NSC) examinations. Of the 144 learners who wrote the examination, 42 may be

¹ Budgeted figure includes other revenue sources, i.e interest, levies and other partnership income, as budget and actual expenditure are not split per revenue stream

Name of the Public Entity	Services Rendered by the Public Entity	Amounts transferred to the Public Entity R'000	Amounts spent by the Public Entity	Achievement by the Public Entity
	supported by a well-functioning and resourced BE research, knowledge management and information resource.			<p>accepted at universities of technology (UoTs) and 55 at historical universities.</p> <ul style="list-style-type: none"> • Fifty-four candidates were mentored in the Structured Candidacy programme from the provinces of North West, Free State, Northern Cape, Western Cape, Limpopo and Gauteng. • The CBE placed 167 Built Environment students for Work Integrated Learning (WIL).. Out of the supported 167 students, 95 completed their WIL programme. • An oversight report on the accreditation of academic programmes undertaken by the CBEP, was developed. • Twelve Collaborative engagements and one Built Environment Indaba were hosted by 31 March 2020

Name of the Public Entity	Services Rendered by the Public Entity	Amounts transferred to the Public Entity R'000	Amounts spent by the Public Entity	Achievement by the Public Entity
	Programme 3: Built Environment Research, Information and Advisory Provision of informed and researched advice to Government and all sectors of the economy on BE priority matters identified in the Medium Term Strategic Framework (MTSF), supported by a well-functioning and resourced BE research, knowledge management and information resource.	415	338	<ul style="list-style-type: none"> • An advisory report that analysed the state of compliance with health and safety regulations by the CBEP was developed. • A research report on the potential impact of the Fourth Industrial Revolution (4IR) on Expanded Public Works Programme (EPWP) practices was developed. • A research report on the viability of an implementation plan to incorporate digitalisation and technologies of 4IR into BE academic curricula was developed.
	Programme 4: Regulation and oversight of six CBEPs	981	952	All Fourteen appeals due for decision were decided within the statutory time limit of 60 days.

Name of the Public Entity	Services Rendered by the Public Entity	Amounts transferred to the Public Entity R'000	Amounts spent by the Public Entity	Achievement by the Public Entity
	BEPs that provide their services in an ethical and professional manner and are responsive to the country's national goals and needs, while complying with legislative requirements.			
	Programme 5: Government Policies and Priorities Ensure that the South African built environment responds to the developmental and economic priorities of Government.	45	37	One research report on the viability of an implementation plan to incorporate digitalisation and technologies of the Fourth Industrial Revolution into BE academic curricula, developed

Name of the Public Entity	Services Rendered by the Public Entity	Amounts transferred to the Public Entity R'000	Amounts spent by the Public Entity	Achievement by the Public Entity
Construction Industry Development Board		76 160	76 160	
	<p>Programme 1 – Administration</p> <p>plays a crucial role in the delivery of cidb services through a range of support services, such as organisational development, human resources (HR) and labour relations, information and communication technology, property and facility management, legal, communication and all financial related functions.</p>			<ul style="list-style-type: none"> • The target of raising alternative revenue was achieved. • The target of implementing Board resolutions were attained. • The target of managing business interruption were kept at acceptable level of 10%. • Incident reports were attended timeously and addressed • The target to minimize internal fraud and corruption was achieved. • The SCM turnaround time was achieved • The target of 30 days payment to the service provider was achieved.

Name of the Public Entity	Services Rendered by the Public Entity	Amounts transferred to the Public Entity R'000	Amounts spent by the Public Entity	Achievement by the Public Entity
				<ul style="list-style-type: none"> Overall performance rating target of staff was exceeded The NSF session was held as planned
	<p>Programme 2: Regulation and Advocacy</p> <ul style="list-style-type: none"> operate and maintain the national register of contractors, the contractor recognition scheme, the register of projects and the project assessment scheme; monitor and enforce compliance to cidb prescripts contractor registration receiving and assessment; 			<ul style="list-style-type: none"> Client registration grading of 2 to 9 was achieved. Register of project information were verified and corrected within stipulated time.

Name of the Public Entity	Services Rendered by the Public Entity	Amounts transferred to the Public Entity R'000	Amounts spent by the Public Entity	Achievement by the Public Entity
	Programme 3: Development and Capacitation <ul style="list-style-type: none"> • promote sustainable growth of the construction industry and the participation of the emerging sector. • promote procurement and delivery management reform, and improved public sector delivery management 			<ul style="list-style-type: none"> • During the year under review, business advisory services were provided to 100 contractors selected from the 396 contractors currently incubated with the SCI in KwaZulu-Natal, Eastern Cape, Gauteng and Limpopo. • 25 TVET Colleges participated in World Skills SA construction trade competitions. • An amount of over R4m was spent on skill developmental support. • The cidb facilitated a trade mission of contractors in South Africa in Grade 5 to 9.
	Programme 4: Industry performance and Transformation			<ul style="list-style-type: none"> • The target of monitoring and assessing industry performance was achieved.

Name of the Public Entity	Services Rendered by the Public Entity	Amounts transferred to the Public Entity R'000	Amounts spent by the Public Entity	Achievement by the Public Entity
	<ul style="list-style-type: none"> • monitor economic activity within the construction industry and the measures according to which public sector spending is scheduled; • assess the impact of public expenditure on the construction industry and advise the Minister accordingly; • publish quarterly and annual reports on the state of the industry 			<ul style="list-style-type: none"> • An amount exceeding R10m was spent on Contractor developmental support. • Access to finance credit target was achieved • The target of contractor payments within 30 days was achieved.

2.6 Conditional Grants

The EPWP Integrated Grant to Provinces was fully disbursed to provinces with 98% expenditure by eligible departments by the 31st of March 2020 as reflected in the table below.

Table 2.6.1: EPWP Integrated Grant for Provinces

EPWP Integrated Grant for Provinces (Public Works vote 11)	The grant has been transferred to provincial Departments nationally
Purpose of the grant	<p>To incentivize provincial Departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines:</p> <ul style="list-style-type: none"> • road maintenance and the maintenance of buildings • low traffic volume roads and rural roads • other economic and social infrastructure • tourism and cultural industries • sustainable land based livelihoods • waste management
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of people employed and receiving income through the EPWP • Increased average duration of the work opportunities created
Actual outputs achieved	The total FTEs created is 25 479
Amount per amended DORA	R437 million
Amount transferred	R437 million
Reasons if amount as per DORA not transferred	N/A
Amount spent by the provincial Departments	R429 million

Reasons for the funds unspent by the entity	The unspent funds is as a result of delayed implementation of the projects
Monitoring mechanism by the transferring department	The EPWP Integrated Grant for Provinces is monitored through the In-Year Monitoring (IYM) reports submitted on a monthly basis by the provincial Departments, public body visits and reports on work opportunities as extracted from the EPWP reporting system.

The EPWP Integrated Grant to Municipalities was fully disbursed to municipalities with more than 84% expenditure by eligible municipalities by the 31st of March 2020. Municipalities' full expenditure will be evaluated at the end of June 2020, that is, the financial year end of municipalities. Below is a table reflecting the amount transferred and the purpose of the grant.

Table 2.6.2: EPWP Integrated Grant for Municipalities

EPWP Integrated Grant for Municipalities (Public Works vote 11)	The grant has been transferred to municipalities nationally
Purpose of the grant	<p>To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines:</p> <ul style="list-style-type: none"> • road maintenance and the maintenance of buildings • low traffic volume roads and rural roads • basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure) • other economic and social infrastructure • tourism and cultural industries • waste management

	<ul style="list-style-type: none"> • parks and beautification • sustainable land-based livelihoods • social services programmes • community safety programmes
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of people employed and receiving income through the EPWP • Increased average duration of the work opportunities created
Actual outputs achieved	The total FTEs created is 60 333
Amount per amended DORA	R730 million
Amount transferred	R730 million
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Municipalities	R617 million
Reasons for the funds unspent by the entity	The implementation and spending plan for this grant is aligned to the municipal financial year which ends on the 30 th of June 2020.
Monitoring mechanism by the transferring Department	The EPWP Integrated Grant for Municipalities is monitored through the In-Year Monitoring reports submitted on a monthly basis by the Municipalities, Quarterly performance reports, public body visits and report on work opportunities EPWP reporting system.

Social Sector EPWP Incentive Grant for Provinces

The sector realised 100% disbursement of the grant and 97% expenditure among receiving public bodies. Although a few recipient public bodies delayed the start of the implementation of their projects in 2019/20 financial year, 37 out of 38 of these had fully complied with DoRA requirements by the end of the 2019/20 financial year. There is still a tendency among public bodies to rely on the incentive grant to fund EPWP work opportunities. This has led to non-eligibility of five (5) out of the 38 receiving public bodies

for 2020/21 financial year. The table below outlines the purpose of the grant and the expected outputs from the receiving public bodies.

Social Sector EPWP Incentive Grant for Provinces (Public Works vote 11)	
The grant has been transferred to provincial social sector Departments nationally	
Purpose of the grant	To incentivise provincial social sector departments, identified in the 2018 social sector EPWP log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential
Expected outputs of the grant	<ul style="list-style-type: none"> • 9 989 full time equivalents (FTEs) funded through this grant • A minimum of 11 487 people employed and receiving income through the EPWP • A minimum average duration of 200 person days for work opportunities created • A minimum of 10 000 households to which services are provided • A minimum of 150 000 beneficiaries to whom services are provided
Actual outputs achieved	<ul style="list-style-type: none"> • The total FTE's created is 12 741 • 15 832 people were employed • average duration of 185 person days for work opportunities created is achieved • 374 received service • 8 123 beneficiaries received the services
Amount per amended DORA	R 430 million
Amount transferred	R 430 million
Reasons if amount as per DORA not transferred	N/A

Amount spent by the provincial Departments	R419 million
Reasons for the funds unspent by the entity	The grant unspent funds is due to the late implementation of projects.
Monitoring mechanism by the transferring department	The Social Sector EPWP Incentive Grant for Provinces is monitored through the In-Year Monitoring (IYM) reports submitted on a monthly basis by the provincial Departments, quarterly performance reports and reports on work opportunities as extracted from the EPWP reporting system. The department also conducts public body visits as part of monitoring to ensure compliance.

2.7 Capital Investment

During the 2019/20 financial year, ten (10) U-AMPs were received from various User Departments (Higher Education and Training, Trade and Industry, Defence, Science and Technology, Military Veterans, Rural Development and Land Reform, Labour, Women, Monitoring and Evaluation and Agriculture, Forestry and Fisheries). The accommodation requirements emanating from these U-AMPs will be incorporated to the C-AMP to be compiled in 2020/21. The Department will continue to engage and assist all User Departments to ensure compliance to GIAMA requirements

For the year under review the Department spent an amount of **R4.1 billion** on infrastructure projects. The details of the projects completed are provided later in the report. In the mist of delivering infrastructure projects, we encountered a number of challenges which include but not limited to the following: Incapacity of some emerging contractors implementing our projects is adversely affecting timeous delivery of projects; Clients requests for additional work and community protests and demands to be considered as service providers has financial implication on the preliminaries and generals costs of the projects; Limited professional services positions, for Sketch Plan approvals, which adds to delays for approval of sketch plans; Extended tender adjudication and award dates; Community protests and work stoppages; Incapacity of some emerging contractors implementing our projects is adversely affecting timeous delivery of projects; Clients requests for additional work and community protests and demands to be considered as service providers has financial implication on the preliminaries and generals costs of the projects

The custodian asset management plan seeks to assist in the development of a maintenance programme. The Department however, continues to have a significant number of

immovable assets in a very poor to poor condition. Although maintenance projects have been scheduled for assets in the portfolio, the projects are currently unfunded and contribute to continued dilapidation of the portfolio. The strategy will prioritize assets to be funded under the Maintenance Programme on an annual basis until National Treasury can increase budgets to maintenance programmes.

CHAPTER 3

Governance

3.1 Introduction

Governance in the Department is understood as an oversight tool and the process to manage and mitigate departmental risks. This tool cuts across the entire organization and tie into everything aspect of the organisation. The substance of governance objectives is

closely connected to the well-being of the organisation. The Department has structured its governing bodies in different ways containing three key components that focus on the following tasks: providing strategic leadership, defining the business of the Department and analysing technical environment within which the Department operates, policies and solutions. Some of the salient features of governance practices in the department are discussed below.

The Department has four entities namely the CIDB, CBE, ASA and the IDT. The performance of these entities is monitored quarterly. These quarter assessment have enabled the entities to better focus their priorities with those of government as contained in the NDP and MTSF, as well as the policy priorities of the Minister of Public Works. The Department is engaging the role previously assumed by the DPME of overseeing the planning processes in these public entities and formalized shareholder compacts with each one of them for the first time (with the exception of the IDT for whom this has been standard practice), detailing the expectations of the public entities as a mode of delivery for critical outcomes contained in the NDP within the construction and property sectors. Over the years, great emphasis has been placed on the six built environment professional councils.

3.2 Risk Management

The Department has a Risk Management Policy and Risk Management Strategy. The Risk Management Policy is reviewed every three years in line with changes in environment to reflect the current stance on risk management. The Risk Management Strategy on the other hand is reviewed annually in line with the changes in the department. The Risk Management Strategy was presented to the relevant structures (RMC, EXCO) for inputs and adoption and it was subsequently approved by the accounting officer for implementation during the 2019/20 financial year.

Risk assessment/reviews are conducted annually to evaluate the status of risks identified with regard to the progress on the implementation of action plans, and determine the level of risk exposure at residual level of the risks considering the strategic objectives. Emerging risks are identified when monitoring is conducted on a quarterly basis and consultations with the respective units take place on any changes in the Department's operations. The risk registers are then updated with such emerging risks and monitored quarterly. The final Strategic Risk Registers for the 2019/20 financial year were approved by the accounting officer.

The Department has a functional Risk Management Committee with sits on quarterly basis as per the RMC Charter, and the committee is chaired by an independent Chairperson appointed by the accounting officer. Discussion and resolutions taken at RMC are then discussed at the executive meetings for decision making.

The Audit Committee is responsible for oversight of the Department's control, governance and risk management and provides an independent and objective view on the effectiveness of risk management in the Department. The Committee also monitors the implementation

of risk management processes and advise management on approaches to improve the effectiveness of risk management in the Department. A progress report on Risk Management is tabled quarterly as well to the Audit Committee for further discussions.

The Department has reviewed its Strategic and Operational risks for the period under review. This was done in a Strategic Risk Workshop to ensure the alignment of risks to processes taking into account challenges that may hinder the achievements of departmental objectives and identify strategies to mitigate such. The challenges identified with regards to the implementation of action plans for the prior year was as a result of dependencies such as the filling of vacant posts, engagements with external stakeholders, interdependencies between branches etc. There is ongoing assessment and improvement of the risk management process to ensure that the correct root causes, impact and action plans are identified and mitigated.

With regards to the annual risk reliance, Internal Audit relied on Risk Management processes when developing their Internal Audit Annual Plan for 2019/20 Financial Year, and further indicated that on the status of previous issues raised it was noted that Risk Management unit has partially implemented corrective action to address issues that were reported in risk management reviews and this was due to capacity constraints within the unit.

3.3 Fraud and Corruption

The Department has an approved Fraud Prevention Strategy that outlines the implementation of the fraud prevention program. The strategy evolves as the Department makes changes and improvements in its drive to promote good governance, accountability and effectively fight fraud and corruption. The Strategy is reviewed periodically to enable the strategy to be effective in responding to nature of the prevailing challenges.

The Fraud Prevention Strategy however; does not guarantee that the Department will not be impacted by incidents of fraud and corruption but, is intended to serve as an additional measure to assist in the limitation of the impact of fraud and corruption risks, with a particular focus on creating awareness and promoting ethical business conduct.

The Department has adopted and implemented a four (4) component strategy in response to managing Fraud and Corruption within the Department as follows:

- Prevention – Education and Awareness, Policies and Procedures, Ethical Culture etc.
- Detection – Promoting Reporting Mechanisms, Internal Audit, Register of Allegations
- Investigations – Internal, and/or Out-sourced (SIU and Private Firms)
- Resolutions – Implementation of systemic recommendations, Disciplinary Action, Civil and/or Criminal Actions.

The Code of conduct for Public Service requires every employee irrespective of position to report corruption to the appropriate authorities. The Prevention and Combating Corrupt Activities Act no 12 of 2004 requires a person in position of authority in both public and private sector to report corruption, and other crimes involving less or more than R100 000, to the police. If knowingly/ought to have known but fail to report, will be guilty of a crime.

The Department is committed to the highest possible standards of openness, probity and accountability. In line with this commitment the Department expects employees and others that the Department deals with, who have knowledge of serious allegations of fraud, corruption and maladministration about any aspect of the Department's work to come forward and voice those allegations of fraud, corruption and maladministration. It is recognized that wherever practical, and subject to any legal constraints, many cases will proceed on a confidential basis.

The Department has a whistle-blowing policy that makes it clear that employees and external stakeholders can do so without fear of victimization, subsequent discrimination or disadvantage. In terms of Open Reporting, the Department receives reports through Walk-in, emails, telephone via Director: Fraud Awareness and Investigations; Deputy Director-General: Governance, Risk and Compliance; Director-General; Deputy Minister and Minister. In Closed reporting, anonymous - 0800 701 701 (National Anti-Corruption Hotline).

The Department maintains an allegation register of all cases reported for investigation and in order to promote and maintain accountability, all cases are reported quarterly to the Audit Committee. Allegations reported to the Department are screened / assessed to establish whether they meet the minimum elements of fraud, corruption and/or serious maladministration and to determine on a preliminary basis the strategy to act in response to the allegations made.

Since the 2012/13 financial year to the end of March 2020, the Department conducted 293 investigations on a series of allegations of fraud and corruption in the Department, of which 256 have since been completed, 18 cases are at various stages of investigation and 19 cases were referred to other law enforcement agencies.

As a result of these investigations, 325 disciplinary proceedings were initiated against departmental officials for various misconducts relating to corruption, financial misconduct and non-adherence to Departmental policies and procedures. Of the total 325 recommended disciplinary proceedings 288 have been finalized. Of the 288 finalised proceedings, sanctions against officials range from dismissals, final written warnings, written warnings and suspensions without pay, resignations before finalization of disciplinary hearings, retirement, non-prospects of successful prosecution and not found guilty. A total of 46 cases which consist of criminal acts related to misrepresentation, and fraud and corruption have also been referred to the South African Police Services for further investigation and possible prosecution of the perpetrators.

3.4 Minimising Conflict of Interest

In enforcing a zero tolerance approach to fraud and corruption and to prevent and detect collusive practices within supply chain management, the department has implemented control measures which serve to minimise conflicts of interest. These controls include the following:

- All SCM officials and every other departmental official who is involved in any supply chain processes are required to annually sign a “Code of Conduct for all DPW Officials Engaged in Supply Chain Management” Form (PA00). This requires the officials to declare in writing all business, commercial and financial interests.
- Officials involved in tender processes which include the development of specifications, evaluation and recommendation of tender awards, are required to complete and sign a “Declaration of Interest and Confidentiality” form (PA18). This is a mandatory requirement and no tender specification, evaluation or adjudication meeting convenes if this requirement is not adhered to.
- No official of the department is permitted to participate in any supply chain processes if that official is not duly appointed in writing or delegated to do so.
- All SCM officials are required to also submit on a quarterly basis a “Related Party Disclosure” form which requires them to disclose in detail the participation of spouses and close family members in any partnerships, close corporations and/or companies.
- In instances where an official declares a conflict of interest, the members at the meeting then deliberate on the nature of the conflict of interest to determine if it is material to the item under discussion. Legal services opinion is also sought where required. If a declared conflict is considered material, the member is immediately recused from the meeting and the disclosed conflict is recorded.
- All SCM officials are also subjected to a security vetting and screening process.
- The SCM Policy prohibits employees of the State from conducting business with any organ of the state. Bidder(s) that are found to be employed by the State are thus disqualified from the bidding process.
- To promote segregation of duties and to minimise collusive practices, the department processes electronic nomination and rotation of suppliers through the use of a sourcing system that interfaces with the National Treasury Central Supplier Database (CSD). The CSD is also utilised to scrutinize ownership and directorship of bidders to determine if they are not employed by the State or restricted from doing business with the State.
- The Department has established a Restriction Committee and Authority (RCAA) to preside over matters where bidders are found to have contravened the SCM provisions. The RCAA considers and recommends to National Treasury possible restriction of suppliers from doing business with the state for a period not exceeding 10 years.
- The departmental standard bidding procedures make it mandatory for all bidders to complete and submit a “Declaration of Interest and Bidders Past SCM

Practices” form (PA11) with their tender. The PA11 requires the bidder to declare any relationship with any member of the department involved in the supply chain process related to the bid and to further declare whether he/she is an employee of the State.

- All external professional service providers that undertake risk assessments on contractors are required to complete a “Consultant Declaration of Interest” form which requires the external party conducting the risk assessment to declare any potential conflict of interest with the party on whom the risk assessment is being conducted.
- The department’s Internal Compliance Unit and SCM Practitioners also conduct procurement reviews by using “compliance checklists” at the various procurement gates to ensure governance and compliance thereby minimising any potential conflicts of interest.
- To further promote transparency within the procurement environment the department introduced the use of external probity auditors to review tender recommendations prior to adjudication and award.
- The Department has also opened up its bid adjudication processes for public observation so as to further enhance transparency.
- Members serving in Bid Adjudication Committees are rotated annually whilst members serving in Bid Specification and Bid Evaluation Committees are rotated per project. This to dilute interest.

3.5 Code of Conduct

Section 195 (1)(a) of the Constitution requires that “a high standard of professional ethics must be promoted and maintained” in public administration generally. It is against this background that the Code of Conduct for the Public Service was promulgated under the Public Service Act in Chapter 2 of the Public Service Regulations as amended.

The Code of Conduct contained in chapter 2 Part 1 of the of the Public Service Regulations as amended provides employees with sets of rules and standards of conduct expected from Public Servants. The purpose of the Code is to ensure that employees conform to the basic values and principles that govern public administration as provided for in various legislations and prescripts.

The Code of Conduct provides guideline to employees on what is expected of them from an ethical point of view both their individual conduct, performance of their duties and their relationship with others. The purpose of the Code is to enhance professionalism in the public service and help to ensure confidence in the public service.

- The effect of the Code of Conduct on the Department

The Code of Conduct for the Public Service serves to promote ethical and professional behaviours among employees in the Public Service. There is some degree of compliance with the Code of Conduct among employees in the Department which result in good

administration and efficient management of discipline. There is also some degree of non-compliance with the Code of Conduct e.g. employees who often engage themselves on unethical behaviours such as fraud and corruption and other general contraventions of the Code, which in turn prejudice the administration, efficiency and discipline of the Department and have a negative impact on its integrity.

The Department is adhering to the Code of Conduct and the service charter because employees are subjected to disciplinary processes for contravention of same. The Code of Conduct and Service Charter are being circulated to DPW users through the Communication Unit in order to remind the employees of their obligation to comply with same. Trainings on the Code of Conduct are also presented during the induction of newly appointed employees in order to establish and maintain an ethical culture in the Department.

- The process followed for the breach of Code of Conduct

In terms of the Disciplinary Code and Procedure for the Public Service and for SMS members, all employees in the Public Service have the responsibility to comply with the prescribed Code of Conduct. The Department follows the disciplinary processes contained in the above Disciplinary Code and Procedures to deal with any breach of the Code of Conduct in its employment. The Code of Conduct read with the Disciplinary Code and Procedure for the Public Service and for SMS members serve as basic rules that the employer relies on during disciplinary hearings to prove that employees have committed misconduct since most acts of misconduct committed amount to contravention of same.

3.6 Health Safety and Environmental Issues

The Department of Public Works and Infrastructure, through its Occupational Health and Safety Compliance has continued with its Occupational Health and Safety Campaign under the slogan: “My Safety, Your Safety, Our Responsibility” to inform and educate staff on the importance of Occupational Health and Safety Compliance in the work place. As part of the campaign, various habitual preoccupations that most office workers are involved in have adverse effects on their physical well-being. Guided by the Occupational Health and Safety Act 85 of 1993, inspections are conducted on both leased and state-owned buildings as well as construction projects to monitor the level of compliance. The buildings which were found to be non-compliant with the requirements of the OHS legislation, were referred to the respective units, such as Facilities Management, REMS addressed the non-compliant issues raised on the report. For any non-compliance found on any construction site, were referred to the relevant project manager to rectify.

Compliance Inspections are also done on the Railway sidings managed by the Department in line with the Railway Safety Regulator’s Act No. 16 of 2002 to ensure compliance with the South African National standard (SANS 3000-1). Some of the railway sidings are maintained and serviced for the user department like the South African National Defence Force (SANDF) for their railway operations. The SANDF uses the railway to transport both ammunition and JET A fuel for Presidency and VIP’s. The Department applies for a Railway

Safety Permit once after every three years with the National Railway Safety Regulator (an agency of the National Department of Transport). The National Railway Safety Regulator (Act No. 16 of 2002) requires all entities defined as operators to apply to the Railway Safety Regulator (RSR) for a Safety Permit including the Department of Public Works and Infrastructure. According to this Act, all entities are obliged to apply to the RSR for a Safety Permit should they be an operator defined in the Act, including being:

- Responsible for the maintenance of any portion of networks/siding including railway yards.
- Responsible for the movement of rolling stock and in control of a station.

The Department is in possession of (14) railway sidings in different regions and only (6) of those are active and the rest are dormant and spiked. As the custodian of railway lines, the Department is classified as a Class B, Network Operator. Network Operators are responsible for the maintenance of their active railway lines and it is their responsibility to ensure that active railway lines are kept in good operational condition to avoid any nature of an occurrence. The Department of Defence as the User of these lines are also in possession of a Railway Safety Permit in order to comply with the requirements of the National Railway Safety Regulator. The relationship between the Department and South African National Defence Force is managed by the Service Level Agreement which stipulates the responsibility of each operator in the siding. Moreover the Department has a Private Siding Agreement with Transnet Freight Rail and they are responsible for the maintenance of their railway lines. The relationship between the Department of Public Works and Infrastructure and Transnet Freight Rail is managed by the Private Siding Agreement signed by all affected parties.

Furthermore, the Department has a Service Level Agreement with private operators such as Saflog and Aplorox. Both these operators are paying a monthly user-fee to the Department for the use of the Department of Public Works and Infrastructure Railway sidings and they are also responsible for maintaining a portion of the lines they are using.

The Nominated Railway Safety Manager is responsible for ensuring:

- Requirement of the Act, Regulations and Safety Standards are implemented and maintained.
- Compile standards and procedures with regards to the Railway Safety Management System.
- Facilitate the signing of Private Siding Agreement, Interface Agreement and the Service Level Agreement between all parties using the Departmental sidings.
- Conduct inspections or audits in all departmental railway sidings and also attend to all reported railway related incidents. Facilitate the process of spiking all unutilized sidings.

Condition Survey and Evaluation of some of DPWI Sidings Project

The Department has been receiving requests from operators who are interested to buy tracks from some of the departmental railway sidings which are being removed, vandalized and stolen by unknown criminals. On the other hand the department has been losing millions of rands due to cable theft, OHTE (Overhead Track Equipment) damage, stealing of railway tracks and property damage in particular at Hoedspruit Airforce Base and Forfar. As a result a project on Condition Survey and Evaluation of 7 DPWI railway sidings situated in different regions such as Western Cape, Limpopo and Gauteng was undertaken during the last financial year 2018/2019. The purpose of condition assessment was to establish the amount of the tracks which has been stolen, extent of damage in all these remaining lines, how much it will cost the department to resuscitate the lines or to decide what can be done with the remaining tracks (uplifting of lines). Also, to advise the department on the best option to take regarding the challenges surrounding rails. The following are some of the different options for the department to consider:

- Allow legitimate removal of all remaining railway tracks and sell them for income generation of which those funds can be used towards maintenance of the active sidings.
- Invite interested rail operators to resuscitate all dormant sidings at their own expense with the intension of allowing them to operate on those lines until they have recovered what they have invested.
- Another option was for the department to resuscitate all its railway sidings and lease them out at market competitive price.
- The best option for the department to consider has been determined and informed by the outcome and the recommendations made from the condition survey.

3.7 Portfolio Committees

DATE	DURATION	AGENDA	VENUE
Tuesday, 20 August 2019	14:00 – 17:00	Briefing by the Department of Public Works & Infrastructure and PMTE on the 2018/19 Fourth Quarter Financial Performance	Committee Room 2, 90 Plein Building
Wednesday, 21 August 2019	09:30 – 12:30	Briefing by the Property Management Trading Entity (PMTE): Implementation of the Government Immovable Asset Management Act (GIAMA) – alignments of programmes to effect government's priorities.	M314, 3rd Floor Marks Building
	14:00 – 17:00	Update by the DPWI on progress with the Public Works Academy that is planned to be set up with the South African Property Association (SAPOA) to capacitate the PMTE as part of a capacitating attempt to unlock the value of the immovable asset portfolio	M314, 3rd Floor, Marks Building
26 – 30 August 2019	08:00 – 17:00	Oversight visit to Gauteng: 26 - 30 August 2019	DPWI, 7th Floor, CGO Building; IDT, Glenwood Office Park; Agrément SA, CSIR; cidb, Groenkloof; CBE, Menlyn
Wednesday, 04 September 2019	10:00 – 13:00	Joint Meeting - PC on Public Works and PC on Environment, Forestry and Fisheries Report by PMTE's State Coastal Property Unit on the state of proclaimed and development plans for unproclaimed small harbours	S35, 1st Floor, NCOP Building

DATE	DURATION	AGENDA	VENUE
		in the country as well as how it is getting itself calibrated for infrastructure development over the next five years.	
Wednesday, 18 September 2019	09:30 – 12:30	Report by the DPWI and PMTE on the number and status of properties in foreign countries	Goodhope Chamber, Goodhope Building
Tuesday, 08 October 2019	13:30 – 17:00	Briefing by the DPWI and the PMTE on : 1. The progress report with regard to the implementation of the recommendations contained in the 2017/18 BRRR. 2. Briefing by the DPWI and PMTE on the Annual Report for the 2018/19 financial year.	Cape Town Lodge, 101 Buitengracht St, Cape Town CBD
Wednesday, 09 October 2019	09:30 – 16:00	<ul style="list-style-type: none"> Consideration and adoption of minutes. Briefing by the Independent Development Trust (IDT) on its Annual Report for the 2018/19 financial year. Briefing by Agrément SA on its Annual Report for the 2018/19 financial year. 	Cape Town Lodge, 101 Buitengracht St, Cape Town CBD
Thursday, 10 October 2019	09:30 – 16:00	<ul style="list-style-type: none"> Consideration and adoption of minutes. 	Cape Town Lodge, 101 Buitengracht St, Cape Town CBD

DATE	DURATION	AGENDA	VENUE
		<ul style="list-style-type: none"> Briefing by the Construction Industry Development Board (CIDB) on its Annual Report for the 2018/19 financial year. Briefing by the Council for the Built Environment (CBE) on its Annual Report for the 2018/19 financial year. 	
Wednesday, 23 October 2019	09:30 – 12:30	<ul style="list-style-type: none"> Consideration and adoption of minutes. Briefing by the CBE and Built Environment Professional Councils (BEPCs) on implementing the pipeline for graduates to become professionally registered. 	Committee Room 1, UG Floor, 90 Plein Building
Wednesday, 30 October 2019	09:30 – 12:30	<ul style="list-style-type: none"> Consideration and adoption of minutes. Briefing by the DPWI on the necessary steps taken to escalate the transformation of the IDT into a properly resourced, socially relevant entity that is enabled to project manage social infrastructure projects, as well as collect the necessary management fees from client departments with which to run its business in a financially sustainable manner. 	Committee Room 1, UG Floor, 90 Plein Building
Wednesday,	09:30 – 12:30	<ul style="list-style-type: none"> Briefing by the DPWI EPWP branch on: <ol style="list-style-type: none"> The manner in which it coordinates the programme across the national, provincial, and municipal levels of government; 	

DATE	DURATION	AGENDA	VENUE
06 November 2019		2. The manner in which the directorate ensures uniformity of beneficiary selection, the standardisation of data verification; 3. The formulae through which job opportunities are translated into actual jobs; 4. The skills development and certification of EPWP beneficiaries; 5. Whether and how, in the next phase of the EPW programme, these aspects are going to be improved. <ul style="list-style-type: none"> • Consideration and adoption of minutes. • Consideration and adoption of the 2019/20 First Quarter Report 	Pepper Club Hotel, Corner Loop and Pepper Street, Cape Town
Wednesday, 13 November 2019	10:00 – 13:00	<ul style="list-style-type: none"> • Consideration and adoption of minutes. • Briefing by the DPWI and PMTE on the 2019/20 Second Quarter financial performance. 	GH41, Ground Floor, Goodhope Building
Wednesday, 27 November 2019	09:30 – 13:00	<ul style="list-style-type: none"> • Consideration and adoption of minutes. • Briefing by the DPWI and PMTE on the 2019/20 First Quarter and Second Quarter financial performance. 	Committee Room GH41, Ground Floor, Good Hope Building

DATE	DURATION	AGENDA	VENUE
Wednesday, 26 February 2020	09:30 – 13:00	<ul style="list-style-type: none"> • Consideration and adoption of minutes. • Progress report by the CBE and Built Environment Professional Councils (BEPCs) on implementing the pipeline for graduates to become professionally registered • Briefing by the DPWI on the process to complete the Review of the White Paper (1997) entitled “Public Works Towards the 21st Century” as part of the process to accelerate the Public Works Bill 	V226, 2 nd Floor, Old Assembly Building
Wednesday, 04 March 2020	09:30 – 13:00	<ul style="list-style-type: none"> • Consideration and adoption of minutes. • Briefing by the DPWI and PMTE on the 2019/20 Third quarter financial performance. 	Pepper Club Hotel, Cnr. Loop & Pepper Street, Cape Town CBD.
Tuesday, 10 March 2020	09:30 – 13:00	<ul style="list-style-type: none"> • Briefing by the DPWI and SAPS on the state of Parliamentary Villages. 	GH41, Ground Floor, Goodhope Building

DATE	DURATION	AGENDA	VENUE
Wednesday, 11 March 2020	09:30 – 13:00	Detailed reports by the DPWI and PMTE on: 1. Consequence management regarding fraud and corruption cases. 2. Termination of employment contracts that has led to incapacity.	Pepperclub Hotel, Cnr. Loop & Pepper Street

2019/2020 SCOPA hearings

DATE	DURATION	AGENDA	VENUE
Tuesday, 3 March 2020	09:30 – 13:00	SCOPA-Hearing on the annual report and financial statements of the DPWI and PMTE	V454, (4 th Floor, Old Assembly Building) Parliament
Tuesday, 04 February 2020	09:30 – 13:00	DPW to brief the committee on its debt to ESKOM	Committee Room V454, Fourth Floor, Old Assembly Building

Other Parliamentary Engagements – 2019/2020

DATE	DURATION	COMMITTEE	AGENDA	VENUE
21 - 25 October 2019	08:00 – 16:00	Select Committee on Transport, Public Service and Administration and Public Works and Infrastructure	Joint Oversight Visit	Gauteng
Wednesday, 30 October 2019	10:00 – 13:00	Select Committee on Transport, Public Service and Administration and Public Works and Infrastructure	Briefing by Department of Public Works on its Annual Report.	M341, Parliament of RSA
Wednesday, 13 November 2019	09:30 - 12:45	PC on Public Service & Administration	Briefing by the Departments of Public Works and Infrastructure on the implementation of and compliance with the Performance Management Development System	Committee Room S26, First Floor, NCOP Building, Parliament

DATE	DURATION	COMMITTEE	AGENDA	VENUE
Wednesday, 13 November 2019	10:00 – 13:00	Select Committee on Public Service and Administration, Transport and Public Works and Infrastructure	Briefing by the IDT on its Annual Report	M341, Parliament of RSA
Wednesday, 19 February 2020	10:00 – 13:00	Select Committee on Public Service and Administration, Transport and Public Works and Infrastructure	Briefing by the Construction Industry Development Board (CIDB) on its Annual Report 2018/19	Committee Room M314, Third Floor, Marks Building

3.8 Prior modifications to audit reports

- DPW

	Nature of Emphasis of Matter	FY in which it first arose	Progress made in clearing / resolving the matter
1	Restatement of corresponding figures	2013/14	Improved
2	Reliability of the performance information	2015/16	Significant improvement in the area of provision of POEs resulting in less findings on performance information. However, the EPWP area still needs further consideration going forward to ensure the right approach to ownership and provision of the POEs.

- PMTE

	Nature of Emphasis of Matter	FY in which it first arose	Progress made in clearing / resolving the matter
1	<ul style="list-style-type: none"> • Qualification with 2 Findings • Compliance with 7 Findings 	2013/14	Some degree of improvement but still a few areas for further improvement.
2	Performance Information: Disclaimer (first year of opinion)	2015/16	Significant improvement in the area of provision of POEs resulting in less findings on performance information. A few programmes within PMTE still need address internal controls issues relating to systems being used.

3.10 Internal Audit and Audit Committees

In terms of Treasury Regulations paragraph 3.2 Internal controls and internal audit [Sections 38(1) (a) (i) and 76(4) (e) of the PFMA]. 3.2.11 the internal audit function must assist the accounting officer in maintaining efficient and effective controls by evaluating

those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following-

- (a) the information systems environment;
- (b) the reliability and integrity of financial and operational information;
- (c) the effectiveness of operations;
- (d) safeguarding of assets; and
- (e) compliance with laws, regulations and controls.

3.2.12 The internal audit function must assist the accounting officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which

- (a) objectives and values are established and communicated;
- (b) the accomplishment of objectives is monitored;
- (c) accountability is ensured; and
- (d) corporate values are preserved.

Key Activities

- Develop a risk based Internal Audit Plan and Three Year Rolling Strategic Plan.
- Conduct the audits as per the Internal Audit Plan approved by the Audit Committee as well as any special Management and Audit Committee requests.
- Provide reports with recommendations to improve internal controls, risk management and governance process where shortfalls have been identified.
- Monitor regularly the implementation of recommendations by Management.
- Review the Internal Audit Charter for approval by the Audit Committee.
- Review the Audit Committee Terms of Reference for approval by Executive Authority.

Summary of audit work done

In terms of the revised risk-based Internal Audit Plan approved by the audit committee, 32 projects were planned and 32 (100%) were completed at the end of the financial year.

The Internal Audit found the internal control environment not effective with control weaknesses identified mainly in the turnaround projects, contract management, contract administration, fixed assets management, procurement, revenue management, facility management, construction project management, the management of private leases, the management of the immovable asset register, implementation of the Enterprise Resource System (ERP), reporting against the pre-determined objectives as well as the development of the value chain business processes.

Internal Audit reports were presented to Senior Management for implementation of recommendations on identified weaknesses and Executive Management Committee (ExCo) for noting and monitoring of the implementation. Such reports were further presented at the Audit Committee meetings including the Internal Audit activity report.

Management actions plans to implement the recommendations in the audit reports were monitored through follow up reviews and or monitoring tools on a quarterly basis. Results were presented to Accountability Management Committee (AMC – ExCo Subcommittee) for Management to account on actions not implementation and subsequently to ExCo and the Audit Committee.

Majority of the weaknesses identified during the financial year were mainly due to:

- Lack of consequence management action against non-compliance to acts policies and procedures;
- Delays in the completion and implementation of the Enterprise Resource Planning (ERP) system;
- Non implementation of the finalised standardised operating processes;
- Deficiencies in the system of internal control and/or deviations;
- Inadequate and noncompliance to Contract Management and Project Management processes;
- Manual processes that are not automated resulting in material errors;
- Lack of critical technical skills for the PMTE;
- Inadequate document management system; and
- Inadequate and/or ineffective implementation of audit action plans of Internal Audit, Auditor General South Africa and other assurance providers.

3.11 Audit Committee Report

The Audit Committee ("The Committee") is established as an independent statutory Committee in terms of the PFMA. The Committee functions within approved terms of reference, which are reviewed at least annually to ensure their continued relevance and complies with relevant legislation, regulation and governance codes.

The Committee is pleased to present this report for the financial year ended 31 March 2020, as required by the Treasury Regulations 3.1.9 and 3.1.13 (b) and (c) issued in terms of sections 38 (1) (a)(i) and 76(4)(e) of the PFMA.

Audit Committee members and attendance

In the current year (the year under review), the Department (the Main Vote) and its trading entity, the Property Management Trading Entity (the PMTE), had a functional Audit Committee established in terms of the Public Finance Management Act, Act No. 1 of 1999

(the PFMA). In this report, collectively, we refer to the Department and the PMTE as “The Organisation”. The previous Committee members’ term ended on 30/09/2019 and the current Committee members were appointed from 01/12/2019. The attendance of meetings by the Committee members was as follows:

Name of member	Qualifications	Date appointed	Term Ended	Number of meetings attended
Mr Z Luswazi – Chairperson (Until 30/09/19)	CA(SA), B.Compt (Hons), B.Compt	01/10/2012	30/09/2019	6/6
Mr A Mhlongo – Chairperson (From 01/12/19)	CA (SA), ACMA, CGMA, ATC, B.Com (Hons), B.Com.	01/12/2019	Current	4/4
Ms A Badimo	MBA, M.Sc., B.Sc. Hons(CS),B.Sc.(CS),CISM, CGEIT,CISA,CRISC,COBIT 5,PMP, Cert IT Auditing, CBE, ITIL [F].	01/12/2019	Current	4/4
Mr C Bunting	MBA, N.D.IA	01/10/2012	30/09/2019	5/6
Mr P Heeger	Pr CPM, Pr TECH(ENG), Pr TECH (ARCH), MSAICE (JSD)	01/12/2019	Current	4/4
Mr J van Heerden	N.D.S.F.A,RGA	01/07/2013	30/09/2019	6/6

Name of member	Qualifications	Date appointed	Term Ended	Number of meetings attended
Mr E Kerst	Pr Eng., FSAICE, AffM.ASCE, MSc Eng., BSc Eng.	01/12/2019	Current	3/4
Mr S Madonsela	BSc Eng. (Mec.)	01/04/2016	30/09/2019	4/6
Ms S Makhathini	CA(SA), B.Compt (Hons), DIPAcc, B.Com,	01/12/2019	Current	4/4
Mr S Mamotheti	MBA, CIA, CCSA ,B.Compt, PGD., HDip Tax,	01/12/2019	Current	3/4
Ms M Phiri	CA(SA), B.Com (Hons) , B.Com	01/12/2019	Current	4/4
Mr B Potgieter	MBA, B.Com	01/04/2016	30/09/2019	6/6
Ms N Singh	CA (SA), B.Compt Hons), B.Compt CCSA, CGAP, DF A	01/10/2012	30/09/2019	5/6

Name of member	Qualifications	Date appointed	Term Ended	Number of meetings attended
Ms N Sonjani	CA (SA), CTA, B.Compt	01/12/2019	Current	4/4

Audit Committee Responsibilities

The Committee is satisfied that it has complied with its responsibilities as outlined in section 38(1) (a) of the PFMA and Treasury Regulation 3.1. The Committee also reports that it has adopted and reviewed formal terms of reference as its charter, and has discharged all its responsibilities as contained therein.

The Committee is required to report amongst others on the effectiveness of the internal controls, the quality of the management reports submitted in terms of the Division of Revenue Act as well as its evaluation of the annual financial statements.

The Effectiveness of Internal Control

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.

The system of internal control at the Institution is not considered to be efficient or effective. The impact of these internal control deficiencies is evident in the state of corporate governance at the Institution as well as in the current year audit outcomes referred to. The key significant areas where the system of internal control was inadequate or ineffective based on the reports from Internal Audit Unit, AGSA and other assurance providers include the following:-

- The Committee noted with concern that the leadership was implicated in the investigation reports on the Beitbridge Fence and state funerals where the leadership members contributed to the non-compliance which resulted in irregular expenditure as disclosed in the notes for irregular expenditure. In addition, the Public Service Commission investigation report also cited senior management which were irregularly appointed which further resulted in irregular expenditure incurred by the Institution. This lack of effective leadership culture sets an unwanted tone of non-compliance which may permeate throughout the organisation. For the organisation to prosper, a cleansing exercise on ethics and sound business practice is required at all levels.
- The Institution completed a number of investigations over the last two years such as the C-Max Project and state funerals investigations which revealed irregularities. However there has been slow / no progress in implementing the recommendations of these investigations.
- One of the main concerns continues to be the key positions that remain vacant, which include among others, the Heads of key programmes such as DDG: Supply Chain Management, DDG: Inter-Governmental Relations, DDG: Policy, Research & Regulations, DDG:EPWP, Head of Real Estate Management Services (REMS) and Chief Director: Financial Reporting.

- Implementation of audit action plans has not transpired in all instances. The Committee is concerned that some of the issues identified have been recurring for a number of years and have not yet been adequately addressed. The lack of an effective leadership culture and slow response by senior management to implement action plans have created an environment where people are not held accountable for causing the Institution to obtain negative audit outcomes.
- Progress was noted in implementing action plans to address prior year audit findings on areas relating to information technology (IT) governance. However the following areas of concerns are still requiring attention:- ICT Service Continuity / Disaster Recovery, ICT security management processes, ICT user access management activities, ICT change management activities, lack of automation on a number of key processes and slow progress on ERP implementation.
- Implementation of a new computerised lease system in September 2019 resulted in numerous errors in operating leases and as a result there were significant misalignments between the accounting records and the physical lease agreements.
- Overpayments made to landlords in terms of private leased properties continued in the current year, while management estimates approximately half of all lease overpayments may not be recoverable. The processes put into place to verify payment amounts before payments are made, have not yet made a significant difference since overpayments are still there.
- With regard to performance information, key findings similar to the prior year were identified, where reported achievements were not complete and in other instances reported achievements were not supported by adequate source information.

Other than the above-mentioned items, the Committee wishes to highlight the following areas which were identified by internal audit work as having internal control deficiencies:

- Facilities Management;
- PMTE Business Review;
- Construction Project Management;
- Supply Chain Management;
- Revenue Generation,
- Human Resources Management;
- Information and Communication Technology (ICT);
- Management of private leases;
- Archibus Project Implementation
- Immovable Asset Register
- Governance
- Contract Management

The Internal Audit Unit provided value adding recommendations to management with regards to the organisation's controls processes. A follow-up on agreed management action plans will be performed in the next financial year to review the extent to which the recommendations were implemented as well as the results there-to. The Internal Audit Unit prepared and reported on a quarterly basis to the Committee progress against the approved annual internal audit plan.

The Overall Financial Position of PMTE

The overall financial position of PMTE remains a concern and requires intervention. The bank overdraft slightly decreased by 4% in the current year. Significant concerns remain with respect to the following:-

- Inability to collect some of the overdue debtors;
- Prepayments to the service providers and implementing agencies;
- Misalignments (timing differences) between recoveries from client Departments and payments for municipality services;
- Excessive pricing for goods and services arising as result of failures in optimisation of supply chain management processes (taking into account the entity's bargaining), and strategic sourcing;
- Inefficient processes within the entity (e.g. construction delays, budget overruns);
- A significant number of private tenants are charged rentals that are significantly below the market related rentals;
- Significant underperformance of the property portfolio due to underutilization and inability to optimise surplus property assets.

In order to sustain the entity, strategies to address the above-mentioned challenges have to be developed and implemented as soon as possible.

The effectiveness of the Internal Function

The Internal Audit function is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all of the significant areas of the Institution and its operations.

The Committee is responsible for ensuring that the internal audit function is independent and has the necessary resources, skills, standing and authority within the Institution to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the Committee.

The Committee reviews and approves the Internal Audit Plan annually. Internal audit's activities are measured against the approved internal audit plan and the Head of Internal Audit tables progress reports in this regard to the Committee.

The Internal Audit unit performed a wide range of operational, financial, compliance and information-technology audits. In addition to these planned audits, the unit also attended to certain management requests.

An external quality assurance review was conducted on the Internal Audit Unit during the year and the conclusion was that the Unit generally conforms to the respective standards and practices of internal auditing. Internal Audit Unit however, received a partially effective rating because their recommendations are not being embraced and acted upon by management to improved governance, risk management and control environment.

Enterprise Risk Management

The Committee is also responsible for the oversight of the organisation's risk management activities.

A strategic and operational risk assessment for the year under review was conducted.

The Committee has reviewed the risk registers on a quarterly basis and has made recommendations for the improvement of the registers. Moreover, a culture of risk management needs to be embedded in the daily activities of the organisation to ensure effective enterprise wide risk management. The Committee will monitor progress quarterly with regard to this.

In-Year Management and Monthly/Quarterly Report

The Committee reports that, during the year under review, it was presented with regular quarterly management reports to enable it to:

- Monitor the integrity, accuracy and reliability of the performance of the organisation;
- Review the disclosure in the financial reports of the organisation and the context in which statements on the financial health of the organisation are made; and
- Review all material information presented together with management accounts.

The reports were discussed with organisation's officials. While the organisation has been reporting monthly and quarterly to all the relevant stakeholders as required by the PFMA,

there is room for improvement with regard to the quality and the supporting details required to manage the organisation effectively.

Evaluation of Financial Statements

The Committee reviewed the Annual Financial Statements prepared by the Institution before submission to the Auditor General of South Africa and consequently also the audited Annual Financial Statements and discussed the audited Annual Financial Statements, to be included in the annual report, with the Auditor-General of South Africa and the Accounting Officer and is satisfied that the accounting policies used are appropriate. The Annual Financial Statements were reviewed with the following focus:

- Significant financial reporting judgements and estimates contained in the financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Changes in the Accounting Policies and Practices;
- Significant adjustments resulting from the Audit;
- Compliance with accounting standards and legal requirements;
- Explanation for the accounting treatment adopted; and
- Reasons for significant year-on-year fluctuations

External Audit: Auditor General South Africa

The Committee, in consultation with the Accounting Officer, agreed to the terms of the Auditor General South Africa's engagement letter, audit strategy and audit fees in respect of the 2019/2020 financial year.

The Committee also monitored the implementation of the action plans to address matters arising from the Management Report issued by the Auditor-General South Africa (AGSA) for the 2018/19 Financial Year.

The Committee has also had in committee meetings with the Auditor-General of South Africa.

The Committee concurs and accepts the audit opinion and conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements and annual performance information report be accepted and read together with the report of the Auditor-General South Africa.

The Committee furthermore strongly recommends interaction between the Committee and the management team to discuss and agree on the way forward on the implementation plan for an improved internal control environment within the

organisation, thereby addressing the current internal control environment of the organisation.

Signed on behalf of the Committee by:

Mr AN Mhlongo CA (SA), ACMA, GCMA

Chairman of the Audit Committee

Date: 22 October 2020

CHAPTER 4

Human Resource Management

CHAPTER 4

HUMAN RESOURCE INFORMATION

4. Introduction

The strategic objective of Human Resources (HR) is to implement effective HR management to make certain that adequate and sufficient skilled resources are in place and that performance is monitored. Within the approved legislative framework established by the Department of Public Service and Administration (DPSA), and the currently constrained financial environment, the Department of Public Works and Infrastructure (PMTE) provides support to its core functions by means of effective management and implementation of Human Resource (HR) policies, plans, and interventions.

4.2 Status of Human Resources in the Department (PMTE)

The Department employed 703 Individuals out of the 786 posts, inclusive of 64 additional employees to the organisational structure. Personnel expenditure as a percentage of total expenditure stood at 98% in the period under review. A healthy staff turnover of 27.40 % was maintained during the current reporting period. Additional descriptive statistics are provided in the Tables below.

Two duly authorised employee unions the National Education, Health and Allied Workers' Union (NEHAWU) and the Public Service Association (PSA) represent workers. NEHAWU organizes state, health, education and welfare workers. On the management side, the Department deploys a Labour Relations unit to facilitate a conducive working environment

for all staff. To this end, the Departmental Bargaining Chamber met four (4) times in the period under review.

4.3 Workforce Planning

A new HR Plan was approved and implementation commenced in 2019. The aim of the new plan is to ensure the maintenance of processes and policies in HR to ensure that the right employees with the right mix of skills are placed in the right positions. It further promotes the maintenance of healthy attitudes and behaviours, and also that employee skills are developed in line with Departmental needs.

The HR Unit also developed a Workplace Skills Plan (WSP) for the Department, following the skills assessment conducted through the submission of Personal Development Plans (PDP's). As part of the implementation of the WSP, a number of training and development interventions were identified (including workshops), and 2 163 employees were trained during the 2018/19 financial year. The Department also offered 175 new bursaries to serving employees for the 2019/20 academic year. This brought the total number of employees studying part-time at various institutions 361.

4.4 Performance Management

The PMTE has experienced strides in the improvement of compliance to the Performance Management and Development System (PMDS). During the period under review, the rate of submission of performance agreements, work plans and bi-annual performance reviews stood at an aggregate of 72.3% (82.4% PAs and 62.2% Bi-annual) for level 2-12 and 76.4% (87.3% PAs and 65.5% Bi-annual) for SMS. This improvement is as a result of the enhanced alignment between the individual performance agreements and PMTE performance plans (Strategic Plan and Operational Plans).

In the financial year under review, the department focused mainly on the following human resource matters:

- Managed human resource policies, planning and provided staffing 3
- Managed human resource benefits;
- Facilitated and monitored the implementation of employment equity;
- Ensured that an effective PERSAL management infrastructure is in place and maintained;
- Facilitated code of conduct, labour relations' guidelines and practices;
- Facilitated labour relations services;
- Managed employee grievances;
- Managed labour disputes;
- Managed collective bargaining;

- Managed the implementation of the Skills Development Act and internship/Learnerships programmes and Bursaries
- Coordinated and facilitated the training and development of employees;
- The department saw an increased utilisation of the Wellness services provided by the department of which the majority of the cases seen were screenings for non-communicable diseases (hypertension, cholesterol, diabetes, etc.) and the monitoring of those at risk on the disease management programme.

4.5 Personnel related expenditure

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

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

Table 4.1.1 Personnel expenditure by programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment (Including periodic appointment, etc.)
ADMINISTRATION	460 719	263 021	57,20	622,00	422
INTERGOVERNMENTAL COORDINATION	52 447	35 814	68,60	1 089,00	33

EXP&ED PUBLIC WORK PROGRAMME	2 638 163	159 688	6,10	453,00	352
PROPERT&CONST IND POL & RES	4 523 840	13 396	0,30	753,00	18
PRESTIGE POLICY	85 094	31 617	37,20	878,00	36
Total as on Financial Systems (BAS)	7 760 263	503 536	6,50	584,00	861

In table 4.1.1 to 4.1.4 Employment includes permanent employees and employees in positions additional to the establishment it includes all employees even those not carried against a post e.g. periodic appointments, etc. Periodic appointments and abnormal appointments is how PERSAL identifies the nature of appointment of employees who are paid a stipend/time sheets for example NYS Learners, Land Affairs Board Members, etc. Compensation of Employees in table 4.1.1 is based on BAS information for Cost of Employees. Tables 4.1.2 to 4.1.4 is based only on PERSAL information only.

Table 4.1.2 Personnel costs by salary band

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Employee Cost including Transfers	Average Compensation Cost per Employee (R)	Number of Employees
Skilled (Levels 3-5)	29 176,00	5,70	247 254,00	118
Highly skilled production (Levels 6-8)	77 856,00	15,20	455 298,00	171
Highly skilled supervision (Levels 9-12)	243 972,00	47,50	887 171,00	275
Senior management (Levels 13-16)	106 247,00	20,70	1 311 691,00	81
Contract (Levels 3-5)	11 364,00	2,20	3 788 000,00	3
Contract (Levels 6-8)	2 907,00	0,60	969 000,00	3
Contract (Levels 9-12)	13 603,00	2,70	1 360 300,00	10
Contract (Levels 13-16)	14 253,00	2,80	1 425 300,00	10

Contract, Other	2 332,00	0,50	72 875,00	32
Periodical Remuneration	1 864,00	0,40	11 798,00	157
Abnormal Appointment	7,00	0,00	7 000,00	1
TOTAL	503 580,00	98,10	584 206,00	861,99

* NB Compensation of Employees including transfer cost is R503 580 000. Transfer Cost in terms of PERSAL refers to the payment of Resettlement Cost and Leave Gratuity that is paid on PERSAL but posted against Items in Goods and Services. The number of employees in this table includes filled post as well as periodical and abnormal appointments therefore total employees is calculated as 861 (Interns, Learners, etc.).

Table 4.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme including Goods and Services (R'000)
ADMINISTRATION	220 445,00	82,00	4 864,00	1,80	7 830,00	2,90	9 263,00	3,40	268 888,00
INTERGOVERNMENTAL COORDINATION	29 571,00	84,20	102,00	0,30	1 195,00	3,40	685,00	2,00	35 120,00
EXPANDED PUBLIC WORKS PROGRAMME	135 603,00	81,40	82,00	0,00	5 488,00	3,30	3 644,00	2,20	166 683,00
PROP & CONS INDUS POLICY REG	12 584,00	85,00	0,00	0,00	665,00	4,50	200,00	1,40	14 806,00
DPW:PRESTIGE POLICY	23 017,00	82,80	924,00	3,30	565,00	2,00	781,00	2,80	27 812,00
TOTAL	421 220,00	82,10	5 971,00	1,20	15 743,00	3,10	14 573,00	2,80	513 308,00

* Note Table 4.1.3 Compensation of Employees including transfer cost is R503 580 000. In terms of Table 4.1.3 and Table 4.1.4 Total Personnel Cost also includes Goods and Services meaning transfer costs e.g. Resettlement and Leave Gratuity as well as S & T that is paid through PERSAL. Therefore the difference in the expenditure for Total Personnel Cost.

Table 4.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band Including Good and Services (R'000)
Skilled (Levels 3-5)	19 184,00	65,60	2 229,00	7,60	1 728,00	5,90	3 477,00	11,90	29 230,00
Highly skilled production (Levels 6-8)	60 945,00	78,00	2 209,00	2,80	2 623,00	3,40	4 768,00	6,10	78 094,00
Highly skilled supervision (Levels 9-12)	209 007,00	83,40	1 320,00	0,50	5 683,00	2,30	5 238,00	2,10	250 658,00

Senior management (Levels 13)	88 913,00	81,90	0,00	0,00	5 334,00	4,90	1 045,00	1,00	108 504,00
Contract (Levels 3-5)	10 602,00	92,50	172,00	1,50	0,00	0,00	0,00	0,00	11 459,00
Contract (Levels 6-8)	2 774,00	95,30	19,00	0,70	7,00	0,20	18,00	0,60	2 912,00
Contract (Levels 9-12)	12 448,00	90,60	23,00	0,20	284,00	2,10	22,00	0,20	13 740,00
Contract (Levels >= 13)	13 145,00	91,40	0,00	0,00	84,00	0,60	5,00	0,00	14 375,00
Contract Other	2 331,00	96,00	0,00	0,00	0,00	0,00	0,00	0,00	2 428,00
Periodical Remuneration	1 864,00	98,00	0,00	0,00	0,00	0,00	0,00	0,00	1 902,00
Abnormal Appointment	7,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00	7,00
TOTAL	421 220,00	82,10	5 971,00	1,20	15 743,00	3,10	14 573,00	2,80	513 308,00

4.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

Table 4.2.1 Employment and vacancies by programme

Programme	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate %	Number of Posts Filled Additional to the Establishment
ADMINISTRATION	471	419	52	11,00	59
INTERGOVERNMENTAL COORDINATN					
EXPANDED PUBLIC WORKS PROGRAMME	221	204	17	7,70	2
DPW:PROP & CONS INDUS POLICY REG	15	11	4	26,70	0
DPW:PRESTIGE POLICY	40	36	4	10,00	0
TOTAL	786	703	83	10,60	64

Table 4.2.2 Employment and vacancies by salary band

Salary Band	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Skilled (Levels 3-5)	124	118	6	4,80	0
Highly Skilled Production (Levels 6-8)t	183	171	12	6,60	0
Highly Skilled Supervision (Levels 9-12)	314	275	39	12,40	2
Senior Management (Levels 13-16)	107	81	26	24,30	5

Contract, Other	32	32	0	0,00	32
Contract (Levels 3-5)	3	3	0	0,00	3
Contract (Levels 6-8)	3	3	0	0,00	3
Contract (Levels 9-12)	10	10	0	0,00	10
Contract (Levels 13-16)	10	10	0	0,00	9
TOTAL	786	703	83	10,60	64

“Contract, Other” refers to Learners under the HCI programme for Internal Audit, Information Services, etc. These Learners are paid a stipend and is therefore not linked to one of the mandatory salary levels in the Public Services.

Table 4.2.3 Employment and vacancies by critical occupations

Critical Occupations	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Senior Managers	117	91	25	21,60	14

4.3. Job Evaluation

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

Salary Band	Number of Posts	Number of posts Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Skilled (Levels 3-5)	124	0	0,00	0	0,00	0	0,00
Highly Skilled Production (Levels 6-8)	183	29	15,85	0	0,00	1	0,55
Highly Skilled Supervision (Levels 9-12)	314	87	27,88	0	100,00	0	0,00
Senior Management Service Band A	71	8	11,11	0	0,00	0	0,00

Senior Management Service Band B	27	3	11,54	0	0,00	0	0,00
Senior Management Service Band C	6	0	0,00	0	0,00	0	0,00
Senior Management Service Band D	3	0	0,00	0	0,00	0	0,00
Contract (Levels 3-5)	32	0	0,00	0	0,00	0	0,00
Contract (Levels 6-8)	3	0	0,00	0	0,00	0	0,00
Contract (Levels 9-12)	3	0	0,00	0	0,00	0	0,00
Contract Band A	10	0	0,00	0	0,00	0	0,00
Contract Band B	6	0	0,00	0	0,00	0	0,00
Contract Band C	1	0	0,00	0	0,00	0	0,00
Contract Band D	3	0	0,00	0	0,00	0	0,00
TOTAL	786	127	66,38	0	100,00	1	0,55

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

Table 4.3.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	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

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

Table 4.3.3 Employees with salary levels higher than those determined by job evaluation by occupation

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Department
None	0	0	0	0	0
None	0	0	0	0	0

Total	0	0	0	0	0
Percentage of Total Employment	0	0	0	0	0

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

Table 4.3.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiaries	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

4.4. Employment Changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 4.4.1 Annual turnover rates by salary band

Salary Band	Employment at Beginning of Period (April 2019)	Appointments	Terminations	Turnover Rate %
Skilled (Levels 3-5) Permanent	118	0	2	1,70
Highly Skilled Production (Levels 6-8) Permanent	176	3	6	3,40
Highly Skilled Supervision (Levels 9-12) Permanent	281	0	6	2,10
Senior Management Service Band A Permanent	56	0	2	3,60
Senior Management Service Band B Permanent	23	0	1	4,30
Senior Management Service Band C Permanent	4	0	1	25,00
Senior Management Service Band D Permanent	3	2	1	33,30
Contract, Other	32	51	28	87,50
Contract (Levels 3-5) Permanent	63	62	120	190,50
Contract (Levels 6-8) Permanent	9	9	14	155,60
Contract (Levels 9-12) Permanent	18	22	24	133,30

Contract Band A Permanent	7	8	8	114,30
Contract Band B Permanent	3	3	3	100,00
Contract Band C Permanent	1	1	2	200,00
Contract Band D Permanent	1	2	0	0,00
TOTAL	795	163	218	27,40

Terminations of 218 includes contract expiries (Contracts ending of Learnerships, Interns, and other contracts). Permanent appointments were made and that resulted in contracts not renewed.

Table 4.4.2 Annual turnover rates by critical occupation

Occupation	Employment at Beginning of Period (April 2019)	Appointments	Terminations	Turnover Rate %
Senior Managers	98	16	17	17,30

Employment at the beginning of the period 103 this includes permanent filled and contract employees. Two contract employees were appointed and one permanent.

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table. The table below identifies the major reasons why staff left the department.

Table 4.4.3 Reasons why staff left the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment at the end of the period
Resignation	20	9,20	2,80
Expiry of contract	190	87,20	27,00
Dismissal-misconduct	2	0,90	0,30
Retirement	6	2,80	0,90
TOTAL	218	100,00	31,00

Resignation consists of permanent and contract employees who resigned during 2019/2020 financial year.

Table 4.4.4 Promotions by critical occupation

Occupation	Employment at Beginning of Period (April 2019)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Senior Managers	98	2	2,00	2	2,00

In this table promotion includes promotion from one level to the next and progression to a higher notch in the same salary level.

Table 4.4.5 Promotions by salary band

Salary Band	Employment at Beginning of Period (April 2019)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Skilled (Levels 3-5)	118	0	0,00	102	86,40
Highly Skilled Production (Levels 6-8)	176	0	0,00	122	69,30
Highly Skilled Supervision (Levels 9-12)	281	6	2,10	234	83,30
Senior Management (Levels 13-16)	86	2	2,30	0	0,00
Contract, Other	32	0	0,00	0	0,00
Contract (Levels 3-5)	63	0	0,00	9	14,30
Contract (Levels 6-8)	9	0	0,00	1	11,10
Contract (Levels 9-12)	18	0	0,00	6	33,30
Contract (Levels 13-16)	12	1	8,30	1	8,30
TOTAL	795	9	1,10	475	59,70

4.5. Employment Equity

Table 4.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and Managers	50	1	1	1	34	2	0	2	91
Professionals	45	1	1	1	74	1	0	3	126
Technicians and Associate Professionals	76	2	0	1	104	4	1	3	191

Clerks	60	1	0	3	117	0	3	6	190
Service Shop and Market Sales Workers	54	0	0	0	43	0	0	0	97
Craft and Related Trade Workers	1	0	1	0	0	0	0	0	2
Labourers and Related Workers	1	0	0	0	5	0	0	0	6
TOTAL	287	5	3	6	377	7	4	14	703
Employees with disabilities	1	0	0	1	2	0	0	0	4

This table includes only Contract and Permanent (Excludes Learners and Periodic Appointments)

Table 4.5.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2020

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3,00	0,00	0,00	0,00	3,00	0,00	0,00	0,00	6,00
Senior Management	42,00	0,00	1,00	1,00	28,00	2,00	0,00	1,00	75,00
Professionally qualified and experienced specialists and mid-management	119,00	3,00	2,00	3,00	138,00	3,00	2,00	5,00	275,00

Skilled technical and academically qualified workers, junior management, supervisors, foremen	45,00	1,00	0,00	1,00	114,00	1,00	2,00	7,00	171,00
Semi-skilled and discretionary decision making	56,00	0,00	0,00	0,00	61,00	1,00	0,00	0,00	118,00
Contract, Not Available	11,00	0,00	0,00	0,00	21,00	0,00	0,00	0,00	32,00
Contract (Top Management)	1,00	0,00	0,00	0,00	1,00	0,00	0,00	1,00	3,00
Contract (Senior Management)	5,00	1,00	0,00	0,00	1,00	0,00	0,00	0,00	7,00
Contract (Professionally Qualified)	4,00	0,00	0,00	1,00	5,00	0,00	0,00	0,00	10,00
Contract (Skilled Technical)	1,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	3,00
Contract (Semi-Skilled)	0,00	0,00	0,00	0,00	3,00	0,00	0,00	0,00	3,00
TOTAL	287,00	5,00	3,00	6,00	377,00	7,00	4,00	14,00	703,00

Occupational Band “Not Available” refers to the Learners appointed under the HCI Learnership Programme for Internal Audit, Information Services, etc.

Table 4.5.3 Recruitment

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	2,00
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	3,00
Not Available	19,00	0,00	0,00	0,00	32,00	0,00	0,00	0,00	51,00
Contract (Top Management)	0,00	0,00	0,00	1,00	1,00	0,00	0,00	1,00	3,00
Contract (Senior Management)	9,00	1,00	0,00	0,00	1,00	0,00	0,00	0,00	11,00
Contract (Professionally qualified)	8,00	0,00	4,00	3,00	5,00	1,00	0,00	1,00	22,00
Contract (Skilled technical)	4,00	0,00	0,00	0,00	5,00	0,00	0,00	0,00	9,00
Contract (Semi-skilled)	23,00	0,00	0,00	0,00	39,00	0,00	0,00	0,00	62,00

TOTAL	65,00	1,00	4,00	4,00	86,00	1,00	0,00	2,00	163,00
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“Not Available” refers to the Learners appointed under the HCI Learnership Programme for Internal Audit, Information Services, etc.

Table 4.5.4 Promotion (Includes promotion to salary level and progressions to another notch within the Salary Level)

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Professionally qualified and experienced specialists and mid-management	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
Skilled technical and academicall	102,00	3,00	2,00	2,00	126,00	0,00	2,00	3,00	240,00

y qualified workers, junior management, supervisors, foremen									
Semi-skilled and discretionary decision making	32,00	0,00	0,00	0,00	88,00	1,00	0,00	1,00	122,00
Contract (Top Management)	52,00	0,00	0,00	0,00	49,00	1,00	0,00	0,00	102,00
Contract (Senior Management)	1,00	0,00	0,00	0,00	0,00	1,00	0,00	0,00	2,00
Contract (Professionally qualified)	3,00	0,00	1,00	0,00	2,00	0,00	0,00	0,00	6,00
Contract (Skilled technical)	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
Contract (Semi-skilled)	4,00	0,00	0,00	0,00	5,00	0,00	0,00	0,00	9,00
TOTAL	195,00	3,00	3,00	2,00	272,00	3,00	2,00	4,00	484,00
Employees with disability	0,00	0,00	0,00	1,00	2,00	0,00	0,00	0,00	3,00

Table 4.5.5 Terminations

Table 4.5.6 Disciplinary action

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	4	0	0	0	0	0	0	0	4
Demotion	0	0	0	0	0	0	0	0	0
Suspension From Work Without Payment	2	0	0	0	1	0	0	0	3
Final Written Warning	2	0	0	1	2	0	0	0	5
Written Warning	7	0	0	0	1	0	0	0	8
Cases Withdrawn	0	0	0	0	0	0	0	0	0
TOTAL	15	0	0	1	4	0	0	0	20

Table 4.5.7 Skills development

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	26	2	1	1	8	1	0	0	39
Professionals	34	0	0	1	62	1	0	0	98
Technicians and Associate Professionals	6	0	1	0	12	0	0	0	19

Occupational Bands	Male		Female						Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0,00	1,00	0,00	1,00	0,00	0,00	0,00	0,00	2,00
Senior Management	2,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00	3,00
Professionally qualified and experienced specialists and mid-management	2,00	0,00	0,00	2,00	2,00	0,00	0,00	0,00	6,00
Skilled technical and academically qualified workers, junior management, supervisors, foremen	1,00	1,00	0,00	0,00	1,00	0,00	0,00	3,00	6,00
Semi-skilled and discretionary decision making	1,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	2,00
Contract, Not Available	9,00	0,00	0,00	0,00	19,00	0,00	0,00	0,00	28,00
Contract (Professionally qualified)	0,00	0,00	0,00	2,00	0,00	0,00	0,00	0,00	2,00
Contract (Skilled technical)	6,00	0,00	0,00	1,00	3,00	1,00	0,00	0,00	11,00

Contract (Semi-skilled)	9,00	0,00	5,00	2,00	6,00	1,00	0,00	1,00	24,00		
	6,00	0,00	0,00	0,00	8,00	0,00	0,00	0,00	14,00		
	46,00	0,00	0,00	0,00	74,00	0,00	0,00	0,00	120,00		
	82,00	2,00	5,00	8,00	114,00	2,00	0,00	5,00	218,00		
Clerks			106	3	0	0	267	1	3	1	381
Service and Sales Workers			91	0	0	0	72	0	0	0	163
Skilled Agriculture and Fishery Workers			0								
Craft and related Trades Workers			0	0	0	0	0	0	0	0	
Plant and Machine Operators and Assemblers			0	0	0	0	0	0	0	0	
Elementary Occupations			0	0	0	0	0	0	0	0	
Employees with disabilities			1	0	0	1	2	0	0	0	4
TOTAL			263	5	2	2	421	3	3	1	700

4.6. Performance Rewards

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

Table 4.6.1 Performance Rewards by race, gender and disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total	Cost (R'000)	Average Cost per
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	Employee nt				Beneficiar y (R)
African, Female	198	375	52,80	4 482,28	22 638,00
African, Male	122	286	42,70	2 367,82	19 408,00
Asian, Female	4	4	100,00	137,86	34 465,00
Asian, Male	1	3	33,30	17,86	17 862,00
Coloured, Female	4	7	57,10	170,32	42 581,00
Coloured, Male	0	5	0,00	0,00	0,00
Total Blacks, Female	206	386	53,40	4 790,46	23 255,00
Total Blacks, Male	123	294	41,80	2 385,69	19 396,00
White, Female	12	14	85,70	425,03	35 419,00
White, Male	3	5	60,00	97,87	32 625,00
Employees with a disability	1	4	25,00	88,46	88 456,00
TOTAL	345	703	49,10	7 787,51	22 572,00

Table 4.6.2 Performance Rewards by salary band for personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employee nt	Percentage of Total Employee nt	Cost (R'000)	Average Cost per Beneficiary (R')
Skilled (Levels 3-5)	81	118	68,60	468,52	5 784,00
Highly Skilled Production (Levels 6-8)	101	171	59,10	1 877,62	18 590,00
Highly Skilled Supervision (Levels 9-12)	141	275	51,30	5 039,81	35 743,00
Other	0	32	0,00	0,00	0,00
Contract (Levels 3-5)	13	3	433,30	126,97	9 767,00
Contract (Levels 6-8)	2	3	66,70	24,28	12 141,00
Contract (Levels 9-12)	6	10	60,00	181,22	30 203,00

TOTAL	344	612,00	56,20	7 718,42	22 437,00
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Table 4.6.3 Performance Rewards by critical occupation

Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')
Senior Managers	1	91	1,10	69,09	69 086,30

No SMS received Performance Bonus for 2018/2019 financial year. One reflected was a Deputy Director that was promoted to Director during the financial year

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 4.6.4 Performance related rewards (cash bonus), by salary band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')	% of SMS Bill	Personnel Cost SMS (R'000)
Band A	1	60	1,70	69,09	69 086,30	0,10	71 397,93
Band B	0	22	0,00	0,00	0,00	0,00	32 122,42
Band C	0	3	0,00	0,00	0,00	0,00	6 921,03
Band D	0	6	0,00	0,00	0,00	0,00	12 437,49
TOTAL	1	91	1,10	69,09	69 086,30	0,10	122 878,87

4.7. Foreign Workers

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

Table 4.7.1 Foreign workers by salary band

Salary Band	1 April 2019		31 March 2020		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Skilled (Levels 3-5)	4	44,40	1	33,30	- 3	50,00
Highly skilled supervision (Levels 9-12)	4	44,40	2	66,70	- 2	33,30

Senior management (Levels 13-16)	1	11,10	0	0,00	- 1	16,70
TOTAL	9	100,00	3	100,00	- 6	100,00

Table 4.7.2 Foreign workers by major occupation

Major Occupation	1 April 2019		31 March 2020		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Administrative office workers	2	22,20	1	33,30	- 1	16,70
Information technology personnel	3	33,30	0	0,00	- 3	50,00
Professionals and managers	4	44,40	2	66,70	- 2	33,30
TOTAL	9	100,00	3	100,00	- 6	100,00

4.8. Leave utilisation²

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

Table 4.8.1 Sick leave

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)	Number of days with Medical Certification
Contract (Levels 3-5)	162	58,00	44	7,10	4	130,00	162
Contract (Levels 6-8)	26	53,80	8	1,30	3	36,00	26
Contract (Levels 9-12)	51	49,00	13	2,10	4	160,00	51
Contract (Levels 13-16)	14	85,70	5	0,80	3	66,00	14
Contract, Other	134	35,80	35	5,60	4	47,00	134
Skilled (Levels 3-5)	772	76,70	101	16,20	8	568,00	772
Highly skilled production (Levels 6-8)	1 216	74,80	139	22,30	9	1 911,00	1 216
Highly skilled supervision (Levels 9-12)	1 565	74,40	220	35,30	7	4 988,00	1 565

Senior management (Levels 13-16)	463	82,30	58	9,30	8	2 052,00	463
TOTAL	4 403	73,60	623	100,00	7	9 958,00	4 403

Table 4.8.2 Disability leave (temporary and permanent)

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
Highly skilled production (Levels 6-8)	61	100,00	2	66,70	31	118,00	61
Highly skilled supervision (Levels 9-12)	45	100,00	1	33,30	45	155,00	45
TOTAL	106	100,00	3	100,00	35	272,00	106

The table below summarizes the utilization of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.8.3 Annual Leave

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Contract (Levels 3-5)	1 219	18	69
Contract (Levels 6-8)	162	12	13
Contract (Levels 9-12)	259	10	25
Contract (Levels 13-16)	127	7	17
Contract, Other	538	11	50
Skilled (Levels 3-5)	2 442	20	121
Highly skilled production (Levels 6-8)	4 328	24	177

Highly skilled supervision (Levels 9-12)	7 376	26	284
Senior management (Levels 13-16)	2 236	26	86
TOTAL	18 687	22	842

Table 4.8.4 Capped leave

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period	Number of Employees as at end of period
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	122	0	122	1
Contract, Other	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	23	0	23	1
Highly skilled production (Levels 6-8)	0	0	39	0	927	24
Highly skilled supervision (Levels 9-12)	15	8	32	2	1 271	40
Senior management (Levels 13-16)	1	1	43	1	1 081	25
TOTAL	16	5	38	3	3 425	91

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

Table 4.8.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Annual - Discounting With Resignation (Work Days)	2 064,00	95	21 726,00
Annual - Discounting: Unused Vacation Credits (Work Days)	65,00	2	32 500,00
Annual - Gratuity: Death/Retirement/Medical Retirement(Work	45,00	2	22 500,00

Capped - Gratuity: Death/Retirement/Medical Retirement(Work	140,00	2	70 000,00
TOTAL	2 315,00		

3.4.9. HIV/AIDS & Health Promotion Programmes

Table 4.9.1 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
Workers in the construction industry are relatively at risk. Migratory labour force and labour camps commonly employed by the industry contributes to the spread of HIV and STI in the industry and the communities in which it does business	Line item included in tender documentation enforcing HIV and AIDS Programme implementation on DPW projects; Implementation of preventative measures on Construction sites.

Table 4.9.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr Reuben Mahlatjie, Director: OD
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and wellbeing 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		2 Deputy Directors; 3 Assistant Directors & 10 EHW Practitioners
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		Key Pillars of the Departmental Health and Wellness Services: HIV Advocacy and Support ; Health and Productivity Management and Wellness Management.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations,	Yes		The department has established Wellness and Sports Committees in

2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		Head Office and 11 Regional Offices. Wellness Practitioners serve as coordinators.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes	HIV & AIDS Policy; Wellness Management Policy and Sports Policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes	HIV & AIDS Policy; Human Rights approach to HIV Management; Advocacy and Stigma Mitigation Programmes.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes	Employees counselled and Voluntarily Tested for HIV(Females & Males; Employees screened for Glucose, Cholesterol and Blood Pressure as well as referral for treatment.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes	The System's Monitoring Tool developed by DPSA used as a guideline for monitoring and evaluation. Indicators include: Utilization rate of Health and Wellness Services; Sick leave Utilization; Number of employees living openly with HIV.

4.10. Labour Relations

Table 4.10.1 Collective agreements

Subject Matter	Date
None	

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

Table 4.10.2 Misconduct and disciplinary hearings finalized

Outcomes of disciplinary hearings	Number	Percentage (%) of Total	Total
DISMISSALS	4	20,00	4
SUSPENSIONS FROM WORK WITHOUT PAY	3	15,00	3
FINAL WRITTEN WARNINGS	5	25,00	5
WRITTEN WARNINGS	8	40,00	8
TOTAL	20	100,00	20

Table 4.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage of Total (%)	Total
BRIBES, COMMIT FRAUD or CORRUPTION	1	5,00	1
ASSAULT OR ATTEMPTED ASSAULT	1	5,00	1
THEFT	2	10,00	2
ABSENT FROM WORK WITHOUT REASON OR PERMISSION	1	5,00	1
NON-COMPLIANCE WITH SCM/PROCUREMENT PROCEDURES	1	5,00	1
MISUSE, ABUSE OR UNAUTHORISE USE OF STATE VEHICLER OR PROPERTY	2	10,00	2
NEGLIGENCE / DERELICTION OF DUTIES	11	55,00	11
FAILURE TO CARRY-OUT LAWFUL INSTRUCTIONS/INSUBORDINATION	1	5,00	1
TOTAL	20	100,00	20

Table 4.10.4 Grievances logged

Number of grievances addressed	Number	% of Total	Total
Not resolved	0	0,00	0
Resolved	5	100,00	5
TOTAL	5	100,00	5

Table 4.10.5 Disputes logged

Number of disputes addressed	Number	% of total
Upheld	1	100,00
Dismissed	0	0,00
Total	1	

Table 4.10.6 Strike actions

Strike Actions	
—	
None	0

Table 4.10.7 Precautionary suspensions

Precautionary Suspensions	
—	
2	94 729,50

4.11. Skills development

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

Table 4.11.1: Training needs identified

Occupational Categories	Gender	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	108	10	118
Legislators, senior officials and managers	Male	67	5	72
Professionals	Female	9	4	13
Professionals	Male	31	0	31
Technicians and associate professionals	Female	27	0	27
Technicians and associate professional	Male	12	0	12
Clerks	Female	178	4	182

Clerks	Male	89	0	89
Service and sales workers	Female	24	0	24
Service and sales workers	Male	31	-0	31
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	0	0	0
Craft and related trades workers	Male	0	0	0
Plant and machine operators and assemblers	Female	0	0	0
Plant and machine operators and assemblers	Male	0	0	
Elementary occupations	Female	0	0	
Elementary occupations	Male	0	0	
Gender sub totals	Female	346	18	364
Gender sub totals	Male	230	5	235
TOTAL		576	23	599

Table 4.11.2 Training provided for the period

Occupational Categories	Gender	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	2	7	9
Legislators, senior officials and managers	Male	9	21	30
Professionals	Female	32	31	63
Professionals	Male	15	20	35
Technicians and associate professionals	Female	7	5	12
Technicians and associate professional	Male	5	2	7
Clerks	Female	228	44	272
Clerks	Male	89	20	109
Service and sales workers	Female	38	34	72
Service and sales workers	Male	51	40	91
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	0	0	0
Craft and related trades workers	Male	0	0	0
Plant and machine operators and assemblers	Female	0	0	0
Plant and machine operators and assemblers	Male	0	0	0
Elementary occupations	Female	0	0	0

Elementary occupations	Male	0	0	0
Gender sub totals	Female	307	121	428
Gender sub totals	Male	169	103	272
TOTAL		476	224	700

Table 4.12.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	7	100,00
Temporary Total Disablement	0	0,00
Permanent Disablement	0	0,00
Fatal	0	0,00
Total	7	100,00

Part B
PMTE Human Resource Information

CHAPTER 4

HUMAN RESOURCE INFORMATION: PMTE

4. Introduction

The strategic objective of Human Resources (HR) is to implement effective HR management to make certain that adequate and sufficient skilled resources are in place and that performance is monitored. Within the approved legislative framework established by the Department of Public Service and Administration (DPSA), and the currently constrained financial environment, the Department of Public Works and Infrastructure (PMTE) provides support to its core functions by means of effective management and implementation of Human Resource (HR) policies, plans, and interventions.

- Status of Human Resources in the Department (PMTE)

The Department employed 4 362 Individuals out of the 4 888 posts, inclusive of 500 additional employees to the organisational structure. Personnel expenditure as a percentage of total expenditure stood at -----% in the period under review. A healthy staff turnover of 22.60 % was maintained during the current reporting period. Additional descriptive statistics are provided in the Tables below.

Two duly authorised employee unions the National Education, Health and Allied Workers' Union (NEHAWU) and the Public Service Association (PSA) represent workers. NEHAWU organizes state, health, education and welfare workers. On the management side, the Department deploys a Labour Relations unit to facilitate a conducive working environment for all staff. To this end, the Departmental Bargaining Chamber met four (4) times in the period under review.

- Workforce Planning

A new HR Plan was approved and implementation commenced in 20 ---. The aim of the new plan is to ensure the maintenance of processes and policies in HR to ensure that the right employees with the right mix of skills are placed in the right positions. It further promotes the maintenance of healthy attitudes and behaviours, and also that employee skills are

developed in line with Departmental needs. The HR Unit also developed a Workplace Skills Plan (WSP) for the Department, following the skills assessment conducted through the submission of Personal Development Plans (PDP's). As part of the implementation of the WSP, a number of training and development interventions were identified (including workshops), and 2163 employees were trained during the 2019/20 financial year of which 1 432 for PMTE. The Department also offered 175 new bursaries to serving employees for the 2019/20 academic year. This brought the total number of employees studying part-time at various institutions 361.

- Performance Management

The PMTE has experienced strides in the improvement of compliance to the Performance Management and Development System (PMDS). During the period under review, the rate of submission of performance agreements, work plans and bi-annual performance reviews stood at an aggregate of 72.3% (82.4% PAs and 62.2% Bi-annual) for level 2-12 and 76.4% (87.3% PAs and 65.5% Bi-annual) for SMS. This improvement is as a result of the enhanced alignment between the individual performance agreements and PMTE performance plans (Strategic Plan and Operational Plans).

In the financial year under review, the department focused mainly on the following human resource matters:

- Managed human resource policies, planning and provided staffing 3
- Managed human resource benefits;
- Facilitated and monitored the implementation of employment equity;
- Ensured that an effective PERSAL management infrastructure is in place and maintained;
- Facilitated code of conduct, labour relations' guidelines and practices;
- Facilitated labour relations services;
- Managed employee grievances;
- Managed labour disputes;
- Managed collective bargaining;
- Managed the implementation of the Skills Development Act and internship/Learnerships programmes and Bursaries
- Coordinated and facilitated the training and development of employees;
- The department saw an increased utilisation of the Wellness services provided by the department of which the majority of the cases seen were screenings for non-communicable diseases (hypertension, cholesterol, diabetes, etc.) and the monitoring of those at risk on the disease management programme.

4.1 Personnel related expenditure

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

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

Table 4.1.1 Personnel expenditure by programme

Administration	541 779,00	420 370,00	77,6%	522,00	805
Construction Project Management	397 542,00	366 710,00	92,2%	712,00	515
Facilities Management Services	685 576,00	664 050,00	96,9%	214,00	3 108
Real Estate Information And Registry Services	51 064,00	50 788,00	99,5%	453,00	112

Real Estate Investment Services	192 138,00	168 804,00	87,9%	728,00	232
Real Estate Management Services	182 950,00	142 554,00	77,9%	555,00	257
Total	2 051 049,00	1 813 276,00	88,4%	3 184,00	5 029

Note: In table 4.1.1 to 4.1.4 Employment includes permanent employees and employees in positions additional to the establishment it includes all employees even those not carried against a post e.g. periodic appointments, etc. Periodic appointments and abnormal appointments is how PERSAL identifies the nature of appointment of employees who are paid a stipend/time sheets for example NYS Learners, Land Affairs Board Members, etc. Compensation of Employees in table 4.1.1 is based on SAGE information for Cost of Employees. Tables 4.1.2 to 4.1.4 is based only on PERSAL information only.

Table 4.1.2 Personnel costs by salary band

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Employee Cost including Transfers	Average Compensation Cost per Employee (R)	Number of Employees
Skilled (Levels 3-5)	442 233,00	23,80	221 560,00	1 996
Highly skilled production (Levels 6-8)	456 637,00	24,60	423 990,00	1 077
Highly skilled supervision (Levels 9-12)	587 732,00	31,70	822 003,00	715
Senior management (Levels >= 13)	90 401,00	4,90	1 158 987,00	78
Other	559,00	0,00	186 333,00	3
Contract (Levels 1-2)	48,00	0,00	48 000,00	1
Contract (Levels 3-5)	22 367,00	1,20	486 239,00	46
Contract (Levels 6-8)	35 897,00	1,90	797 711,00	45
Contract (Levels 9-12)	143 792,00	7,80	817 000,00	176
Contract (Levels >= 13)	17 056,00	0,90	2 436 571,00	7
Contract Other	19 560,00	1,10	89 725,00	218
Periodical Remuneration	14 720,00	0,80	22 069,00	667
Total	1 830 999,00	98,70	364 088,00	5 029

Note: Compensation of Employees including transfer cost is R1 830 999 000. Transfer Cost in terms of PERSAL refers to the payment of Resettlement Cost and Leave Gratuity that is paid on PERSAL but posted against Items in Goods and Services. "Compensation of Employees including Transfers" will include payments for resettlement and leave gratuity. In table 4.1.3 and 4.1.4 Total Personnel Cost including Good & Services refer to Cost of Employees including payments for resettlement, leave gratuity and S&T which is paid through PERSAL but posting against Good and Services Items.

Table 4.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (including Good and Services) (R'000)
Administration	340 529,00	79,90	11 816,00	2,80	12 285,00	2,90	20 917,00	4,90	425 974,00
Construction Project Management	338 806,00	87,60	826,00	0,20	5 661,00	1,50	6 076,00	1,60	386 813,00
Facilities Management Services	497 149,00	74,00	17 906,00	2,70	34 735,00	5,20	54 822,00	8,20	671 566,00
Real Estate Information And Registry Services	46 884,00	87,90	1 444,00	2,70	461,00	0,90	535,00	1,00	53 308,00
Real Estate Investment Services	144 905,00	84,60	302,00	0,20	3 680,00	2,10	5 036,00	2,90	171 289,00
Real Estate Management Services	117 710,00	80,50	3 567,00	2,40	3 442,00	2,40	6 110,00	4,20	146 149,00
Total	1 485 984,00	80,10	35 861,00	1,90	60 264,00	3,20	93 495,00	5,00	1 855 099,00

Table 4.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Skilled (Levels 3-5)	307 599,00	69,40	14 913,00	3,40	30 246,00	6,80	48 044,00	10,80	443 192,00
Highly skilled production (Levels 6-8)	352 916,00	76,80	14 147,00	3,10	5 949,00	3,50	29 553,00	6,40	459 501,00
Highly skilled supervision (Levels 9-12)	499 691,00	82,70	4 697,00	0,80	11 255,00	1,90	14 902,00	2,50	603 905,00
Senior management (Levels 13-16)	78 992,00	85,50	1,00	0,00	2 628,00	2,80	954,00	1,00	92 403,00
Other	436,00	77,90	12,00	2,10	17,00	3,00	42,00	7,50	560,00

Contract (Levels 1-2)	48,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00	48,00
Contract (Levels 3-5)	21 312,00	95,00	248,00	1,10	0,00	0,00	0,00	0,00	22 442,00
Contract (Levels 6-8)	34 358,00	95,40	852,00	2,40	0,00	0,00	0,00	0,00	36 017,00
Contract (Levels 9-12)	140 535,00	96,90	904,00	0,60	169,00	0,10	0,00	0,00	144 967,00
Contract (Levels 13-16)	16 006,00	91,40	0,00	0,00	0,00	0,00	0,00	0,00	17 504,00
Other Contracts	19 371,00	97,60	89,00	0,40	0,00	0,00	0,00	0,00	19 841,00
Periodical Appointments	14 720,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00	14 720,00
Total	1 485 984,00	80,10	35 861,00	1,90	60 264,00	3,20	93 495,00	5,00	1 855 099,00

Other contracts are Intern and Learnerships not linked to a specific salary level e.g. paid a stipend

4.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

Table 4.2.1 Employment and vacancies by programme

Programme	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate %	Number of Posts Filled Additional to the Establishment
Administration	925	805	120	13,00	34
Construction Project Management	583	515	68	11,70	193
Facilities Management Services	2 693	2 442	251	9,30	182
Real Estate Information And Registry Services	117	112	5	4,30	61
Real Estate Investment Services	268	231	37	13,80	10

Real Estate Management Services	302	257	45	14,90	20
Total	4 888	4 362	526	10,80	500

Table 4.2.2 Employment and vacancies by salary band

Salary Band	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower Skilled (Levels 1-2)	12	0	12	100,00	0
Skilled (Levels 3-5)	2 181	1 996	185	8,50	2
Highly Skilled Production (Levels 6-8)t	1 202	1 077	125	10,40	4
Highly Skilled Supervision (Levels 9-12)	875	715	160	18,30	2
Senior Management (Levels 13-16)	122	78	44	36,10	1
Contract, Other	221	221	0	0,00	218
Contract (Levels 1-2)	1	1	0	0,00	1
Contract (Levels 3-5)	46	46	0	0,00	45
Contract (Levels 6-8)	45	45	0	0,00	45
Contract (Levels 9-12)	176	176	0	0,00	175
Contract (Levels 13-16)	7	7	0	0,00	7
Total	4 888	4 362	526	10,80	500

“Other” in terms of the salary band refers to employees on HCI programmes for example Water Treatment that are not linked to a specific salary level (referring to salary levels 1 to 16 for the Public Service).

Table 4.2.3 Employment and vacancies by critical occupations

Critical Occupations	Number of Posts	Number of Posts Filled	Number of Posts Vacant	Vacancy Rate	Number of Posts Filled Additional to the Establishment
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Architects Town And Traffic Planners	68	61	7	10,30	32
Civil Engineering Technicians	26	22	4	15,40	16
Engineers And Related Professionals	171	139	32	18,70	34
Quantity Surveyors & Related Professionals	15	15	0	0,00	0

4.3. Job Evaluation

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

Salary Band	Number of Posts	Number of posts Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Posts Upgraded Evaluated	Number of Posts Downgraded	% of Posts Downgraded Evaluated
Lower Skilled (Levels 1-2)	25	0	0,00	0	0,00	0	0,00

Skilled (Levels 3-5)	2 167	15	0,70	15	0,69	0	0,00
Highly Skilled Production (Levels 6-8)	1 199	165	13,80	0	0,00	0	0,00
Highly Skilled Supervision (Levels 9-12)	868	14	1,60	0	0,00	0	0,00
Senior Management Service Band A	85	5	5,90	0	0,00	0	0,00
Senior Management Service Band B	29	0	0,00	0	0,00	0	0,00
Senior Management Service Band C	5	0	0,00	0	0,00	0	0,00
Senior Management Service Band D	1	0	0,00	0	0,00	0	0,00
Contract, Other	219	0	0,00	0	0,00	0	0,00
Contract (Levels 1-2)	1	0	0,00	0	0,00	0	0,00
Contract (Levels 3-5)	47	0	0,00	0	0,00	0	0,00
Contract (Levels 6-8)	47	0	0,00	0	0,00	0	0,00
Contract (Levels 9-12)	176	1	0,60	0	0,00	0	0,00
Contract Band A	3	1	33,30	0	0,00	0	0,00
Contract Band B	1	0	0,00	0	0,00	0	0,00
Contract Band C	1	0	0,00	0	0,00	0	0,00
Total	4 874	201	55,90	15	0,69	0	0,00

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

Table 4.3.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	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

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

Table 4.3.3 Employees with salary levels higher than those determined by job evaluation by occupation

Occupation	Number of Employees	Job Level	Evaluation Remuneration Level	Reason for Deviation	No of Employees in Department
None	0	0	0	0	0
None	0	0	0	0	0
Total	0	0	0	0	0

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

Table 4.3.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiaries	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

4.4. Employment Changes

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

Table 4.4.1 Annual turnover rates by salary band

Salary Band	Employment at Beginning of Period (April 2019)	Appointments	Terminations	Turnover Rate %
Lower Skilled (Levels 1-2)	1	0	0	0,00
Skilled (Levels 3-5)	2 055	89	117	5,70
Highly Skilled Production (Levels 6-8)	1 055	63	37	3,50
Highly Skilled Supervision (Levels 9-12)	680	31	22	3,20
Senior Management Service Band A	48	6	0	0,00
Senior Management Service Band B	20	1	1	5,00
Senior Management Service Band C	3	0	0	0,00
Contract, Other	267	281	319	119,50
Contract (Levels 1-2)	1	1	1	100,00
Contract (Levels 3-5)	179	153	273	152,50
Contract (Levels 6-8)	97	93	124	127,80
Contract (Levels 9-12)	194	128	125	64,40
Contract Band A	7	16	12	171,40
Contract Band B	2	3	3	150,00
Contract Band C	6	3	7	116,70
TOTAL	4 615	868	1 041	22,60

The appointment number also includes re-appointments as a result of contract extensions which will reflect on the PERSAL System as appointments. "Other" refers to contract appointments of HCI Programmes employees were not appointed against a specific salary level. Employees are paid a stipend.

Table 4.4.2 Annual turnover rates by critical occupation

Occupation	Employment at Beginning of Period (April 2019)	Appointments	Terminations	Turnover Rate %
Architects Town And Traffic Planners	67	7	9	13,40
Civil Engineering Technicians	26	4	8	30,80
Engineers And Related Professionals	165	10	32	19,40
Quantity Surveyors & Related Professionals	19	1	4	21,10

Notes The CORE classification, as prescribed by the DPSA, should be used for completion of this table. The table below identifies the major reasons why staff left the department.

Table 4.4.3 Reasons why staff left the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death	23	2,20	0,50
Resignation	134	12,90	3,10
Expiry of contract	791	76,00	18,10
Dismissal-operational changes	3	0,30	0,10
Discharged due to ill health	5	0,50	0,10
Dismissal-misconduct	2	0,20	0,00
Retirement	82	7,90	1,90
Other	1	0,10	0,00
TOTAL	1 041	100,00	23,90

Resignations include employees that resigned from contract positions to assume duty in a permanent position as a result of a recruitment process.

Table 4.4.4 Promotions by critical occupation

Occupation	Employment at Beginning of Period (April 2019)	Promotions to another Salary Level	Salary Promotions as a % of Employment	Level Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Architects Town And Traffic Planners	67	1	1,50	19	28,40
Civil Engineering Technicians	26	0	0,00	6	23,10
Engineers And Related Professionals	165	0	0,00	83	50,30
Quantity Surveyors & Related Professionals	19	0	0,00	12	63,20

Promotion in terms of Critical occupations includes in this table promotions to next salary level as well as progression to a higher notch.

Table 4.4.5 Promotions by salary band

Salary Band	Employment at Beginning of Period (April 2019)	Promotions to another Salary Level	Salary Promotions as a % of Employment	Level Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower Skilled (Levels 1-2),	1	0	0,00	0	0,00
Skilled (Levels 3-5)	2 055	13	0,60	1 411	68,70
Highly Skilled Production (Levels 6-8)	1 055	32	3,00	650	61,60
Highly Skilled Supervision (Levels 9-12)	680	35	5,10	451	66,30
Senior Management (Levels 13-16)	71	2	2,80	2	2,80
Contract, Other	267	0	0,00	3	1,10
Contract (Levels 1-2),	1	0	0,00	0	0,00
Contract (Levels 3-5)	179	0	0,00	11	6,10
Contract (Levels 6-8)	97	0	0,00	14	14,40
Contract (Levels 9-12)	194	0	0,00	13	6,70
Contract (Levels 13-16)	15	0	0,00	1	6,70
TOTAL	4 615	82	1,80	2 556	55,40

4.5. Employment Equity

Table 4.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2018

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials And Managers	44	1	3	5	24	1	4	2	84
Professionals	226	19	21	54	169	7	6	15	517
Technicians And Associate Professionals	258	13	6	24	361	24	3	54	743
Clerks	256	18	6	18	387	18	8	53	764
Service Shop And Market Sales Workers	100	6	1	1	89	1	0	0	198
Craft And Related Trade Workers	106	33	5	31	40	1	0	0	216
Plant And Machine Operators And Assemblers	38	5	2	0	2	1	0	0	48
Labourers And Related Workers	600	159	6	7	936	81	1	2	1 792
Total	1 628	254	50	140	2 008	134	22	126	4 362
Employees with disabilities	25	6	1	11	13	2	0	7	65

Table 4.5.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2018

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	1	0	3
Senior Management	40	1	3	4	21	1	3	2	75
Professionally qualified and experienced specialists and mid-management	321	24	24	73	221	13	4	35	715
Skilled technical and academically qualified workers, junior management, supervisors, foremen	331	57	2	42	525	27	7	86	1 077
Semi-skilled and discretionary decision making	715	165	9	9	1 003	91	2	2	1 996
Contract, Other	100	3	0	1	117	0	0	0	221
Contract (Top Management)	1	0	0	0	0	0	0	0	1
Contract (Senior Management)	3	0	0	1	2	0	0	0	6
Contract (Professionally qualified)	83	3	11	10	63	1	5	0	176

Contract (Skilled technical)	16	0	0	0	28	0	0	1	45
Contract (Semi-skilled)	17	1	0	0	27	1	0	0	46
Contract (Unskilled)	0	0	1	0	0	0	0	0	1
TOTAL	1 628	254	50	140	2 008	134	22	126	4 362

Table 4.5.3 Recruitment

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	4	0	1	1	1	0	0	0	7
Professionally qualified and experienced specialists and mid-management, Permanent	17	0	0	1	12	0	1	0	31
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	30	0	0	0	32	0	0	1	63
Semi-skilled and discretionary decision making, Permanent	42	0	0	1	46	0	0	0	89

Not Available, Permanent	124	2	0	3	152	0	0	0	281
Contract (Top Management), Permanent	2	0	1	0	0	0	0	0	3
Contract (Senior Management), Permanent	10	0	0	2	7	0	0	0	19
Contract (Professionally qualified), Permanent	56	0	9	12	47	1	3	0	128
Contract (Skilled technical), Permanent	29	0	0	0	61	1	0	2	93
Contract (Semi-skilled), Permanent	30	4	0	0	115	4	0	0	153
Contract (Unskilled), Permanent	0	0	1	0	0	0	0	0	1
TOTAL	344	6	12	20	473	6	4	3	868
Employees with disability	4	0	0	0	0	0	0	0	4

Occupational Band “Not Available refers to employees appointed on contract for example Learners who do not have an occupational band to be linked to in the PERSAL System and the occupational band of “Other Occupations” were used.

Table 4.5.4 Promotion (Includes promotion to salary level and progressions to another notch within the Salary Level)

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	3	0	0	1	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	207	19	15	47	166	8	3	21	486
Skilled technical and academically qualified workers, junior management, supervisors, foremen	215	30	2	28	363	16	2	26	682
Semi-skilled and discretionary decision making	483	133	8	7	705	84	2	2	1 424
Contract, Not available	3	0	0	0	0	0	0	0	3
Contract (Senior Management)	0	0	0	1	0	0	0	0	1
Contract (Professionally qualified)	2	1	2	2	5	0	1	0	13
Contract (Skilled technical)	5	0	0	0	9	0	0	0	14

Contract (Semi-skilled)	2	0	0	0	9	0	0	0	11
TOTAL	920	183	27	86	1 257	108	8	49	2 638
Employees with disability	17	6	1	5	12	2	0	3	46

Table 4.5.5 Terminations

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	10	1	1	8	0	0	1	1	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen	13	2	1	3	14	2	0	2	37
Semi-skilled and discretionary decision making	43	9	1	2	48	13	0	1	117

Contract, Not available	126	2	0	6	184	0	0	1	319
Contract Management (Top Management)	3	0	2	0	1	0	0	1	7
Contract Management (Senior Management)	9	0	0	1	5	0	0	-0	15
Contract (Professionally qualified)	53	0	5	16	48	2	0	1	125
Contract (Skilled technical)	41	0	0	0	81	1	0	1	124
Contract (Semi-skilled)	26	3	0	0	237	7	0	0	273
Contract (Unskilled)	0	0	0	0	0	1	0	0	1
TOTAL	324	17	10	36	619	26	1	8	1 041
Employees with disabilities	2	3	0	1	0	0	0	0	6

Table 4.5.6 Disciplinary action

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	1	0	0	1	0	3	0	0	3
Demotion	1	0	0	1	0	0	0	0	-
Suspension from work without payment	15	1	1	17	0	6	0	0	6
Final written warning	11	3	0	14	3	6	1	0	7
Written warning	12	0	1	13	0	5	0	0	5
Verbal warning	1	0	0	1	0	2	0	0	-

Corrective counselling	1	0	0	1	0	1	0	0	1
Not guilty	0	0	0	0	0	1	0	0	1
Cases withdrawn/contract ended and resignations	3	0	0	3	0	2	0	0	2
Total	45	4	2	51	3	26	1	0	28

Table 4.5.7 Skills development

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	29	0	2	4	17	0	2	1	55
Professionals	133	9	5	40	97	5	1	15	305
Technicians and Associate Professionals	22	2	1	5	36	1	0	1	68
Clerks	205	2	1	3	391	12	4	19	637
Service and Sales Workers	22	1	0	0	13	0	0	0	36
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	100	7	3	2	55	2	0	0	169
Plant and Machine Operators and Assemblers	0	1	0	0	1	0	0	0	2
Elementary Occupations	65	7	0	0	112	7	0	0	191
Employees with disabilities	15	0	0	1	4	0	0	3	23
TOTAL	576	29	12	54	722	27	7	36	1 463

4.6. Performance Rewards

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

Table 4.6.1 Performance Rewards by race, gender and disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	787	1 995	39,40	9 347,90	11 878,00
African, Male	574	1 603	35,80	7 093,59	12 358,00
Asian, Female	3	22	13,60	81,98	27 328,00
Asian, Male	6	49	12,20	209,74	34 957,00
Coloured, Female	58	132	43,90	901,98	15 551,00
Coloured, Male	72	248	29,00	1 254,79	17 428,00
Total Blacks, Female	848	2 149	39,50	10 331,87	12 184,00
Total Blacks, Male	652	1 900	34,30	8 558,12	13 126,00
White, Female	67	119	56,30	1 899,11	28 345,00
White, Male	47	129	36,40	1 619,08	34 449,00
Employees with a disability	19	65	29,20	382,94	20 155,00
TOTAL	1 633	4 362	37,40	22 791,12	13 957,00

Table 4.6.2 Performance Rewards by salary band for personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')
Skilled (Levels 3-5)	954	1 996	47,80	6 643,09	6 963,00
Highly skilled production (Levels 6-8)	432	1 077	40,10	7 215,25	16 702,00
Highly skilled supervision (Levels 9-12)	219	715	30,60	8 235,98	37 607,00
Other	0	221	0,00	0,00	0,00
Contract (Levels 1-2)	0	1	0,00	0,00	0,00
Contract (Levels 3-5)	11	46	23,90	78,69	7 153,00
Contract (Levels 6-8)	5	45	11,10	46,67	9 334,00

Contract (Levels 9-12)	10	176	5,70	459,55	46 001,00
TOTAL	1 631	4 277	38,10	22 679,23	13 905,00

Table 4.6.3 Performance Rewards by critical occupation

Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')
Architects Town and Traffic Planners	18	61	29,50	918,33	51 018,00
Civil Engineering Technicians	2	22	9,10	87,07	43 535,00
Engineers and Related Professionals	22	139	15,80	1 010,30	45 923,00
Quantity Surveyors & Related Prof Not Class Elsewhere	3	15	20,00	135,04	45 012,00

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 4.6.4 Performance related rewards (cash bonus), by salary band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')
Band A	2	59	3,40	111,89	55 943,20
Band B	0	22	0,00	0,00	0,00
Band C	0	4	0,00	0,00	0,00
TOTAL	2	85	2,40	111,89	55 943,20

This table reflect payment of performance bonuses of SMS during 2019/2020 financial year. No SMS was paid performance bonus the 2 SMS reflected were Deputy Directors for the performance cycle 2018/2019 were paid performance bonuses for the 2018/2019 cycle after their appointment as Director during the 2019/2020 cycle.

4.7. Foreign Workers

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

Table 4.7.1 Foreign workers by salary band

Salary Band	1 April 2019		31 March 2020		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Lower skilled (Levels 1-2)	0	0,00	0	0,00	0	0,00
Skilled (Levels 3-5)	1	2,90	1	2,60	0	0,00
Highly skilled supervision (Levels 9-12)	34	97,10	37	97,40	3	100,00
Senior management (Levels 13-16)	0	0,00	0	0,00	0	0,00
TOTAL	35	100,00	38	100,00	3	100,00

22 Cuban Professionals employed as Technical Advisors.

Table 4.7.2 Foreign workers by major occupation

Major Occupation	1 April 2019		31 March 2020		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Administrative Office Workers	0	0,00	1	2,60	1	33,30
Elementary occupations	1	2,90	1	2,60	0	0,00
Professionals and managers	34	97,10	36	94,70	2	66,70
TOTAL	35	100,00	38	100,00	3	100,00

4.8. Leave utilisation

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

Table 4.8.1 Sick leave

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)	Number of days with Medical Certification
Contract (Levels 1-2)	2	100,00	1	0,00	2	1,00	2
Contract (Levels 3-5)	337	68,20	76	2,30	4	255,00	230
Contract (Levels 6-8)	338	60,40	67	2,00	5	484,00	204,
Contract (Levels 9-12)	486	66,30	99	3,00	5	1 339,00	322
Contract (Levels 13-16)	24	70,80	8	0,20	3	112,00	17
Contract Other	492	58,70	136	4,10	4	219,00	289
Skilled (Levels 3-5)	13 977	83,20	1 455	43,70	10	9 776,00	11 634
Highly skilled production (Levels 6-8)	8 205	75,70	892	26,80	9	12 463,00	6 215
Highly skilled supervision (Levels 9-12)	4 503	77,90	543	16,30	8	14 093,00	3 506
Senior management (Levels 13-16)	356	81,20	54	1,60	7	1 590,00	289
TOTAL	28 721	79,10	3 331	100,00	9	40 338,00	22 708

Table 4.8.2 Disability leave (temporary and permanent)

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
Contract (Levels 9-12)	16	100,00	1	2,20	16	38,00	160
Skilled (Levels 3-5)	1 417	100,00	24	52,20	59	1 101,00	1 417
Highly skilled production (Levels 6-8)	713	100,00	12	26,10	59	1 002,00	713
Highly skilled supervision (Levels 9-12)	463	100,00	8	17,40	58	1 430,00	463
Senior management (Levels 13-16)	13	100,00	1	2,20	13	63,00	13
TOTAL	2 622	100,00	46	100,00	57	3 635,00	2 622

The table below summarizes the utilization of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.8.3 Annual Leave

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Contract (Levels 1-2)	2	2	1
Contract (Levels 3-5)	1 698	12	141
Contract (Levels 6-8)	1 829	15	122
Contract (Levels 9-12)	3 125	16	200
Contract (Levels 13-16)	255	14	18
Contract Other	3 375	12	280
Skilled (Levels 3-5)	46 261	22	2 064
Highly skilled production (Levels 6-8)	26 798	24	1 098
Highly skilled supervision (Levels 9-12)	18 115	25	721

Senior management (Levels 13-16)	1 835	23	79
TOTAL	103 293	22	4 724

Table 4.8.4 Capped leave

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period
Skilled (Levels 3-5)	136	7	53	19	27 507
Highly skilled production (Levels 6-8)	48	4	35	13	9 180
Highly skilled supervision (Levels 9-12)	16	2	49	7	9 095
Senior management (Levels 13-16)	0	0	21	0	469
TOTAL	200	5	47	39	46 251

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

Table 4.8.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	4 360,00	199	21 910,00
ANNUAL - DISCOUNTING: UNUSED VACATION CREDITS (WORK DAYS)	429,00	18	23 833,00
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	2 572,00	104	24 731,00

CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	4 775,00	71,00	67 254,00
OTHER - DISCOUNTING: CONTRACT EXPIRY (WORK DAYS)	27,00	2	13 500,00
TOTAL	12 163,00		

4.9. HIV/AIDS & Health Promotion Programmes

Table 4.9.1 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
Construction Workers.	Line item included in tender documentation enforcing HIV and AIDS Programme implementation on DPW projects; Implementation of preventative measures on Construction sites.

Table 4.9.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr Reuben Mahlatjie, Director: OD
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and wellbeing 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		2 Deputy Directors; 3 Assistant Directors & 10 EHW Practitioners
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		Key Pillars of the Departmental Health and Wellness Services: HIV Advocacy and Support ; Health and Productivity Management and Wellness Management.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The department has established Wellness and Sports Committees in Head Office and 11 Regional Offices. Wellness Practitioners serve as coordinators.

5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes	HIV & AIDS Policy; Wellness Management Policy and Sports Policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes	HIV & AIDS Policy; Human Rights approach to HIV Management; Advocacy and Stigma Mitigation Programmes.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes	Employees counselled and Voluntarily Tested for HIV(Females & Males; Employees screened for Glucose, Cholesterol and Blood Pressure as well as referral for treatment.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes	The System's Monitoring Tool developed by DPSA used as a guideline for monitoring and evaluation. Indicators include: Utilization rate of Health and Wellness Services; Sick leave Utilization; Number of employees living openly with HIV.

4.10. Labour Relations

Table 4.10.1 Collective agreements

Subject Matter	Date
None	

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

Table 4.10.2 Misconduct and disciplinary hearings finalized

Outcomes of disciplinary hearings	Number	Percentage (%) of Total	Total
Dismissal	4	4,90	4
Demotion	1	1,23	1
Suspension from Work Without Payment	23	28,00	23
Final Written Warning	24	29,62	24

Written Warning	18	22,00	18
Verbal Warning	3	2,00	3
Cases Dismissed	2	0,70	2
Not Guilty	1	0,70	1
Cases Withdrawn	5	2,00	5
TOTAL	81	100,00	81

Table 4.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percent of Total (%)	Total
Bribes or commit fraud, corruption and nepotism	2	2,46	2
Absent from work without reason or permission	12	14,81	12
Non-compliance with SCM/procurement procedures	13	16,04	13
Non-compliance with the PMDS policy	4	4,93	4
Misuse, abuse or unauthorized use of state vehicle or property	10	12,34	10
Negligence / dereliction of duties	20	24,69	20
Displayed disrespectful, disgraceful and unacceptable behavior	4	4,93	4
Failure to carry-out lawful instructions/insubordination	7	8,64	7
Sexual harassment	2	2,46	2
Drinking on duty or under the influence of intoxicating substance	1	1,23	1
Assault	2	2,46	2
Irregular appointment of imposter	1	1,23	1
Performed remunerative work outside the public service without permission	2	2,46	2
Failure to disclose financial interests / conflict of interests	1	1,23	1
TOTAL	81	100%	81

Table 4.10.4 Grievances logged

Number of grievances addressed	Number	% of Total	Total
Not resolved	17	14,65	17
Resolved	99	85,34	99
TOTAL	116	100,00	116

Table 4.10.5 Disputes logged

Number of disputes addressed	Number	% of total
Upheld	5	35,71
Dismissed	9	64,28

Total	14	100,00
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Table 4.10.6 Strike actions

Strike Actions	
None of the employees participated in strike actions	0

Table 4.10.7 Precautionary suspensions

Precautionary Suspensions	
None	

4.11. Skills development

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

Table 4.11.1: Training needs identified

Occupational Categories	Gender	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	240	50	290
Legislators, senior officials and managers	Male	80	83	83
Professionals	Female	235	0	235
Professionals	Male	43	0	43
Technicians and associate professionals	Female	102	40	142
Technicians and associate professionals	Male	125	0	125
Clerks	Female	330	50	380
Clerks	Male	320	0	320
Service and sales workers	Female	86	0	86
Service and sales workers	Male	113	0	113
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	167	0	167
Craft and related trades workers	Male	163	0	163

Plant and machine operators and assemblers	Female	0	0	0
Plant and machine operators and assemblers	Male	-0	0	0
Elementary occupations	Female	72	0	72
Elementary occupations	Male	66	0	66
Gender sub totals	Female	1 232	140	1 372
Gender sub totals	Male	910	83	913
TOTAL		2 142	223	2 285

Table 4.11.2 Training provided for the period

Occupational Categories	Gender	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	9	11	20
Legislators, senior officials and managers	Male	11	24	35
Professionals	Female	71	47	118
Professionals	Male	83	104	187
Technicians and associate professionals	Female	22	16	38
Technicians and associate professionals	Male	14	16	30
Clerks	Female	292	134	426
Clerks	Male	152	59	211
Service and sales workers	Female	7	6	13
Service and sales workers	Male	10	13	23
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	52	5	57
Craft and related trades workers	Male	83	29	112
Plant and machine operators and assemblers	Female	0	1	1

Plant and machine operators and assemblers	Male	1	0	1
Elementary occupations	Female	113	6	119
Elementary occupations	Male	62	10	72
Gender sub totals	Female	566	226	-
Gender sub totals	Male	416	255	-
TOTAL		982	481	1463

4.12. Injury on duty

The following tables provide basic information on injury on duty.

Table 4.12.1 Injury on duty

Nature of injury on duty	Number	% of total
Required medical attention only	17	77,27
Temporary Total Disablement	2	9,09
Permanent Disablement	2	9,09
Fatal	1	4,54
Total	22	100,00

CHAPTER 5

Financial Information

Part A – The Department of Public Works (Main Vote)

Part B – The Property Management Trading Entity (PMTE)

ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF PUBLIC WORKS AND
INFRASTRUCTURE

For the year ended
31 March 2020

Table of Contents

Appropriation Statement	3
Notes to the Appropriation Statement	38
Statement of Financial Performance	42
Statement of Financial Position	43
Statement of Changes in Net Assets	44
Cash Flow Statement	45
Notes to the Annual Financial Statements (including Accounting policies)	46
Annexures	95

Report of the auditor-general to Parliament on vote no. 11: Department of Public Works and Infrastructure

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Public Works and Infrastructure set out on pages ... to ..., which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works and Infrastructure as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury, and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the 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 codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

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

Unaudited supplementary schedules

7. The supplementary information set out on pages XX to XX 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 thereon.

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the

14. performance indicators / measures included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 3 – expanded public works programme	x – x

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

Programme 3 – expanded public works programme

Various indicators

18. The achievements below were reported in the annual performance report for the listed indicators. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to these reported achievements.

Indicator description	Reported achievement
Number of work opportunities reported in the EPWP-RS by public bodies	994 699 work opportunities reported in the EPWP-RS by public bodies (cumulative)
Percentage EPWP participation amongst designated groups (women, youth and persons with disability) reported on the EPWP-RS by public bodies	41,94% Youth 68,33% Women 0,96% persons with disabilities

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 17 of this report.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Expenditure management

23. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The value, as disclosed in note 25 to the financial statements, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the irregular expenditure disclosed in the financial statements was caused by expenditure on state funerals where payments were made in excess of the contract amounts.

24. Effective internal controls were not in place for approving and processing payments in certain instances, as required by treasury regulation 8.1.1.

Other information

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. The other information I obtained prior to the date of this auditor's report are the foreword by the Minister, report by the accounting officer and the overview of the financial results, the governance report and the human resource management report information. The statement by Deputy Minister and the audit committee report is expected to be made available to us after 30 September 2020.
29. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have no findings to report in this regard.
30. When I do receive and read the audit committee report, 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

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

32. on the annual performance report and the findings on compliance with legislation included in this report.
33. The department was impacted by a number of investigations which implicated officials occupying senior management positions. In addition, there were vacancies at senior management level in a number of key programmes. This combination of instability in leadership and lack of effective leadership culture contributed to irregular expenditure by the department.
34. Inadequate monitoring of action plans to address the previous year's findings resulted in similar findings on programme 3: expanded public works programme in the current year.
35. Inadequate review and monitoring of compliance when approving payments to suppliers resulted in irregular expenditure.

Material irregularities

36. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities in progress

37. I identified material irregularities during the audit and notified the accounting officer thereof as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due. These material irregularities will be included in the next year's auditor's report.

Other reports

38. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
39. The Special Investigation Unit has been authorised to investigate the affairs of the Department of Public Works, with respect to supply chain management irregularities within, *inter alia*, the Prestige branch at the department, which covered the period 2003-04 to 2010-11. The report was finalised in 2018-19. The investigation was then extended to cover the period 2010-11 to 2015-16, and further extended to cover the period 2015-16 to 2019-20. These investigations were still in progress at the date of this auditor's report.

Pretoria

30 September 2020



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes, and on the department’s compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Appropriation per programme									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1.Administration	511 013	-	-	511 013	460 670	50 343	90,1%	470 674	448 316
2.Intergovernmental Coordination	56 386	-	-	56 386	52 448	3 938	93,0%	52 868	50 425
3.Expanded Public Works Programme	2 680 814	-	-	2 680 814	2 638 163	42 651	98,4%	2 538 562	2 532 725

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

4.Property and Construction Industry Policy and Research	4 538 905	-	-	4 538 905	4 523 839	15 066	99,7%	4 232 691	4 232 318
5. Prestige Policy	119 927	-	-	119 927	85 094	34 833	71,0%	188 531	184 765
Total	7 907 045	-	-	7 907 045	7 760 214	146 831	98,1%	7 483 326	7 448 549
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				27 067				3 478	
Actual amounts per statement of financial performance (total revenue)				7 934 112				7 486 804	
Actual amounts per statement of financial performance (total expenditure)					7 760 214				7 448 549

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Appropriation per economic classification									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 009 820	(166)	(741)	1 008 913	868 386	140 527	86,1%	988 290	966 366
Compensation of employees	557 826	-	(741)	557 085	503 535	53 550	90,4%	518 172	496 388
Salaries and wages	491 861	(1 023)	(2 402)	488 436	445 332	43 104	91,2%	456 623	441 787
Social contributions	65 965	1 023	1 661	68 649	58 203	10 446	84,8%	61 549	54 601

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Appropriation per economic classification									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Goods and services	451 994	(273)	-	451 721	364 744	86 977	80,7%	469 723	469 583
Administrative fees	48 582	(119)	-	48 463	46 758	1 705	96,5%	42 292	42 292
Advertising	4 288	(204)	-	4 084	3 167	917	77,5%	3 342	3 337
Minor assets	8 579	(134)	-	8 445	3 500	4 945	41,4%	3 415	3 415
Audit costs: External	13 644	(814)	-	12 830	10 564	2 266	82,3%	13 107	13 107
Bursaries: Employees	1 500	(1 045)	-	455	455	-	100,0%	703	703
Catering: Departmental activities	4 882	709	-	5 591	4 436	1 155	79,3%	3 358	3 313

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Appropriation per economic classification									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication	14 041	(1 697)	-	12 344	8 636	3 708	70,0%	25 956	25 954
Computer services	38 250	1 497	-	39 747	39 215	532	98,7%	29 294	29 294
Consultants: Business and advisory services	40 088	(6 332)	-	33 756	26 562	7 194	78,7%	27 009	27 009
Legal services	28 801	5 734	-	34 535	34 534	1	100,0%	17 587	17 587
Contractors	42 253	(61)	-	42 192	19 703	22 489	46,7%	130 643	130 629
Agency and support / outsourced services	65 794	8 246	-	74 040	52 895	21 145	71,4%	69 951	69 951
Entertainment	375	(15)	-	360	180	180	50,0%	178	173

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Appropriation per economic classification									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services	3 671	(102)	-	3 569	2 471	1 098	69,2%	2 606	2 586
Consumable supplies	4 108	2 128	-	6 236	4 992	1 244	80,1%	3 772	3 773
Consumable: Stationery, printing and office supplies	6 796	(762)	-	6 034	4 045	1 989	67,0%	3 697	3 698
Operating leases	33 598	(1 819)	-	31 779	27 708	4 071	87,2%	26 112	26 112
Property payments	18 701	877	-	19 578	19 342	236	98,8%	10 350	10 351
Transport provided: Departmental activity	106	-	-	106	-	106	0,0%	-	-
Travel and subsistence	50 807	(3 489)	-	47 318	40 915	6 403	86,5%	41 045	41 044
Training and development	6 578	(2 526)	-	4 052	3 801	251	93,8%	3 453	3 454
Operating payments	8 497	301	-	8 798	5 492	3 306	62,4%	4 903	4 903

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Appropriation per economic classification									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	7 537	(654)	-	6 883	4 960	1 923	72,1%	6 620	6 568
Rental and hiring	518	8	-	526	413	113	78,5%	330	330
Interest and rent on land	-	107	-	107	107	-	100,0%	395	395
Interest	-	107	-	107	107	-	100,0%	395	395
Transfers and subsidies	6 873	-	741	6 874	6 874	542	100,0%	6 471	6 470
	984			725	183			213	599
Provinces and municipalities	1 598	-	-	1 598	1 598	1	100,0%	1 516	1 516
	233			233	232			868	868
Provinces	868 181	-	-	868	868	-	100,0%	823 984	823
				181	181				984
Provincial Revenue	868 181	-	-	868	868	-	100,0%	823 984	823
Funds				181	181				984
Municipalities	730 052	-	-	730	730	1	100,0%	692 884	692
				052	051				884

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Appropriation per economic classification									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal bank accounts	730 052	-	-	730 052	730 051	1	100,0%	692 884	692 884
Departmental agencies and accounts	4 486 911	-	-	4 486 911	4 486 911	-	100,0%	4 173 787	4 173 787
Departmental agencies (non-business entities)	4 486 911	-	-	4 486 911	4 486 911	-	100,0%	4 173 787	4 173 787
Foreign governments and international organisations	24 621	-	-	24 621	24 620	1	100,0%	22 723	22 710
Public corporations and private enterprises	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362
Public corporations	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362
Other transfers to public corporations	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362
Non-profit institutions	750 424	-	-	750 424	750 424	-	100,0%	720 158	720 158
Households	8 795	-	741	9 536	8 996	540	94,3%	9 315	8 714

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Appropriation per economic classification									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	3 515	102	653	4 270	3 968	302	92,9%	2 201	1 600
Other transfers to households	5 280	(102)	88	5 266	5 028	238	95,5%	7 114	7 114
Payments for capital assets	23 241	-	-	23 241	17 479	5 762	75,2%	21 738	9 499
Machinery and equipment	23 241	(457)	-	22 784	17 022	5 762	74,7%	21 220	8 981
Other machinery and equipment	23 241	(457)	-	22 784	17 022	5 762	74,7%	21 220	8 981
Software and other intangible assets	-	457	-	457	457	-	100,0%	518	518
Payments for financial assets	-	166	-	166	166	-	100,0%	2 085	2 085
Total	7 907 045	-	-	7 907 045	7 760 214	146 831	98,1%	7 483 326	7 448 549

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Ministry	44 046	-	-	44 046	35 009	9 037	79,5%	36 050	33 430
2. Management	109 552	-	-	109 552	91 283	18 269	83,3%	94 708	90 467
3. Corporate Services	261 754	-	-	261 754	249 564	12 190	95,3%	259 589	247 069
4. Finance and Supply Chain Management	53 214	-	-	53 214	43 942	9 272	82,6%	50 464	47 486
5. Office Accommodation	42 447	-	-	42 447	40 872	1 575	96,3%	29 863	29 864

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Total for sub programmes	511 013	-	-	511 013	460 670	50 343	90,1%	470 674	448 316
Economic classification									
Current payments	501 436	(104)	(727)	500 605	451 979	48 626	90,3%	455 771	441 362
Compensation of employees	295 050	-	(727)	294 323	263 020	31 303	89,4%	276 931	262 521

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Salaries and wages	260 838	-	(2 388)	258 450	232 919	25 531	90,1%	244 112	233 149
Social contributions	34 212	-	1 661	35 873	30 101	5 772	83,9%	32 819	29 372
Goods and services	206 386	(104)	-	206 282	188 959	17 323	91,6%	178 445	178 446
Administrative fees	1 646	81	-	1 727	1 252	475	72,5%	130	130
Advertising	1 431	278	-	1 709	1 412	297	82,6%	852	852
Minor assets	779	-	-	779	526	253	67,5%	470	470

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Audit costs: External	13 644	(814)	-	12 830	10 564	2 266	82,3%	13 107	13 107
Bursaries: Employees	1 500	(1 045)	-	455	455	-	100,0%	703	703
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	1 339	1 019	-	2 358	2 139	219	90,7%	1 334	1 334
Communication(G&S)	11 871	(1 595)	-	10 276	7 153	3 123	69,6%	24 541	24 539
Computer services	38 212	1 455	-	39 667	39 173	494	98,8%	29 294	29 294
Consultants: Business and advisory services	18 226	(704)	-	17 522	17 187	335	98,1%	24 983	24 983
Legal services	28 801	5 727	-	34 528	34 527	1	100,0%	17 481	17 481
Contractors	368	413	-	781	514	267	65,8%	146	146

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services	1 926	(1 225)	-	701	81	620	11,6%	694	694
Entertainment	208	-	-	208	113	95	54,3%	106	106
Fleet services	2 226	-	-	2 226	1 490	736	66,9%	1 778	1 778
Consumable supplies	1 191	997	-	2 188	2 020	168	92,3%	800	801
Consumable: Stationery, printing and office supplies	3 532	(430)	-	3 102	2 319	783	74,8%	1,823	1,824
Operating leases	30 150	(1 964)	-	28 186	25 243	2 943	89,6%	23 323	23 323

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	18 451	822	-	19 273	19 274	-1	100,0%	10 346	10 347
Travel and subsistence	19 966	(760)	-	19 206	16 999	2 207	88,5%	18 385	18 384
Training and development	5 578	(1 817)	-	3 761	3 761	-	100,0%	3 381	3 382
Operating payments	2 833	1	-	2 834	2 083	751	73,5%	3 148	3 148
Venues and facilities	2 413	(543)	-	1 870	674	1 196	36,0%	1 607	1 607
Rental and hiring	95	-	-	95	-	95	0,0%	13	13
Interest and rent on land	-	-	-	-	-	-	-	395	395

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Interest	-	-	-	-	-	-	-	395	395
Transfers and subsidies	2 441	-	727	3 168	3 167	1	100,0%	1 616	1 434
Provinces and municipalities	6	-	-	6	5	1	83,3%	6	6
Municipalities	6	-	-	6	5	1	83,3%	6	6
Municipal bank accounts	6	-	-	6	5	1	83,3%	6	6
Households	2 435	-	727	3 162	3 162	-	100,0%	1 610	1 428

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	2 435	-	639	3 074	3 074	-	100,0%	1 262	1 080
Other transfers to households	-	-	88	88	88	-	100,0%	348	348
Payments for capital assets	7 136	-	-	7 136	5 420	1 716	76,0%	11 229	3 462
Machinery and equipment	7 136	(457)	-	6 679	4 963	1 716	74,3%	10 711	2 944
Other machinery and equipment	7 136	(457)	-	6 679	4 963	1 716	74,3%	10 711	2 944
Intangible assets	-	457	-	457	457	-	100,0%	518	518
Payments for financial assets	-	104	-	104	104	-	100,0%	2 058	2 058

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 1: Administration									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Total	511 013	-	-	511 013	460 670	50 343	90,1%	470 674	448 316

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 1.1: Ministry									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	41 586	(38)	(14)	41 534	32 596	8 938	78,5%	34 884	32 720
Compensation of employees	24 118	-	(14)	24 104	22 791	1 313	94,6%	24 432	22 269
Goods and services	17 468	(38)	-	17 430	9 805	7 625	56,3%	10 451	10 450
Interest and rent on land	-	-	-	-	-	-	-	1	1
Transfers and subsidies	1 910	-	14	1 924	1 923	1	99,9%	466	466
Provinces and municipalities	6	-	-	6	5	1	83,3%	6	6
Households	1 904	-	14	1 918	1 918	-	100,0%	460	460
Payments for capital assets	550	-	-	550	452	98	82,2%	700	244
Machinery and equipment	550	-	-	550	452	98	82,2%	700	244
Payment for financial assets	-	38	-	38	38	-	100,0%	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Total	44 046	-	-	44 046	35 009	9 037	79,5%	36 050	33 430
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NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 1.2: Management									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	108 976	(16)	(50)	108 910	90 912	17 998	83,5%	93 860	89 951
Compensation of employees	87 367	-	(50)	87 317	71 880	15 437	82,3%	76 541	72 631
Goods and services	21 609	(16)	-	21 593	19 032	2 561	88,1%	17 318	17 319
Interest and rent on land	-	-	-	-	-	-	-	1	1
Transfers and subsidies	26	-	50	76	76	-	100,0%	258	228
Households	26	-	50	76	76	-	100,0%	258	228
Payments for capital assets	550	-	-	550	279	271	50,7%	590	288
Machinery and equipment	550	-	-	550	279	271	50,7%	590	288
Payment for financial assets	-	16	-	16	16	-	100,0%	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 1.2: Management									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Total	109 552	-	-	109 552	91 283	18 269	83,3%	94 708	90 467

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 1.3: Corporate Services									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	255 864	(22)	(615)	255 227	244 375	10 852	95,7%	250 994	244 531
Compensation of employees	151 286	-	(615)	150 671	140 370	10 301	93,2%	147 358	140 895
Goods and services	104 578	(22)	-	104 556	104 005	551	99,5%	103 243	103 243
Interest and rent on land	-	-	-	-	-	-	-	393	393

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 1.3: Corporate Services									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	354	-	615	969	969	-	100,0%	736	736
Households	354	-	615	969	969	-	100,0%	736	736
Payments for capital assets	5 536	-	-	5 536	4 198	1 338	75,8%	7 859	1 802
Machinery and equipment	5 536	(457)	-	5 079	3 741	1 338	73,7%	7 341	1 284
Software and other intangible assets	-	457	-	457	457	-	100,0%	518	518

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 1.3: Corporate Services									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for financial assets	-	22	-	22	22	-	100,0%	-	-
Total	261 754	-	-	261 754	249 564	12 190	95,3%	259 589	247 069

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 1.4: Finance and Supply Chain Management									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	52 563	(28)	(48)	52 487	43 224	9 263	82,4%	46 170	44 296
Compensation of employees	32 279	-	(48)	32 231	27 979	4 252	86,8%	28 600	26 726
Goods and services	20 284	(28)	-	20 256	15 245	5 011	75,3%	17 570	17 570
Transfers and subsidies	151	-	48	199	199	-	100,0%	156	4
Households	151	-	48	199	199	-	100,0%	156	4

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 1.4: Finance and Supply Chain Management									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendi ture as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	500	-	-	500	491	9	98,2%	2 080	1 128
Machinery and equipment	500	-	-	500	491	9	98,2%	2 080	1 128
Payment for financial assets	-	28	-	28	28	-	100,0%	2 058	2 058
Total	53 214	-	-	53 214	43 942	9 272	82,6%	50 464	47 486

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 1.5: Office Accommodation									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	42 447	-	-	42 447	40 872	1 575	96,3%	29 864	29 864
Goods and services	42 447	-	-	42 447	40 872	1 575	96,3%	29 864	29 864
Total	42 447	-	-	42 447	40 872	1 575	96,3%	29 864	29 864

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 2: Intergovernmental Coordination									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Monitoring, Evaluation and Reporting	5 682	1 007	-	6 689	5 690	999	85,1%	5 329	5,303
2. Intergovernmental Relations and Coordination	23 617	358	-	23 975	22 254	1 721	92,8%	22 398	20 751
3. Professional Services	27 087	(1 365)	-	25 722	24 504	1 218	95,3%	25 141	24 371
Total for sub programmes	56 386	-	-	56 386	52 448	3 938	93,0%	52 868	50 425
Economic classification									

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 2: Intergovernmental Coordination									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	50 230	(5)	-	50 225	46 928	3 297	93,4%	45 335	42 895
Compensation of employees	36 051	-	-	36 051	35 814	237	99,3%	36 014	33 715
Salaries and wages	31 242	(825)	-	30 417	30 412	5	100,0%	31 763	30 445
Social contributions	4 809	825	-	5 634	5 402	232	95,9%	4 251	3 270
Goods and services	14 179	(112)	-	14 067	11 007	3 060	78,2%	9 321	9 180
Administrative fees	710	(233)	-	477	371	106	77,8%	-	-
Advertising	254	(2)	-	252	192	60	76,2%	132	127

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 2: Intergovernmental Coordination									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Minor assets	464	-	-	464	260	204	56,0%	124	124
Catering: Departmental activities	1 168	102	-	1 270	1 028	242	80,9%	757	712
Communication (G&S)	192	9	-	201	149	52	74,1%	149	149
Computer services	38	-	-	38	-	38	0,0%	-	-
Consultants: Business and advisory services	535	-	-	535	479	56	89,5%	44	44
Contractors	701	(373)	-	328	312	16	95,1%	221	207

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 2: Intergovernmental Coordination									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services	28	14	-	42	14	28	33,3%	-	-
Entertainment	82	-	-	82	22	60	26,8%	23	18
Fleet services	271	23	-	294	125	169	42,5%	102	82
Consumable supplies	421	-	-	421	232	189	55,1%	396	396
Consumable: Stationery, printing and office supplies	747	5	-	752	520	232	69,1%	245	245
Operating leases	603	-	-	603	171	432	28,4%	201	201

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 2: Intergovernmental Coordination									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	-	55	-	55	55	-	100,0%		
Travel and subsistence	4 752	(167)	-	4 585	4 023	562	87,7%	4 768	4 768
Training and development	-	-	-	-	-	-	-	25	25
Operating payments	600	-	-	600	225	375	37,5%	117	117
Venues and facilities	2 208	447	-	2 655	2 416	239	91,0%	1 781	1 729
Rental and hiring	405	8	-	413	413	-	100,0%	236	236
Interest and rent on land	-	107	-	107	107	-	100,0%	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 2: Intergovernmental Coordination									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Interest (Incl. interest on unitary payments (PPP))	-	107	-	107	107	-	100,0%	-	-
Transfers and subsidies	5 443	-	-	5 443	5 204	239	95,6%	6 978	6 978
Households	5 443	-	-	5 443	5 204	239	95,6%	6 978	6 978
Social benefits	163	102	-	265	264	1	99,6%	212	212
Other transfers to households	5 280	(102)	-	5 178	4 940	238	95,4%	6 766	6 766
Payments for capital assets	713	-	-	713	311	402	43,6%	550	547

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 2: Intergovernmental Coordination									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	713	-	-	713	311	402	43,6%	550	547
Other machinery and equipment	713	-	-	713	311	402	43,6%	550	547
Payments for financial assets	-	5	-	5	5	-	100,0%	5	5
Total	56 386	-	-	56 386	52 448	3 938	93,0%	52 868	50 425

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 2.1: Monitoring, Evaluation and Reporting									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 364	986	-	6 350	5 559	791	87,5%	4 982	4 958
Compensation of employees	4 329	991	-	5 320	5 315	5	99,9%	4 636	4 636
Goods and services	1 035	(112)	-	923	137	786	14,8%	346	322
	-	107	-	107	107	-	100,0%	-	-
Transfers and subsidies	30	21	-	51	51	-	100,0%	212	212
Households	30	21	-	51	51	-	100,0%	212	212
Payments for capital assets	288	-	-	288	80	208	27,8%	135	133
Machinery and equipment	288	-	-	288	80	208	27,8%	135	133
Total	5 682	1 007	-	6 689	5 690	999	85,1%	5 329	5 303

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 2.2: Intergovernmental Relations and Coordination									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 434	377	-	23 811	22 216	1 595	93,3%	22 240	20 594
Compensation of employees	19 114	377	-	19 491	19 491	-	100,0%	19 763	18 117
Goods and services	4 320	-	-	4 320	2 725	1 595	63,1%	2 477	2 477
Transfers and subsidies	33	(21)	-	12	11	1	91,7%	-	-
Households	33	(21)	-	12	11	1	91,7%	-	-
Payments for capital assets	150	-	-	150	25	125	16,7%	153	152
Machinery and equipment	150	-	-	150	25	125	16,7%	153	152
Payments for financial assets	-	2	-	2	2	-	100,0%	5	5
Total	23 617	358	-	23 975	22 254	1 721	92,8%	22 398	20 751

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 2.3: Professional Services									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	21 432	(1 368)	-	20 064	19 153	911	95,5%	18 113	17 343
Compensation of employee	12 608	(1 368)	-	11 240	11 008	232	97,9%	11 615	10 962
Goods and services	8 824	-	-	8 824	8 145	679	92,3%	6 498	6 381
Transfers and subsidies	5 380	-	-	5 380	5 142	238	95,6%	6 766	6 766
Households	5 380	-	-	5 380	5 142	238	95,6%	6 766	6 766
Payments for capital assets	275	-	-	275	206	69	74,9%	262	262
Machinery and equipment	275	-	-	275	206	69	74,9%	262	262
Payment for financial assets	-	3		3	3	-	100,0%	-	-
Total	27 087	(1 365)	-	25 722	24 504	1 218	95,3%	25 141	24 371

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
EPW Programme: Monitoring and Evaluation	59 878	(4 702)	-	55 176	32 512	22 664	58,9%	53 285	52 661
EPW Programme: Infrastructure	1 273 164	4 244	-	1 277 408	1 273 326	4 082	99,7%	1 205 813	1 204 079
EPW Programme: Operations	1 265 593	-	-	1 265 593	1 255 863	9 730	99,2%	1 203 353	1 202 731
EPW Programme: Partnership Support	75 587	458	-	76 045	71 226	4 819	93,7%	71 091	68 642

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjust ed Appro priatio n	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPW Programme: Public Employment Coordinating Commission	6 592	-	-	6 592	5 236	1 356	79,4%	5 020	4 612
Total for sub programmes	2 680 814	-	-	2 680 814	2 638 163	42 651	98,4%	2 538 562	2 532 725
Economic classification									

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjust ed Appro priatio n	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	329 769	(50)	-	329 719	288 401	41 318	87,5%	299 600	294 603
Compensation of employees	174 913	-	-	174 913	159 688	15 225	91,3%	158 764	153 767
Salaries and wages	153 744	(154)	-	153 590	141 739	11 851	92,3%	138 980	136 425
Social contributions	21 169	154	-	21 323	17 949	3 374	84,2%	19 784	17 342

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Goods and services	154 856	(50)	-	154 806	128 713	26 093	83,1%	140 836	140 836
Administrative fees	45 186	33	-	45 219	45 065	154	99,7%	42 127	42 127
Advertising	2 149	(480)	-	1 669	1 563	106	93,6%	2 358	2 358
Minor assets	422	(134)	-	288	44	244	15,3%	48	48
Catering: Departmental activities	1 888	(412)	-	1 476	1 154	322	78,2%	1 192	1 192

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (G&S)	1 360	(237)	-	1 123	762	361	67,9%	968	968
Consultants: Business and advisory services	16 760	(5 628)	-	11 132	8 511	2 621	76,5%	1 485	1 485
Contractors	16	58	-	74	69	5	93,2%	8	8
Agency and support / outsourced services	59 113	9 453	-	68 566	49 748	18 818	72,6%	68 840	68 840
Entertainment	61	(15)	-	46	35	11	76,1%	36	36

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services	409	(125)	-	284	269	15	94,7%	202	202
Consumable supplies	131	1 131	-	1 262	1 184	78	93,8%	1 310	1 310
Consumable: Stationery, printing and office supplies	1 625	(337)	-	1 288	999	289	77,6%	1 386	1 386
Operating leases	646	145	-	791	759	32	96,0%	531	531
Transport provided: Departmental activity	106	-	-	106	-	106	0,0%	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjust ed Appro priatio n	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	20 076	(2 535)	-	17 541	15 843	1 698	90,3%	16 086	16 086
Training and development	1 000	(709)	-	291	40	251	13,7%	47	47
Operating payments	1 484	300	-	1 784	951	833	53,3%	1 039	1 039
Venues and facilities	2 424	(558)	-	1 866	1 717	149	92,0%	3 103	3 103
Rental and hiring	-	-	-	-	-	-	-	70	70

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjust ed Appro priatio n	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	2 349 136	-	-	2 349 136	2 348 866	270	100,0%	2,237,31 1	2,237,31 1
Provinces and municipalities	1 598 227	-	-	1 598 227	1 598 227	-	100,0%	1 516 862	1 516 862
Provinces	868 181	-	-	868 181	868 181	-	100,0%	823 984	823 984

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Revenue Funds	868 181	-	-	868 181	868 181	-	100,0%	823 984	823 984
Municipalities	730 046	-	-	730 046	730 046	-	100,0%	692 878	692 878
Municipal bank accounts	730 046	-	-	730 046	730 046	-	100,0%	692 878	692 878
Non-profit institutions	750 424	-	-	750 424	750 424	-	100,0%	720 158	720 158

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjust ed Appro priatio n	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	485	-	-	485	215	270	44,3%	291	291
Social benefits	485	-	-	485	215	270	44,3%	291	291
Payments for capital assets	1 909	-	-	1 909	846	1 063	44,3%	1 629	789
Machinery and equipment	1 909	-	-	1 909	846	1 063	44,3%	1 629	789
Other machinery and equipment	1 909	-	-	1 909	846	1 063	44,3%	1 629	789

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 3: Expanded Public Works Programme									
2019/20								2018/19	
	Adjust ed Appro priatio n	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for financial assets	-	50	-	50	50	-	100,0%	22	22
Total	2 680 814	-	-	2 680 814	2 638 163	42 651	98,4%	2 538 562	2 532 725

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 3.1: Expanded Public Works Programme: Monitoring and Evaluation									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Virement	Final Approp riation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	58 990	(4 516)	-	54 474	32 133	22 341	59,0%	52 911	52 398
Compensation of employees	26 198	-	-	26 198	23 297	2 901	88,9%	24 607	24 094
Goods and services	32 792	(4 516)	-	28 276	8 836	19 440	31,2%	28 304	28 304
Transfers and subsidies	388	-	-	388	215	173	55,4%	55	55
Households	388	-	-	388	215	173	55,4%	55	55

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Payments for capital assets	500	(187)	-	313	163	150	52,1%	318	207
Machinery and equipment	500	(187)	-	313	163	150	52,1%	318	207
Payment for financial assets	-	1	-	1	1	-	100,0%	1	1
Total	59 878	(4 702)	-	55 176	32 512	22 664	58,9%	53 285	52 661

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 3.2: Expanded Public Works Programme: Infrastructure									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	105 066	4 204	-	109 270	105 803	3 467	96,8%	96 109	94 861
Compensation of employees	52 058	-	-	52 058	48 591	3 467	93,3%	49 240	47 992
Goods and services	53 008	4 204	-	57 212	57 212	-	100,0%	46 869	46 869
Transfers and subsidies	1 167 434	-	-	1 167 434	1 167 434	-	100,0%	1 109 075	1 109 075

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 3.2: Expanded Public Works Programme: Infrastructure									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces and municipalities	1 167 434	-	-	1 167 434	1 167 434	-	100,0%	1 108 914	1 108 914
Household	-	-	-	-	-	-	0,0%	161	161
Payments for capital assets	664	-	-	664	49	615	7,4%	629	143
Machinery and equipment	664	-	-	664	49	615	7,4%	629	143

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub programme 3.2: Expanded Public Works Programme: Infrastructure									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for financial assets	-	40	-	40	40	-	100,0%	-	-
Total	1 273 164	4 244	-	1 277 408	1 273 326	4 082	99,7%	1 205 813	1 204 079

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 3.3: Expanded Public Works Programme: Operations									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	84 120	-	-	84 120	74 626	9 494	88,7%	75 040	74 589
Compensation of employees	30 336	-	-	30 336	26 690	3 646	88,0%	25 195	24 744
Goods and services	53 784	-	-	53 784	47 936	5 848	89,1%	49 845	49 845
Transfers and subsidies	1 181 217	-	-	1 181 217	1 181 217	-	100,0%	1 128 106	1 128 106

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Provinces and municipalities	430 793	-	-	430 793	430 793	-	100,0%	407 948	407 948
Non-profit institutions	750 424			750 424	750 424	-	100,0%	720 158	720 158
Payments for capital assets	256	-	-	256	20	236	7,8%	207	36
Machinery and equipment	256	-	-	256	20	236	7,8%	207	36
Total	1 265 593	-	-	1 265 593	1 255 863	9 730	99,2%	1 203 353	1 202 731

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 3.4: Expanded Public Works Programme: Partnership Support									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	75 111	262	-	75 373	70 651	4 722	93,7%	70 620	68 171
Compensation of employees	61 646	-	-	61 646	56 924	4 722	92,3%	55 640	53 191
Goods and services	13 465	262	-	13 727	13 727	-	100,0%	14 980	14 980
Transfers and subsidies	97	-	-	97	-	97	0,0%	75	75
Households	97	-	-	97	-	97	0,0%	75	75

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Payments for capital assets	379	187	-	566	566	-	100,0%	375	375
Machinery and equipment	379	187	-	566	566	-	100,0%	375	375
Payment for financial assets	-	9	-	9	9	-	100,0%	21	21
Total	75 587	458	-	76 045	71 226	4 819	93,7%	71 091	68 642

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 3.5: Expanded Public Works Programme: Public Employment Coordinating Commission									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 482	-	-	6 482	5 188	1 294	80,0%	4 920	4 584
Compensation of employees	4 675	-	-	4 675	4 186	489	89,5%	4 082	3 746
Goods and services	1 807	-	-	1 807	1 002	805	55,5%	838	838
Payments for capital assets	110	-	-	110	48	62	43,6%	100	28
Machinery and equipment	110	-	-	110	48	62	43,6%	100	28

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Total	6 592	-	-	6 592	5 236	1 356	79,4%	5 020	4 612
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NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
Construction Policy Development Programme	50 455	7	-	50 462	40 291	10 171	79,8%	39 853	39 759
Property Policy Development Programme	13 579	(7)	-	13 572	8 678	4 894	63,9%	8 322	8 056
Construction Industry Development Board	76 160	-	-	76 160	76 160	-	100,0%	73 323	73 323

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Council for the Built Environment	52 796	-	-	52 796	52 796	-	100,0%	50 100	50 100
Independent Development Trust	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362
Construction Education and Training Authority	558	-	-	558	558	-	100,0%	518	518
Property Management Trading Entity	4 315 736	-	-	4 315 736	4 315 736	-	100,0%	4 009 490	4 009 490

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Assistance to Organisations for the Preservation of National Memorials	24 621	-	-	24 621	24 620	1	100,0%	22 723	22 710
Total for sub programmes	4 538 905	-	-	4 538 905	4 523 839	15 066	99,7%	4 232 691	4 232 318
Economic classification									

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	32 442	-	(14)	32 428	17 552	14 876	54,1%	17 721	17 643
Compensation of employees	18 951	-	(14)	18 937	13 396	5 541	70,7%	16 715	16 637
Salaries and wages	16 675	-	(14)	16 661	12 188	4 473	73,2%	15 418	15 418
Social contributions	2 276	-	-	2 276	1 208	1 068	53,1%	1 297	1 219
Goods and services	13 491	-	-	13 491	4 156	9 335	30,8%	1 006	1 006

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Administrative fees	40	-	-	40	18	22	45,0%	-	-
Advertising	403	-	-	403	-	403	0,0%	-	-
Minor assets	154	-	-	154	7	147	4,5%	51	51
Catering: Departmental activities	335	-	-	335	7	328	2,1%	27	27
Communication (G&S)	221	-	-	221	49	172	22,2%	57	57

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	-	27	-	27	27	-	100,0%		
Consultants: Business and advisory services	3 937	-	-	3 937	-	3 937	0,0%	375	375
Contractors	77	-	-	77	-	77	0,0%	2	2
Agency and support / outsourced services	3 962	-	-	3 962	2 298	1 664	58,0%	-	-
Entertainment	12	-	-	12	8	4	66,7%	10	10

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services	8	-	-	8	-	8	0,0%	2	2
Consumable supplies	50	-	-	50	-	50	0,0%	4	4
Consumable: Stationery, printing and office supplies	326	-	-	326	64	262	19,6%	1	1
Operating leases	94	-	-	94	32	62	34,0%	-	-
Travel and subsistence	990	(27)	-	963	266	697	27,6%	460	460

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	2 660	-	-	2 660	1 298	1 362	48,8%	17	17
Venues and facilities	222	-	-	222	82	140	36,9%	-	-
Transfers and subsidies	4 506 168	-	14	4 506 182	4 506 181	1	100,0%	4 214 740	4 214 508
Departmental agencies and accounts	4 476 312	-	-	4 476 312	4 476 312	-	100,0%	4 163 419	4 163 419

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies (non-business entities)	4 476 312	-	-	4 476 312	4 476 312	-	100,0%	4 163 419	4 163 419
Foreign governments and international organisations	24 621	-	-	24 621	24 620	1	100,0%	22 723	22 710
Public corporations and private enterprises	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362
Public corporation	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other transfers to public corporations	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362
Households	235	-	14	249	249	-	100,0%	236	17
Social benefits	235	-	14	249	249	-	100,0%	236	17
Payments for capital assets	295	-	-	295	106	189	35,9%	230	167
Machinery and equipment	295	-	-	295	106	189	35,9%	230	167

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 4: Property and Construction Industry Policy and Research									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	295	-	-	295	106	189	35,9%	230	167
Total	4 538 905	-	-	4 538 905	4 523 839	15 066	99,7%	4 232 691	4 232 318

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 4.1: Construction Policy Development Programme									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19 014	-	(14)	19 000	8 929	10 071	47,0%	9 617	9 617
Compensation of employees	10 303	-	(14)	10 289	6 329	3 960	61,5%	8 889	8 889
Goods and services	8 711	-	-	8 711	2 600	6 111	29,8%	728	728
Transfers and subsidies	31 246	7	14	31 267	31 267	-	100,0%	30 099	30 005
Departmental agencies and accounts	31 062	-	-	31 062	31 062	-	100,0%	29 988	29 988

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 4.1: Construction Policy Development Programme									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	184	7	14	205	205	-	100,0%	111	17
Payments for capital assets	195	-	-	195	95	100	48,7%	137	137
Machinery and equipment	195	-	-	195	95	100	48,7%	137	137
Total	50 455	7	-	50 462	40 291	10 171	79,8%	39 853	39 759

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 4.2: Property Policy Development Programme									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	13 428	-	-	13 428	8 623	4 805	64,2%	8 104	8 026
Compensation of employees	8 648	-	-	8 648	7 067	1 581	81,7%	7 826	7 748
Goods and services	4 780	-	-	4 780	1 556	3 224	32,6%	278	278
Transfers and subsidies	51	(7)	-	44	44	-	100,0%	125	-
Households	51	(7)	-	44	44	-	100,0%	125	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Payments for capital assets	100	-	-	100	11	89	11,0%	93	30
Machinery and equipment	100	-	-	100	11	89	11,0%	93	30
Total	13 579	(7)	-	13 572	8 678	4 894	63,9%	8 322	8 056

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 4.3: Construction Industry Development Board									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	76 160	-	-	76 160	76 160	-	100,0%	73 323	73 323
Departmental agencies and accounts	76 160	-	-	76 160	76 160	-	100,0%	73 323	73 323
Total	76 160	-	-	76 160	76 160	-	100,0%	73 323	73 323

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 4.4: Council for the Built Environment									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	52 796	-	-	52 796	52 796	-	100,0%	50 100	50 100
Departmental agencies and accounts	52 796	-	-	52 796	52 796	-	100,0%	50 100	50 100
Total	52 796	-	-	52 796	52 796	-	100,0%	50 100	50 100

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 4.5: Independent Development Trust									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362
Public corporations and private enterprises	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362
Total	5 000	-	-	5 000	5 000	-	100,0%	28 362	28 362

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 4.6: Construction Education and Training Authority									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	558	-	-	558	558	-	100,0%	518	518
Departmental agencies and accounts	558	-	-	558	558	-	100,0%	518	518
Total	558	-	-	558	558	-	100,0%	518	518

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 4.7: Property Management Trading Entity									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	4 315 736	-	-	4 315 736	4 315 736	-	100,0%	4 009 490	4 009 490
Departmental agencies and accounts	4 315 736	-	-	4 315 736	4 315 736	-	100,0%	4 009 490	4 009 490
Total	4 315 736	-	-	4 315 736	4 315 736	-	100,0%	4 009 490	4 009 490

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 4.8: Assistance to Organisations for the Preservation of National Memorials									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	24 621	-	-	24 621	24 620	1	100,0%	22 723	22 710
Foreign governments and international organisations	24 621	-	-	24 621	24 620	1	100,0%	22 723	22 710
Total	24 621	-	-	24 621	24 620	1	100,0%	22 723	22 710

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 5:Prestige Policy									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.Prestige Accommodation and State Functions	109 328	-	-	109 328	74 495	34 833	68,1%	178 163	174 397
2.Parliamentary Villages Management Board	10 599	-	-	10 599	10 599	-	100,0%	10 368	10 368
Total for sub programmes	119 927	-	-	119 927	85 094	34 833	71,0%	188 531	184 765

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 5:Prestige Policy									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	95 943	(7)	-	95 936	63 526	32 410	66,2%	169 863	169 863
Compensation of employees	32 861	-	-	32 861	31 617	1 244	96,2%	29 748	29 748
Salaries and wages	29 362	(44)	-	29 318	28 074	1 244	95,8%	26 350	26 350

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 5:Prestige Policy									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Approp iation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social contributions	3 499	44	-	3 543	3 543	-	100,0%	3 398	3 398
Goods and services	63 082	(7)	-	63 075	31 909	31 166	50,6%	140 115	140 115
Administrative fees	1 000	-	-	1 000	52	948	5,2%	35	35
Advertising	51	-	-	51	-	51	0,0%	-	-
Minor assets	6 760	-	-	6 760	2 663	4 097	39,4%	2 722	2 722

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 5:Prestige Policy									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	152	-	-	152	108	44	71,1%	48	48
Communication (G&S)	397	126	-	523	523	-	100,0%	241	241
Computer services	-	15	-	15	15	-	100,0%	-	-
Consultants: Business and advisory services	630	-	-	630	385	245	61,1%	122	122
Legal services	-	7	-	7	7	-	100,0%	106	106

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 5:Prestige Policy									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Contractors	41 091	(159)	-	40 932	18 808	22 124	45,9%	130 266	130 266
Agency and support / outsourced services	765	4	-	769	754	15	98,0%	417	417
Entertainment	12	-	-	12	2	10	16,7%	3	3
Fleet services (including government motor transport)	757	-	-	757	587	170	77,5%	522	522

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 5:Prestige Policy									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Approp iation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	2 315	-	-	2 315	1 556	759	67,2%	1 262	1 262
Consumable: Stationery, printing and office supplies	566	-	-	566	143	423	25,3%	242	242
Operating leases	2 105	-	-	2 105	1 503	602	71,4%	2 057	2 057
Property payments	250	-	-	250	13	237	5,2%	4	4
Travel and subsistence	5 023	-	-	5 023	3 784	1 239	75,3%	1 346	1 346

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 5:Prestige Policy									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	920	-	-	920	935	(15)	101,6%	582	582
Venues and facilities	270	-	-	270	71	199	26,3%	129	129
Rental and hiring	18	-	-	18	-	18	0,0%	11	11
Transfers and subsidies	10 796	-	-	10 796	10 765	31	99,7%	10 568	10 368
Departmental agencies and accounts	10 599	-	-	10 599	10 599	-	100,0%	10 368	10 368

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 5:Prestige Policy									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Approp iation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies (non-business entities)	10 599	-	-	10 599	10 599	-	100,0%	10 368	10 368
Households	197	-	-	197	166	31	84,3%	200	-
Social benefits	197	-	-	197	166	31	84,3%	200	-
Payments for capital assets	13 188	-	-	13 188	10 796	2 392	81,9%	8 100	4 534
Machinery and equipment	13 188	-	-	13 188	10 796	2 392	81,9%	8 100	4 534

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Programme 5:Prestige Policy									
2019/20								2018/19	
	Adjust ed Approp riation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	13 188	-	-	13 188	10 796	2 392	81,9%	8 100	4 534
Payment for financial assets	-	7	-	7	7	-	100,0%	-	-
Total	119 927	-	-	119 927	85 094	34 833	71,0%	188 531	184 765

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Sub Programme 5.1: Prestige Accommodation and State Functions									
2019/20								2018/19	
	Adjust ed Approp iation	Shifting of Funds	Viremen t	Final Appropri ation	Actual Expendit ure	Variance	Expendit ure as % of final appropri ation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	95 943	(7)	-	95 936	63 526	32 410	66,2%	169 863	169 863
Compensation of employees	32 861	-	-	32 861	31 617	1 244	96,2%	29 748	29 748
Goods and services	63 082	(7)	-	63 075	31 909	31 166	50,6%	140 115	140 115
Transfers and subsidies	197	-	-	197	166	31	84,3%	200	-
Households	197	-	-	197	166	31	84,3%	200	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Payments for capital assets	13 188	-	-	13 188	10 796	2 392	81,9%	8 100	4 534
Machinery and equipment	13 188	-	-	13 188	10 796	2 392	81,9%	8 100	4 534
Payment for financial assets	-	7	-	7	7	-	100,0%	-	-
Total	109 328	-	-	109 328	74 495	34 833	68,1%	178 163	174 397

Sub Programme 5.2: Parliamentary Villages Management Board									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
APPROPRIATION STATEMENT
For the year ended 31 March 2020

Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	10 599	-	-	10 599	10 599	-	100,0%	10 368	10 368
Departmental agencies and accounts	10 599	-	-	10 599	10 599	-	100,0%	10 368	10 368
Total	10 599	-	-	10 599	10 599	-	100,0%	10 368	10 368

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE APPROPRIATION STATEMENT
For the year ended 31 March 2020

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-F) 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

Detail 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

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	511 013	460 670	50 343	9,9%
Intergovernmental Coordination	56 386	52 448	3 938	7,0%
Expanded Public Works Programme	2 680 814	2 638 163	42 651	1,6%
Property and Construction Industry Policy and Research	4 538 905	4 523 839	15 066	0,3%
Prestige Policy	119 927	85 094	34 833	29,0%
Administration	511 013	460 670	50 343	9,9%

Expenditure variance is mainly due to compensation of employees resulting from delay in filling vacant positions during the financial year. Goods and services underspent due to:
- Communication due to participation in the transversal contract by Treasury and the implemented

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11

of cost containment measures.

- Audit fees due to decreased number of activities in DPWI which require extensive attention of AGSA.

- Operating leases due to lower

that projected spending on leasing of office accommodation.

Machinery and Equipment is due to delay in acquisition of assets for vacant posts to be filled during the financial year.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11

NOTES TO THE APPROPRIATION STATEMENT
For the year ended 31 March 2020

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Intergovernmental Coordination	56 386	52 448	3 938	7,0%

Expenditure variance is mainly due to reduced number of sector engagements meetings.

Expanded Programme	Public Works	2 680 814	2 638 163	42 651	1,6%
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Expenditure variance is mainly due to compensation of employees resulting from delays in filling of vacant positions. Goods and services is due to delays in public bodies confirming projects for mentorship in terms of contract development and non-responsive bidders for procurement. Machinery and Equipment is due to delay in acquisition of assets for vacant positions planned to be filled during the financial year.

Prestige Policy	119 927	85 094	34 833	29,0%
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Expenditure variance is mainly due to fewer number of state functions as only R9.7 million has been spent against the budget allocation of R41 million. The allocation for goods and services in this programme include R8 million budgeted for 2019 Presidential Inauguration, and the commitments were lower than the funding allocated to the Presidency. Machinery and Equipment is due to delay in acquisition of assets.

*NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11*

**NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11**

**NOTES TO THE APPROPRIATION STATEMENT
For the year ended 31 March 2020**

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	557 085	503 535	53 550	9,6%
Goods and services	451 721	364 744	86 977	19,3%
Interest and rent on land	107	107	-	0,0%
Transfers and subsidies				
Provinces and municipalities	1 598 233	1 598 232	1	0,0%
Departmental agencies and accounts	4 486 911	4 486 911	-	0,0%
Higher education institutions	-	-	-	
Public corporations and private enterprises	5 000	5 000	-	0,0%
Foreign governments and international organisations	24 621	24 620	1	0,0%
Non-profit institutions	750 424	750 424	-	0,0%
Households	9 536	8 996	540	5,7%
Payments for capital assets				
Machinery and equipment	22 784	17 022	5 762	25,3%
Software and other intangible assets	457	457	-	0,0%

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11

Payments for financial assets	166	166	-	0,0%
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NOTES TO THE APPROPRIATION STATEMENT
For the year ended 31 March 2020

Expenditure variance is mainly due to:

- Compensation of employees underspent due to delay in filling vacant positions and positions that became vacant during the financial year
- Goods and Services underspent due to :
 - Communication due to participation in National Treasury transversal contract and implementation of cost containment measures.
 - Audit fees due to decreased number of activities in DPWI which require extensive attention of AGSA.
 - Contractors spending on this item is mainly linked to State Functions and the underspending is mainly due to decreased number of state functions. The allocation included R8 million budgeted for the 2020 Presidential Inaugurations, and the actual expenditure was less than projected.
 - Operating leases due to lower than projected spending on leasing of office accommodation
 - Travel and subsistence due to implemented cost containment measures.
 - Agency and support /outsourced services underspending is mainly due to delays in procurement due to non-responsive bidders and resulting in delays of public bodies confirming projects for mentorship in terms of contractor development.
 - Consultant:

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11

business advisory services outsource services underspending is mainly due to delays in procurement due to non-responsive bidders.

- Machinery and Equipment underspent due to delay in acquisition of assets for vacant positions planned to be filled during the financial year.

4.3 Per conditional grant

Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
R'000	R'000	R'000	R'000

EPWP Integrated Grant for Municipalities	730 046	730 046	-	0,0%
EPWP Integrated Grant for Provinces	437 388	437 388	-	0,0%
Social Sector EPWP Incentive Grant for Provinces	430 793	430 793	-	0,0%

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	<u>1</u>	7 907 045	7 483 326
Departmental revenue	<u>2</u>	27 067	3 478
TOTAL REVENUE		<u>7 934 112</u>	<u>7 486 804</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	503 535	496 388
Goods and services	<u>4</u>	364 744	469 583
Interest and rent on land	<u>5</u>	107	395
Total current expenditure		868 386	966 366
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	6 874 183	6 470 599
Total transfers and subsidies		6 874 183	6 470 599
Expenditure for capital assets			
Tangible assets	<u>8</u>	17 022	8 981
Intangible assets	<u>8</u>	457	518
Total expenditure for capital assets		17 479	9 499
Payments for financial assets	<u>6</u>	166	2 085
TOTAL EXPENDITURE		<u>7 760 214</u>	<u>7 448 549</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>173 898</u>	<u>38 255</u>
Voted funds			
Annual appropriation		146 831	34 777
Departmental revenue and NRF Receipts	14	27 067	3 478
SURPLUS/(DEFICIT) FOR THE YEAR		<u>173 898</u>	<u>38 255</u>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2020

	<i>Note</i>	2019/20 R'000	2018/19 R'000
ASSETS			
Current assets		282 095	285 541
Unauthorised expenditure	<u>9</u>	261 169	261 169
Cash and cash equivalents	<u>10</u>	125	125
Prepayments and advances	<u>11</u>	16 487	5 130
Receivables	<u>12</u>	4 314	19 117
Non-current assets		76 788	71 978
Receivables	<u>12</u>	76 788	71 978
TOTAL ASSETS		358 883	357 519
LIABILITIES			
Current liabilities		355 280	353 853
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	146 831	34 777
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	14 918	1 669
Bank overdraft	<u>15</u>	153 176	266 533
Payables	<u>16</u>	40 355	50 874
TOTAL LIABILITIES		355 280	353 853
NET ASSETS		3 603	3 666
Represented by:			
Recoverable revenue		3 603	3 666
TOTAL		3 603	3 666

*NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11*

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2020

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Recoverable revenue			
Opening balance		3 666	4 512
Transfers:		(63)	(846)
Debts revised		(80)	(761)
Debts recovered (included in departmental receipts)		(456)	(1 960)
Debt raised		473	1 875
Closing balance		3 603	3 666
 TOTAL		 3 603	 3 666

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
CASH FLOW STATEMENT
For the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		7 933 973	7 486 714
Annual appropriated funds received	<u>1.1</u>	7 907 045	7 483 326
Departmental revenue received		1 276	1 937
Interest received	2.2	25 652	1 451
Net (increase)/decrease in working capital		(7 073)	42 411
Surrendered to Revenue Fund		(48 595)	(68 421)
Current payments		(868 279)	(965 971)
Interest Paid		(107)	(395)
Payments for financial assets	<u>6</u>	(166)	(2 085)
Transfers and subsidies paid		(6 874 183)	(6 470 599)
Net cash flow available from operating activities	<u>17</u>	135 570	21 654
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8.1</u>	(17 479)	(9 499)
Proceeds from sale of capital assets	<u>2.3</u>	139	90
(Increase)/decrease in non-current receivables		(4 810)	
Net cash flows from investing activities		(22 150)	(9 409)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(63)	(846)
Net cash flows from financing activities		(63)	(846)
Net increase/(decrease) in cash and cash equivalents		113 357	11 399
Cash and cash equivalents at beginning of period		(266 408)	(277 807)
Cash and cash equivalents at end of period	<u>18</u>	(153 051)	(266 408)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

PART A: ACCOUNTING POLICIES

Financial Statement Presentation par .03

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>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.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	Comparative information
6.1	Prior period comparative information

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	<p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	Revenue
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>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.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • 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. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

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.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost 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. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	<ul style="list-style-type: none"> cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>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.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>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.</p> <p>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.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	Capital Assets
16.1	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p>
16.2	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	<p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	Unauthorised expenditure

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	<p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	<p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement. In terms of the arrangement the department is the principal and an agent. 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 financial statements where appropriate.</p>
24	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
25	<p>Recoverable revenue</p> <p>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.</p>
26	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	<p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
27	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
28	<p>Public-Private Partnerships</p> <p>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.</p> <p>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 financial statements.</p>
29	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

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:

	2019/20		2018/19	
	Final Appropriation	Actual Funds Received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000
Administration	511 013	511 013	470 674	470 674
Intergovernmental Coordination	56 386	56 386	53 085	53 085
Expanded Public Works Programme	2 680 814	2 680 814	2 538 502	2 538 502
Property and Construction Industry Policy and Research	4 538 905	4 538 905	4 232 691	4 232 691
Prestige Policy	119 927	119 927	188 374	188 374
Total	7 907 045	7 907 045	7 483 326	7 483 326

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

1. Departmental revenue

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	305	292
Interest, dividends and rent on land	2.2	25 652	1 451
Sales of capital assets	2.3	139	90
Transactions in financial assets and liabilities	2.4	971	1 645
Departmental revenue collected		<u>27 067</u>	<u>3 478</u>

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	303	287
Sales by market establishment	115	112
Administrative fees	1	1
Other sales	187	174
Sales of scrap, waste and other used current goods	2	5
Total	<u>305</u>	<u>292</u>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

2.2	Interest, dividends and rent on land		
	Interest	25 652	1 451
		<hr/>	<hr/>
	Total	25 652	1 451
		<hr/> <hr/>	<hr/> <hr/>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

2.3 Sale of capital assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Tangible assets		139	90
Machinery and equipment		139	90
Total		139	90

2.4 Transactions in financial assets and liabilities

Receivables	971	1 645
Total	971	1 645

2. Compensation of employees

3.1 Salaries and Wages

Basic salary	335 289	336 014
Performance award	9 084	6 731
Service Based	661	487
Compensative/circumstantial	11 745	11 912
Periodic payments	1 466	1 099
Other non-pensionable allowances	87 087	85 544
Total	445 332	441 787

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

3.2 Social contributions
Employer contributions

Pension	43 572	40 827
Medical	14 559	13 703
Bargaining council	72	71
Total	<u>58 203</u>	<u>54 601</u>
Total compensation of employees	<u>503 535</u>	<u>496 388</u>
Average number of employees	733	819

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

3. Goods and services

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Administrative fees		46 758	42 292
Advertising		3 167	3 337
Minor assets	4.1	3500	3 415
Bursaries (employees)		455	703
Catering		4 436	3 313
Communication		8 636	25 954
Computer services	4.2	39 215	29 294
Consultants: Business and advisory services		26 562	27 009
Legal services		34 534	17 587
Contractors		19 703	130 629
Agency and support / outsourced services		52 895	69 951
Entertainment		180	173
Audit cost – external	4.3	10 564	13 107
Fleet services		2 471	2 586
Consumables	4.4	9 037	7 471
Operating leases		27 708	26 112
Property payments	4.5	19 342	10 351

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	Rental and hiring	413	330
	Travel and subsistence	4.6 40 915	41 044
	Venues and facilities	4 960	6 568
	Training and development	3 801	3 454
	Other operating expenditure	4.7 5 492	4 903
	Total	364 744	469 583
4.1	Minor assets		
	Tangible assets		
	Machinery and equipment	3 500	3 415
	Total	3 500	3 415
4.2	Computer services		
	SITA computer services	24 758	19 776
	External computer service providers	14 457	9 518
	Total	39 215	29 294
4.3	Audit cost – External		
	Regularity audits	10 564	13 107
	Total	10 564	13 107

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

4.4 Consumables

	Note	2019/20	2018/19
		R'000	R'000
Consumable supplies		4 993	3 772
Uniform and clothing		1 437	450
Household supplies		1 042	1 198
Building material and supplies		-	329
Communication accessories		1	1
IT consumables		630	196
Other consumables		1 883	1 598
Stationery, printing and office supplies		4 044	3 699
Total		<u>9 037</u>	<u>7 471</u>
4.5 Property payments			
Municipal services		18 424	9 858
Property management fees		918	493
Other		-	-
Total		<u>19 342</u>	<u>10 351</u>
4.6 Travel and subsistence			
Local		39 360	40 151
Foreign		1 555	893
Total		<u>40 915</u>	<u>41 044</u>
4.7 Other operating expenditure			
Professional bodies, membership and subscription fees		1 629	711
Resettlement costs		182	15
Other		3 681	4 177
Total		<u>5 492</u>	<u>4 903</u>
1. Interest and rent on land			
Interest paid		107	395
Total		<u>107</u>	<u>395</u>
2. Payments for financial assets			
Other material losses written off	6.1	123	334

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Debts written off	6.2	43	1 751
Total		166	2 085

6.1 Other material losses written off

Nature of losses

Recoverable expenditure	123	334
Total	124	334

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

6.2	Debts written off			
		<i>Note</i>	2019/20	2018/19
			R'000	R'000
	Nature of debts written off			
	BAS Debts		43	1 751
	Total		<u>43</u>	<u>1 751</u>
3.	Transfers and subsidies			
	Provinces and municipalities	34, 35	1 598 232	1 516 868
	Departmental agencies and accounts	Annex 1B	4 486 911	4 173 787
	Foreign governments and international organisations	Annex 1C	24 620	22 710
	Public corporations and private enterprises	Annex 1D	5 000	28 362
	Non-profit institutions	Annex 1E	750 424	720 158
	Households	Annex 1F	8 996	8 714
	Total		<u>6 874 183</u>	<u>6 470 599</u>
4.	Expenditure for capital assets			
	Tangible assets		<u>17 022</u>	<u>8 981</u>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Machinery and equipment	30	17 022	8 981
Intangible assets		457	518
Software	31	457	518
Total		17 479	9 499

8.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds	Total
	R'000	R'000
Tangible assets	17 022	17 022
Machinery and equipment	17 022	17 022
Intangible assets	457	457
Software	457	457
Total	17 479	17 479

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

8.2 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds	Total
	R'000	R'000
Tangible assets	8 981	8 981
Machinery and equipment	8 981	8 981
Intangible assets	518	518
Software	518	518
Total	9 499	9 499

8.3 Finance lease expenditure included in expenditure for capital assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Tangible assets		1 653	2 366
Machinery and equipment		1 653	2 366
Total		1 653	2 366

5. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

Opening balance	261 169	261 169
Prior period error	-	-
As restated	261 169	261 169
Closing balance	261 169	261 169

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Analysis of closing balance

Unauthorised expenditure awaiting authorisation	261 169	261 169
Total	261 169	261 169

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

Current	80 755	80 755
Capital	178 087	178 087
Transfers and subsidies	2 327	2 327
Total	261 169	261 169

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure relating to overspending of the vote or a main division within a vote	83 082	83 082
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	178 087	178 087
Total	261 169	261 169

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

9.4 Details of unauthorised expenditure

Incident	R'000
Unauthorised expenditure under capital expenditure incurred towards building of schools which is a provincial competency.	174 102
Unauthorised expenditure on capital assets procured for the schools.	3 985
Overspending on compensation of employees	67 135
Overspending on goods and services	13 620
Overspending on transfers and subsidies	2 327
Total	<u>261 169</u>

6. Cash and cash equivalents

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Cash on hand		125	125
Total		<u>125</u>	<u>125</u>

7. Prepayments and advances

Travel and subsistence		18	1
Prepayments (Not expensed)	11.2	4 846	4 127
Advances paid (Not expensed)	11.1	11 623	1 002
Total		<u>16 487</u>	<u>5 130</u>

11.1 Advances paid (Not expensed)

<i>Note</i>	Balance as at 1 April 2019	Less: Amount expensed in	Add: Current Year	Balance as at 31 March 2020
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NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

		current year	prepaym ents	
	<i>1</i> <i>1</i>	R'000	R'000	R'000
National departments		205	(205)	-
Public entities		797	-	5 524
Other institutions		-	-	5 302
Total		1 002	(205)	10 826

	<i>N</i> <i>ot</i> <i>e</i>	Balance as at 1 April 2018	Less: Amount expense d in current year	Add: Current Year prepaym ents	Balance as at 31 March 2020
	<i>1</i> <i>1</i>	R'000	R'000	R'000	R'000
National departments		840	(840)	205	205
Public entities		10 084	(10 084)	797	797
Other institutions		3 857	(3 857)	-	-
Total		14 781	(14 781)	1 002	1 002

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

11.2 Prepayments (Not expensed)

	<i>Note</i>	Balance as at 1 April 2019	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2020
	<i>11</i>	R'000	R'000	R'000	R'000
Goods and services		4 127	(4 127)	4 846	4 846
Total		4 127	(4 127)	4 846	4 846

	<i>Note</i>	Balance as at 1 April 2018	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2019
	<i>11</i>	R'000	R'000	R'000	R'000
Goods and services		5	(5)	4 127	4 127
Total		5	(5)	4 127	4 127

8. Receivables

		2019/20			2018/19		
		Current	Non- current	Total	Current	Non- current	Total
	<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	4 005	73 574	77 579	18 681	69 063	87 744
Recoverable expenditure	12.3	210	624	834	327	462	789
Staff debt	14.4	99	51	150	109	145	254

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Other debtors	12.5	-	2 539	2 539	-	2 308	2 308
Total		4 314	76 788	81 102	19 117	71 978	91 095

12.1 Claims recoverable

	Note	2019/20	2018/19
	12 and Annex 3	R'000	R'000
National departments		55 643	54 541
Provincial departments		5 632	13 787
Public entities		16 304	19 416
Total		77 579	87 744

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

12.2 Recoverable expenditure (disallowance accounts)

12

	Note	2019/20	2018/19
		R'000	R'000
Disallowance Account		790	698
Private Telephone		14	14
Salaries		30	77
Total		834	789

12.3 Staff debt

12

Personnel Debt		150	254
Total		150	254

12.4 Other debtors

12

Breach of contracts (Bursaries)		2 539	2 308
Total		2 539	2 308

12.5 Impairment of receivables

12

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Estimate of impairment of receivables	3 064	64 033
Total	3 064	64 033

9. Voted funds to be surrendered to the Revenue Fund

Opening balance	34 777	57 843
Prior period error		-
As restated	34 777	57 843
Transfer from statement of financial performance (as restated)	146 831	34 777
Voted funds not requested/not received	-	-
Paid during the year	(34 777)	(57 843)
Closing balance	146 831	34 777

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

Opening balance	1 669	8 769
Prior period error		-
As restated	1 669	8 769
Transfer from Statement of Financial Performance (as restated)	27 067	3 478
Paid during the year	(13 818)	(10 578)
Closing balance	14 918	1 669

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

11. Bank Overdraft

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General Account		153 176	266 533
Total		<u>153 176</u>	<u>266 533</u>

12. Payables – current

Advances received	16.1	39 702	48 034
Clearing accounts	16.2	381	722
Other payables	16.3	272	2 118
Total		<u>40 355</u>	<u>50 874</u>

16.1 Advances received

Provincial departments			-
Public entities		39 702	48 034
Total		<u>39 702</u>	<u>48 034</u>

16.2 Clearing accounts

Salary income tax (Payable to SARS)		239	604
Salary clearing accounts		142	118
Total		<u>381</u>	<u>722</u>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

16.3	Other payables		
	Funds received on behalf of the PMTE	271	1 952
	Bas Debtor	1	
	Funds received on behalf of EPWP (Learner- ship programme)	-	19
	Government Communications and Information System	-	126
	Vodacom	-	21
	Total	<u>272</u>	<u>2 118</u>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

13. Net cash flow available from operating activities

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		173 898	38 255
Add back non cash/cash movements not deemed operating activities		(38 328)	(16 601)
(Increase)/decrease in receivables – current		14 803	10 935
(Increase)/decrease in prepayments and advances		(11 357)	9 717
Increase/(decrease) in payables – current		(10 519)	21 759
Proceeds from sale of capital assets		(139)	(90)
Expenditure on capital assets		17 479	9 499
Surrenders to Revenue Fund		(48 595)	(68 421)
Voted funds not requested/not received			-
Net cash flow generated by operating activities		135 570	21 654

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

Consolidated Paymaster General account	(153 176)	(266 533)
Cash on hand	125	125
Total	(153 051)	(266 408)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

15. Contingent liabilities and contingent assets

Contingent liabilities

Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 2A</i>	-	13
Intergovernmental payables (unconfirmed balances)		<i>Annex 4</i>	4 333	6 064
Total			<u>4 333</u>	<u>6 077</u>

16. Capital Commitments

Computer equipment	240	80
Furniture and office equipment	779	1 209
Other machinery and equipment	1 035	741
Total	<u>2 054</u>	<u>2 030</u>

Commitments are expected to be expensed or accrued in the next financial year (2020/21)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

17. Accruals and payables not recognised

21.1 Accruals

			2019/20 R'000	2018/19 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	17 766	-	17 766	10 599
Other	78	-	78	-
Total	17 844	-	17 844	10 599
Accruals				

Listed by programme level				
Administration			11 358	1 022
Intergovernmental Coordination			454	229
Expanded Public Works Programme			5 705	9 305
Property and Construction Industry Policy and Research			18	-
Prestige Policy			309	43
Total			17 844	10 599

21.2 Payables not recognised

			2019/20 R'000	2018/19 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	271	36	307	19 746
Transfers and subsidies	-	-	-	2 947
Capital assets	-	-	-	25
Other	-	-	-	15 885
Total	271	36	307	38 613

Listed by programme level				
Administration			22	10 839
Intergovernmental Coordination			157	4 538
Expanded Public Works Programme			154	19 493
Property and Construction Industry Policy and Research			(2)	1 652
Prestige Policy			(24)	2 091
Total			307	38 613

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Included in the above totals are the following:

Confirmed balances with other departments	Annex 4	3	18 872
Confirmed balances with other government entities	Annex 4	5 659	6 566
Total		<u>5 662</u>	<u>25 438</u>

18. Employee benefits

	Note	2019/20	2018/19
		R'000	R'000
Leave entitlement		23 884	22 479
Service bonus (Thirteenth cheque)		11 420	11 294
Performance awards		4 184	7 775
Capped leave commitments		8 092	8 858
Other		1 521	718
Total		<u>49 101</u>	<u>51 124</u>

At this stage the department is not able to reliably measure the long term portion of the long service awards. Excluded from the leave entitlement is the R332k representing leave credits as at end of the financial year.

19. Lease commitments

23.1 Operating leases

The department continue to lease two properties on a month-to-month basis with the lessors as there are no agreements as at 31 March 2020.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

23.2 Finance leases **

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2019/20					
Not later than 1 year	-	-	-	5 414	5 414
Later than 1 year and not later than 5 years	-	-	-	888	888
Total lease commitments	-	-	-	6 302	6 302

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2018/19					
Not later than 1 year	-	-	-	2 553	2 553
Later than 1 year and not later than 5 years	-	-	-	922	922
Total lease commitments	-	-	-	3 475	3 475

**This note excludes leases relating to public private partnership as they are separately disclosed in note no. 29.

The Department is participating in a lease contract for photocopy machines arranged by National Treasury for three years. The contracts have no escalation clause and is procured via tender processes on expiry.

20. Accrued departmental revenue

	Note	2019/20	2018/19
		R'000	R'000
Interest, dividends and rent on land		1 416	12 128
Total		1 416	12 128

24.1 Analysis of accrued departmental revenue

Opening balance	12 128	1 836
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NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Less: amounts received	(25 549)	(806)
Add: amounts recorded	14 837	11 098
Closing balance	<u>1 416</u>	<u>12 128</u>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

21. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	2019/20	2018/19
	R'000	R'000
Opening balance	106 898	115 532
Prior period error		(6 281)
As restated	106 898	109 251
Add: Irregular expenditure – relating to prior year	77 477	-
Add: Irregular expenditure – relating to current year	6 497	-
Less: Current year amounts condoned	-	(2 353)
Closing balance	190 872	106 898
Analysis of awaiting condonation per age classification		
Current year	6 497	-
Prior years	184 375	106 898
Total	190 872	106 898

Irregular Expenditure relating to prior year - R77.5 million: Included in this amount is R70.7 million that relates to investigations which were conducted into alleged

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

overcharging on contract price schedules and unapproved deviations discovered during the procurement of services for State Funerals and Events. The amount of R6.8 million relates to a PSC investigation that revealed the irregular appointment of several officials within the Department. The outcomes of these investigations have been taken into consideration accordingly by management whereby disciplinary proceedings are underway and a civil claim has been laid against the contractor for charging unapproved management fees, where applicable.

Irregular Expenditure relating to current year - R6.5 million: Included in this amount is R5.8 million that relates to the PSC investigation that revealed that irregular appointments of several officials within the Department. Furthermore, an amount of R680 thousand relates to cases where proper procurement processes were not followed.

Management is in the process of conducting investigations on other State Funerals and Events to make an assessment on further irregular expenditure that may have been incurred.

Prior period error (2018/19) - R6.3 million: A determination test was conducted on the procurement processes of all these transactions to identify the details that led to the incident being reported as irregular expenditure. The determination test was conducted in terms of National Treasury's Instruction Note 2 of 2019/20. The outcome of the test revealed that these cases did not meet the definition of irregular expenditure and were erroneously reported as such.

2019/20

25.2 Details of current and prior year irregular expenditure – added current year
(under determination and investigation)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

		R'000
Incident	Disciplinary steps taken/ criminal proceedings	
Appropriate approval not obtained by delegated authority	Disciplinary proceedings underway. Criminal charges laid against contractor	69 724
Invoice amount exceeded pricing schedule	Disciplinary proceedings underway.	1 305
Irregular appointment of officials	Disciplinary proceedings underway.	12 583
Award to non-qualifying bidder	Determination procedures to be conducted	362
Total		<u>83 974</u>

25.3 Prior period error

	2018/19 R'000
Nature of prior period error	
Relating to 2018/19 <i>[affecting the opening balance]</i>	(6 281)
Appropriate approval not obtained by delegated authority	(1 561)
Incorrect procurement process followed	(3 967)
Tax matters not in order	(753)
Total prior period errors	<u>(6 281)</u>

<p>Prior period error (2018/19) - R6.3 million: A determination test was conducted on the procurement processes of all these transactions to identify the details that</p>
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NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

led to the incident being reported as irregular expenditure. The determination test was conducted in terms of National Treasury's Instruction Note 2 of 2019/20. The outcome of the test revealed that these cases did not meet the definition of irregular expenditure and were erroneously reported as such.

22. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		973	1 157
Prior period error			(184)
As restated		973	973
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		-	-
Less: Amounts transferred to receivables for recovery	15.6	-	-
Less: Amounts written off	32.4	-	-
Closing balance		973	973

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

26.2 Prior period error

	2018/19
	R'000
Nature of prior period error	
Relating to 2018/19 <i>[affecting the opening balance]</i>	(184)
Interest on overdue account	(184)
Total prior period errors	(184)

The determination procedure was conducted in terms of National Treasury Guidelines on Fruitless and Wasteful Expenditure and it was found that no official was liable for interest to be incurred on the overdue accounts. The necessary approvals were obtained from the delegated authority.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

23. Related party transactions

Related parties to the Department

The following entities/departments have been identified as related parties of the Department:

- a) Independent Development Trust (IDT) - Government development agency to implement projects commissioned by government.
- b) Parliamentary Village Management Board - To provide transport from and to the parliamentary villages for residents (Parliamentarians and sessional officials) who are in Cape Town.
- c) Agrément South Africa (ASA) - Promote and support the process of integrated socio-economic development in SA.
- d) Council for the Built Environment (CBE) - Oversee built environment professional councils.
- e) Construction Industry Development Board (CIDB) - Provide strategic direction for sustainable growth, reform and improvements of the construction sector and its role in the economy.
- f) Property Management Trading Entity (PMTE) - To manage devolved accommodation-related costs and user charge.

Related parties transactions

1. Property Management Trading Entity (PMTE)

The Property Management Trading Entity (PMTE) operates within the administration of the Department of Public Works and Infrastructure (DPWI) and as such all contracts are entered into in the name of the DPW. The liabilities and obligations arising from these transactions are accounted for by the PMTE if it relates to the PMTE operating activities as these liabilities will be settled using the PMTE funds and resources.

1.1 Details of In kind goods and services provided/received

Indirect cost

Indirect costs include the sharing of administrative services between the Department and the PMTE. The nature of the transactions resulted in difficulties in reliably determining the value of the indirect costs paid on behalf of the PMTE due to the operational structure and functions between the Department and the PMTE.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

24. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)	2	6 169	4 351
Officials:			
Level 15 to 16	8	12 726	12 113
Level 14 (incl. CFO if at a lower level)	32	35 387	39 321
Secondment of Staff	1	776	-
Total		<u>55 058</u>	<u>55 785</u>

The Political bearers are the Minister of the Department of Public Works and Infrastructure and the Deputy Minister of the Department of Public Works and Infrastructure. In terms of persons with significant influence, the Department has identified officials from level 14 and above as key management as well as seconded key officials if applicable.

25. Public Private Partnership

Unitary fee paid	8 275	8 743
Indexed component	<u>8 275</u>	<u>8 743</u>
Analysis of indexed component	<u>8 275</u>	<u>8 743</u>
Goods and services (excluding lease payments)	<u>2 165</u>	<u>2 304</u>
Operating leases	<u>6 110</u>	<u>6 439</u>
Other	<u>806</u>	<u>1 006</u>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Other obligations	806	1 006
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Any guarantees issued by the department are disclosed in Note 25.1

The Department participates in the fleet contract through the Department of Transport by Phakisa. Included in other obligations amount of R 800k are Operating Lease Commitments amounting to R266k and Accruals amounting to R 540k

26. Non-adjusting events after reporting date

Implications of COVID-19 on the Annual Financial Statements

- In terms of the Corona Virus National Disaster Intervention Plan, the Department of Public Works and Infrastructure's role is to provide accommodation for the quarantine sites to the Department of Health and mobilisation of expanded public works programme participants in public health care services inclusive of public health education, screening and referrals. At this stage, the full costs related to provision of accommodation for quarantines cannot be quantified as the number of sites to be provided will vary based on escalating infections in the country.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustment s	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	113 048	-	-	-	113 048
Heritage assets	113 048	-	-	-	113 048
MACHINERY AND EQUIPMENT	300 984	-	21 490	7 926	314 548
Transport assets	3 865	-	662	1 264	3 263
Computer equipment	57 271	-	8 453	1 712	64 012
Furniture and office equipment	209 283	-	11 184	1 521	218 946
Other machinery and equipment	30 565	-	1 191	3 429	28 327
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	414 032	-	21 490	7 926	427 596

31.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

Cash*	Non-cash**	(Capital Work in Progress current costs and finance	Received current, not paid (Paid current year,	Total
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NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	R'000	R'000	lease payments) R'000	received prior year) R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	17 022	6 146	(1 653)	(25)	21 490
Transport assets	-	662	-	-	662
Computer equipment	3 870	4 583	-	-	8 453
Furniture and office equipment	10 587	622	-	(25)	11 184
Other machinery and equipment	2 565	279	(1 653)	-	1 191
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	17 022	6 146	(1 653)	(25)	21 490

31.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	7 926	7 926	139
Transport assets	-	1 264	1 264	139
Computer equipment	-	1 712	1 712	-
Furniture and office equipment	-	1 521	1 521	-
Other machinery and equipment	-	3 429	3 429	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS				
	-	7 926	7 926	139

31.3 Movement for 2018/19

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	113 048	-	-	-	113 048
Heritage assets	113 048	-	-	-	113 048
MACHINERY AND EQUIPMENT	293 885	-	19 193	12 094	300 984
Transport assets	4 978	-	-	1 113	3 865
Computer equipment	57 698	-	6 981	7 408	57 271
Furniture and office equipment	206 343	-	5 577	2 637	209 283
Other machinery and equipment	24 866	-	6 635	936	30 565
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	406 933	-	19 193	12 094	414 032

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

31.3.1 Prior period error

	Note	2018/19 R'000
Nature of prior period error		
Relating to 2017/18 <i>[affecting the opening balance]</i>		44
Other machinery and equipment		44
Total prior period errors		44

31.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	19	3 825	111 196	-	115 040
Value adjustments	-	-	-	-	-	-
Additions	-	2	-	5 564	-	5 566
Disposals				672		672
TOTAL MINOR ASSETS	-	21	3 825	116 088	-	119 934
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	3 028	-	3 028
Number of minor assets at cost	-	11	1 960	61 737	-	63 708
TOTAL NUMBER OF	-	11	1 960	64 765	-	66 736

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

MINOR
ASSETS

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipmen t	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	19	3 833	108 396	-	112 248
Prior period error	-	-	-	-	-	-
Additions	-	-	-	4 332	-	4 332
Disposals	-	-	8	1 532	-	1 540
TOTAL MINOR ASSETS	-	19	3 825	111 196	-	115 040
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipmen t	Biological assets	Total
Number of R1 minor assets	-	-	-	3 022	-	3 022
Number of minor assets at cost	-	10	1 960	60 156	-	62 126
TOTAL NUMBER OF MINOR ASSETS	-	10	1 960	63 178	-	65 148

31.4.1 Prior period error

	<i>Note</i>	2018/19 R'000
Nature of prior period error		
Relating to 2017/18 <i>[affecting the opening balance]</i>		(44)
Other machinery and equipment		(44)
Total prior period errors		(44)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

31.5 S42 Movable Capital Assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipmen t	Biological assets	Total
No of Assets	-	-		6	-	6
Value of the asset (R'000)	-	-	-	10	-	10

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustment s	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	66 204	-	457	499	66 162
TOTAL INTANGIBLE CAPITAL ASSETS	66 204	-	457	499	66 162

32.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Software	457	-	-	-	457
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	457	-	-	-	457

32.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
R'000	R'000	R'000	R'000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Software	-	499	499	-
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS	-	499	499	-

32.3 Movement for 2018/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	66 108	-	518	422	66 204
TOTAL INTANGIBLE CAPITAL ASSETS	66 108	-	518	422	66 204

29. Principal-agent arrangements

33.1 Department acting as the principal

	Fee paid	
Category of revenue or expenditure per arrangement	2019/20	2018/19
	R'000	R'000
International Labour Organisation	3 473	2 519
Independent Development Trust	548	2 397
Independent Development Trust(non-state sector)	44 486	42 127
Total	48 507	47 043

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

"International Labour Organisation (ILO) -The ILO assists the Department with capacity and best practice methodology for the implementation of EPWP projects. The ILO receives 13% of direct project cost.

Independent Development Trust (IDT) Construction of strategic priority projects of the department. The IDT receives 10% of the project cost for project management services provided.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

33.2 Department acting as the agent

33.2.1 Reconciliation of carrying amount of receivables and payables – 2019/20

Receivables

Name of principal entity	Opening balance	Revenue principal is entitled to	Less: Write-offs/settlements/waivers	Cash received on behalf of principal	Closing Balance
	R'000	R'000	R'000	R'000	R'000
National Department of Basic Education	54 541	-	-	-	54 541
Total	54 541	-	-	-	54 541

Payables

Name of principal entity	Opening balance	Expenses incurred on behalf of the principal	Closing Balance
	R'000	R'000	R'000
National Skills Fund	48 034	(8 332)	39 702
Total	48 034	(8 332)	39 702

Reconciliation of carrying amount of receivables and payables - 2018/19

Receivables

Name of principal entity	Opening balance	Revenue principal is entitled to	Less: Write-offs/settlements/waivers	Cash received on behalf of principal	Closing Balance
	R'000	R'000	R'000	R'000	R'000
National Department of Basic Education	54 541	-	-	-	54 541
Total	54 541	-	-	-	54 541

Payables

Name of principal entity	Opening balance	Expenses incurred on behalf of the principal	Closing Balance
--------------------------	-----------------	--	-----------------

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	R'000	R'000	R'000
National Skills Fund	61 387	(13 353)	48 034
Eastern Cape Dep. Of Public Works	20	(20)	-
Total	61 407	(13 373)	48 304

30. Prior period errors

34.1 Correction of prior period errors

	Note	Amount before error correction 2018/19 R'000	Prior period error 2018/19 R'000	Restated Amount 2018/19 R'000
Other:				
Irregular expenditure		115 532	(6 281)	109 251
Fruitless and wasteful expenditure		1 157	(184)	973
Minor Assets		4 376	(44)	4 332
Tangible assets		6 591	44	6 635
Net effect		127 656	(6 465)	121 191

Irregular Expenditure

"Prior period error (2018/19) - R6.3 million: investigation into the alleged transaction of irregular expenditure were conducted in terms of the Irregular Expenditure Framework. After testing the procurement processes it was found that these transaction do not to meet the definition of irregular expenditure.

Fruitless and wasteful expenditure

The determination procedure was conducted in terms of National Treasury Guidelines on Fruitless and Wasteful Expenditure and it was found that no official was liable for interest to be incurred on the overdue accounts. The necessary approvals were obtained from the delegated authority.

Tangible & Minor Assets:

2018/19 FY: R44K

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Library books previously accounted as minor assets instead of Major assets.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

31. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2018/19
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Summary by province												
Eastern Cape	157 225	-	-	157 225	157 225	-	-	157 225	152 578	4 647	97%	120 908
Free State	73 024	-	-	73 024	73 024	-	-	73 024	72 267	757	99%	79 896
Gauteng	104 864	-	-	104 864	104 864	-	-	104 864	102 925	1 939	98%	60 999

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2018/19
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Kwazulu-Natal	210	-	-	210	210	-	-	210	209	460	100%	200
	352			352	352			352	892			974
Limpopo	91	-	-	91	91	-	-	91	87	3 877	96%	75
	112			112	112			112	235			256
Mpumalanga	66	-	-	66	66	-	-	66	64	2 083	97%	89
	557			557	557			557	474			057
Northern Cape	45	-	-	45	45	-	-	45	43	1 823	96%	57
	517			517	517			517	694			426
North West	51	-	-	51	51	-	-	51	48	3 790	93%	62
	856			856	856			856	066			485

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2018/19
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Western Cape	67 674	-	-	67 674	67 674	-	-	67 674	67 556	118	100%	76 983
TOTAL	868 181	-	-	868 181	868 181	-	-	868 181	848 687	19 494		823 984

Summary by grant

EPWP	437	-	-	437	437	-	-	437	429	-	98%	416
Integrated Grants for Provinces	388			388	388			388	384			036

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2018/19
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Social EPWP Incentive Grant for Provinces	430 793	-	-	430 793	430 793	-	-	430 793	419 303	-	97%	407 948
TOTAL	868 181	-	-	868 181	868 181	-	-	868 181	848 687	-		823 984

***NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020***

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2018/19
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
EPWP Integrated Grants for Provinces												
Eastern Cape	106	-	-	106	106	-	-	106	105	1 514	99%	90
	862			862	862			862	348			077
Free State	31	-	-	31	31	-	-	31	30	235	99%	27
	203			203	203			203	968			378
Gauteng	51	-	-	51	51	-	-	51	50	684	99%	46
	518			518	518			518	834			758
Kwazulu-Natal	120	-	-	120	120	-	-	120	120	63	100%	124
	173			173	173			173	110			565
Limpopo	29	-	-	29	29	-	-	29	28	991	97%	25
	428			428	428			428	437			864

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Mpumalanga	27	-	-	27	27	-	-	27	27	87	100%	32
	249			249	249			249	162			816
Northern Cape	20	-	-	20	20	-	-	20	19	669	97%	21
	321			321	321			321	652			769
North West	21	-	-	21	21	-	-	21	18	3 710	83%	17
	944			944	944			944	234			673
Western Cape	28	-	-	28	28	-	-	28	28	51	100%	29
	690			690	690			690	639			136
Subtotal	437	-	-	437	437	-	-	437	429	8 004		416
	388			388	388			388	384			036

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2018/19
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Social EPWP Incentive Grant for Provinces												
Eastern Cape	50 363	-	-	50 363	50 363	-	-	50 363	47 230	3 133	94%	30 831
Free State	41 821	-	-	41 821	41 821	-	-	41 821	41 299	522	99%	52 518
Gauteng	53 346	-	-	53 346	53 346	-	-	53 346	52 091	1 255	98%	14 241
Kwazulu-Natal	90 179	-	-	90 179	90 179	-	-	90 179	89 782	397	100%	76 409
Limpopo	61 684	-	-	61 684	61 684	-	-	61 684	58 798	2 886	95%	49 392

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Mpumalanga	39	-	-	39	39	-	-	39	37	1 996	95%	56
	308			308	308			308	312			241
Northern Cape	25	-	-	25	25	-	-	25	24	1 154	95%	35
	196			196	196			196	042			657
North West	29	-	-	29	29	-	-	29	29	80	100%	44
	912			912	912			912	832			812
Western Cape	38	-	-	38	38	-	-	38	38	67	100%	47
	984			984	984			984	917			847
Subtotal	430	-	-	430	430	-	-	430	419	11		407
	793			793	793			793	303	490		948

<i>The Department certifies that all transfers to Provinces were deposited into the primary bank account in terms of the Division of Revenue Fund</i>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

32. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Buffalo City	9 956	-	-	9 956	9 956	-	-
Nelson Mandela Bay	8 950	-	-	8 950	8 950	-	-
Dr Beyers Naude(Camdeboo)	1 251	-	-	1 251	1 251	-	-
Blue Crane Route	1 410	-	-	1 410	1 410	-	-
Makana	1 131	-	-	1 131	1 131	-	-
Ndlambe	1 002	-	-	1 002	1 002	-	-
Sundays River Valley	1 019	-	-	1 019	1 019	-	-
Kouga	1 000	-	-	1 000	1 000	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Kou-Kamma	1 087	-	-	1 087	1 087	-	-
Mbhashe	5 630	-	-	5 630	5 630	-	-
Mnquma	1 740	-	-	1 740	1 740	-	-
Great Kei	1 189	-	-	1 189	1 189	-	-
Amahlathi	1 236	-	-	1 236	1 236	-	-
Ngqushwa	1 901	-	-	1 901	1 901	-	-
EC 129 Nkonkobe/Nxuba	2 766	-	-	2 766	2 766	-	-
Amathole District Municipality	2 466	-	-	2 466	2 466	-	-
Inxuba Yethemba	1 284	-	-	1 284	1 284	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Intsika Yethu	2 591	-	-	2 591	2 591	-	-
Emalahleni	2 261	-	-	2 261	2 261	-	-
Engcobo	2 883	-	-	2 883	2 883	-	-
Sakhisizwe	1 480	-	-	1 480	1 480	-	-
EC139 Tsolwana/Inkwanca/Lukanji	4 422	-	-	4 422	4 422	-	-
Chris Hani District Municipality	4 642	-	-	4 642	4 642	-	-
Elundini	2 883	-	-	2 883	2 883	-	-
Senqu	2 384	-	-	2 384	2 384	-	-
EC 145 Maletswai/Gariep	1 565	-	-	1 565	1 565	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Joe Gqabi District Municipality	1 504	-	-	1 504	1 504	-	-
Ngquza Hill	1 407	-	-	1 407	1 407	-	-
Port St Johns	1 462	-	-	1 462	1 462	-	-
Nyandeni	1 444	-	-	1 444	1 444	-	-
Mhlontlo	1 781	-	-	1 781	1 781	-	-
King Sabata Dalindyebo	3 735	-	-	3 735	3 735	-	-
O.R. Tambo District Municipality	6 294	-	-	6 294	6 294	-	-
Umzimvubu	2 512	-	-	2 512	2 512	-	-
Matatiele	3 257	-	-	3 257	3 257	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Mbizana	2 452	-	-	2 452	2 452	-	-
Ntabankulu	1 621	-	-	1 621	1 621	-	-
Alfred Nzo District Municipality	9 174	-	-	9 174	9 174	-	-
Mangaung	1 382	-	-	1 382	1 382	-	-
Letsemeng	1 000	-	-	1 000	1 000	-	-
Kopanong	1 186	-	-	1 186	1 186	-	-
Mohokare	1 000	-	-	1 000	1 000	-	-
Xhariep District Municipality	1 136	-	-	1 136	1 136	-	-
Masilonyana	1 000	-	-	1 000	1 000	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Tokologo	1 138	-	-	1 138	1 138	-	-
Tswelopele	1 319	-	-	1 319	1 319	-	-
Matjhabeng	1 236	-	-	1 236	1 236	-	-
Nala	1 097	-	-	1 097	1 097	-	-
Lejweleputswa District Municipality	1 000	-	-	1 000	1 000	-	-
Setsoto	1 769	-	-	1 769	1 769	-	-
Dihlabeng	1 375	-	-	1 375	1 375	-	-
Nketoana	1 101	-	-	1 101	1 101	-	-
Maluti-a-Phofung	6 077	-	-	6 077	6 077	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Phumelela	1 000	-	-	1 000	1 000	-	-
Mantsopa	1 677	-	-	1 677	1 677	-	-
Thabo Mofutsanyana District Municipality	1 696	-	-	1 696	1 696	-	-
Moqhaka	1 000	-	-	1 000	1 000	-	-
Ngwathe	1 377	-	-	1 377	1 377	-	-
Metsimaholo	1 157	-	-	1 157	1 157	-	-
Mafube	1 000	-	-	1 000	1 000	-	-
Ekurhuleni	22 022	-	-	22 022	22 022	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
City of Johannesburg	23 955	-	-	23 955	23 955	-	-
City of Tshwane	23 016	-	-	23 016	23 016	-	-
Emfuleni	3 559	-	-	3 559	3 559	-	-
Midvaal	1 564	-	-	1 564	1 564	-	-
Lesedi	1 460	-	-	1 460	1 460	-	-
Sedibeng District Municipality	1 173	-	-	1 173	1 173	-	-
Mogale City	4 481	-	-	4 481	4 481	-	-
Merafong City	1 000	-	-	1 000	1 000	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Rand West City(GT485 Randfontein & West Rand)	3 011	-	-	3 011	3 011	-	-
West Rand District Municipality	1 080	-	-	1 080	1 080	-	-
eThekweni	78 757	-	-	78 757	78 757	-	-
uMdoni	1 228	-	-	1 228	1 228	-	-
uMzumbane	1 564	-	-	1 564	1 564	-	-
uMuziwabantu	1 219	-	-	1 219	1 219	-	-
Ray Nkonyeni (Hibiscus Coast)	4 405	-	-	4 405	4 405	-	-
Ugu District Municipality	4 523	-	-	4 523	4 523	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
uMshwathi	1 322	-	-	1 322	1 322	-	-
uMngeni	1 000	-	-	1 000	1 000	-	-
Mpofana	1 148	-	-	1 148	1 148	-	-
iMpendle	1 257	-	-	1 257	1 257	-	-
Msunduzi	4 200	-	-	4 200	4 200	-	-
Mkhambathini	1 440	-	-	1 440	1 440	-	-
Richmond	1 716	-	-	1 716	1 716	-	-
uMgungundlovu District Municipality	3 368	-	-	3 368	3 368	-	-
Okhahlamba	2 539	-	-	2 539	2 539	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
iNkosi Langalibalele(KZN 237 Umtshezi)	2 149	-	-	2 149	2 149	-	-
Alfred Duma(KZN 238 Ladysmith)	3 930	-	-	3 930	3 930	-	-
uThukela District Municipality	7 054	-	-	7 054	7 054	-	-
eNdumeni	1 410	-	-	1 410	1 410	-	-
Nquthu	1 112	-	-	1 112	1 112	-	-
uMsinga	3 905	-	-	3 905	3 905	-	-
uMvoti	1 674	-	-	1 674	1 674	-	-
uMzinyathi District Municipality	4 624	-	-	4 624	4 624	-	-
Newcastle	3 098	-	-	3 098	3 098	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
eMadlangeni	1 037	-	-	1 037	1 037	-	-
Dannhauser	1 021	-	-	1 021	1 021	-	-
Amajuba District Municipality	1 387	-	-	1 387	1 387	-	-
eDumbe	1 267	-	-	1 267	1 267	-	-
uPhongolo	2 513	-	-	2 513	2 513	-	-
AbaQulusi	1 654	-	-	1 654	1 654	-	-
Nongoma	2 016	-	-	2 016	2 016	-	-
Ulundi	4 040	-	-	4 040	4 040	-	-
Zululand District Municipality	8 818	-	-	8 818	8 818	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
uMhlabuyalingana	3 525	-	-	3 525	3 525	-	-
Jozini	3 217	-	-	3 217	3 217	-	-
Mtubatuba	2 148	-	-	2 148	2 148	-	-
Big Five Hlabisa KZN 276	2 506	-	-	2 506	2 506	-	-
uMkhanyakude District Municipality	4 674	-	-	4 674	4 674	-	-
uMfolozi	2 171	-	-	2 171	2 171	-	-
uMhlathuze	4 492	-	-	4 492	4 492	-	-
uMlalazi	3 068	-	-	3 068	3 068	-	-
Mthonjaneni	2 026	-	-	2 026	2 026	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Nkandla	2 409	-	-	2 409	2 409	-	-
King Cetshwayo (Uthungulu)	6 763	-	-	6 763	6 763	-	-
Mandeni	2 234	-	-	2 234	2 234	-	-
KwaDukuza	1 729	-	-	1 729	1 729	-	-
Ndwedwe	1 348	-	-	1 348	1 348	-	-
Maphumulo	1 325	-	-	1 325	1 325	-	-
iLembe District Municipality	2 019	-	-	2 019	2 019	-	-
Greater Kokstad	3 700	-	-	3 700	3 700	-	-
uBuhlebezwe	1 793	-	-	1 793	1 793	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
uMzimkhulu	2 352	-	-	2 352	2 352	-	-
Dr Nkosazana Dlamini Zuma(KZN Ingwe)	2 381	-	-	2 381	2 381	-	-
Harry Gwala District Municipality	5 316	-	-	5 316	5 316	-	-
Greater Giyani	3 362	-	-	3 362	3 362	-	-
Greater Letaba	1 225	-	-	1 225	1 225	-	-
Greater Tzaneen	5 749	-	-	5 749	5 749	-	-
Ba-Phalaborwa	1 142	-	-	1 142	1 142	-	-
Maruleng	1 113	-	-	1 113	1 113	-	-
Mopani District Municipality	3 292	-	-	3 292	3 292	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
LIM341(Musina)	1 139	-	-	1 139	1 139	-	-
LIM343 (Thulamela)	7 477	-	-	7 477	7 477	-	-
Makhado	1 863	-	-	1 863	1 863	-	-
LIM 345(Collins Chabane)	1 169	-	-	1 169	1 169	-	-
Vhembe District Municipality	1 589	-	-	1 589	1 589	-	-
Blouberg	1 072	-	-	1 072	1 072	-	-
Molemole	1 167	-	-	1 167	1 167	-	-
Polokwane	4 201	-	-	4 201	4 201	-	-
Lepele-Nkumpi	1 172	-	-	1 172	1 172	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Capricorn District Municipality	4 340	-	-	4 340	4 340	-	-
Thabazimbi	1 105	-	-	1 105	1 105	-	-
Lephalale	1 407	-	-	1 407	1 407	-	-
Bela-Bela	1 046	-	-	1 046	1 046	-	-
Mogalakwena	1 294	-	-	1 294	1 294	-	-
LIM 368 Modimolle/Mookgopong	1 000	-	-	1 000	1 000	-	-
Ephraim Mogale	1 317	-	-	1 317	1 317	-	-
Elias Motsoaledi	1 374	-	-	1 374	1 374	-	-
Makhuduthamaga	1 070	-	-	1 070	1 070	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
LIM 476 Greater Tubatse/Fetakgomo	1 786	-	-	1 786	1 786	-	-
Sekhukhune District Municipality	2 665	-	-	2 665	2 665	-	-
Chief Albert Luthuli	2 445	-	-	2 445	2 445	-	-
Msukaligwa	2 879	-	-	2 879	2 879	-	-
Mkhondo	2 264	-	-	2 264	2 264	-	-
Dr Pixley ka Isaka Seme	1 345	-	-	1 345	1 345	-	-
Lekwa	1 000	-	-	1 000	1 000	-	-
Dipaleseng	1 707	-	-	1 707	1 707	-	-
Govan Mbeki	1 599	-	-	1 599	1 599	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Gert Sibande District Municipality	3 283	-	-	3 283	3 283	-	-
Victor Khanye	1 851	-	-	1 851	1 851	-	-
Emalahleni	4 556	-	-	4 556	4 556	-	-
Steve Tshwete	3 723	-	-	3 723	3 723	-	-
Emakhazeni	1 182	-	-	1 182	1 182	-	-
Thembisile Hani	2 029	-	-	2 029	2 029	-	-
Dr JS Moroka	3 078	-	-	3 078	3 078	-	-
Nkangala District Municipality	2 131	-	-	2 131	2 131	-	-
Thaba Chweu	1 818	-	-	1 818	1 818	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Nkomazi	6 374	-	-	6 374	6 374	-	-
Bushbuckridge	4 453	-	-	4 453	4 453	-	-
City of Mbombela	5 836	-	-	5 836	5 836	-	-
Ehlanzeni District Municipality	3 173	-	-	3 173	3 173	-	-
Nama Khoi	1 058	-	-	1 058	1 058	-	-
Kamiesberg	1 000	-	-	1 000	1 000	-	-
Hantam	1 595	-	-	1 595	1 595	-	-
Khâi-Ma	1 000	-	-	1 000	1 000	-	-
Namakwa District Municipality	1 000	-	-	1 000	1 000	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Ubuntu	1 000	-	-	1 000	1 000	-	-
Umsobomvu	1 117	-	-	1 117	1 117	-	-
Emthanjeni	1 220	-	-	1 220	1 220	-	-
Kareeberg	1 085	-	-	1 085	1 085	-	-
Renosterberg	1 023	-	-	1 023	1 023	-	-
Thembelihle	1 000	-	-	1 000	1 000	-	-
Siyathemba	1 131	-	-	1 131	1 131	-	-
Siyancuma	1 010	-	-	1 010	1 010	-	-
Pixley Ka Seme District Municipality	1 093	-	-	1 093	1 093	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
!Kai !Garib	1 146	-	-	1 146	1 146	-	-
!Kheis	1 000	-	-	1 000	1 000	-	-
Tsantsabane	1 130	-	-	1 130	1 130	-	-
Kgatelopele	1 055	-	-	1 055	1 055	-	-
Dawid Kruiper (NC087 Khara Hais/Mier)	1 437	-	-	1 437	1 437	-	-
Z.F. Mqcowu District Municipality	1 089	-	-	1 089	1 089	-	-
Sol Plaatjie	3 608	-	-	3 608	3 608	-	-
Dikgatlong	1 000	-	-	1 000	1 000	-	-
Magareng	1 000	-	-	1 000	1 000	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Phokwane	1 142	-	-	1 142	1 142	-	-
Frances Baard District Municipality	1 270	-	-	1 270	1 270	-	-
Joe Morolong	1 319	-	-	1 319	1 319	-	-
Ga-Segonyana	1 274	-	-	1 274	1 274	-	-
Gamagara	1 249	-	-	1 249	1 249	-	-
John Taolo Gaetsewe District Municipality	1 088	-	-	1 088	1 088	-	-
Moretele	2 858	-	-	2 858	2 858	-	-
Madibeng	1 403	-	-	1 403	1 403	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Rustenburg	3 786	-	-	3 786	3 786	-	-
Kgetlengrivier	1 461	-	-	1 461	1 461	-	-
Moses Kotane	1 695	-	-	1 695	1 695	-	-
Bojanala Platinum District Municipality	1 437	-	-	1 437	1 437	-	-
Ratlou	1 571	-	-	1 571	1 571	-	-
Tswaing	1 232	-	-	1 232	1 232	-	-
Mafikeng	2 675	-	-	2 675	2 675	-	-
Ditsobotla	1 922	-	-	1 922	1 922	-	-
Ramotshere Moiloa	1 000	-	-	1 000	1 000	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Ngaka Modiri Molema District Municipality	1 235	-	-	1 235	1 235	-	-
Naledi	1 569	-	-	1 569	1 569	-	-
Mamusa	1 207	-	-	1 207	1 207	-	-
Greater Taung	1 286	-	-	1 286	1 286	-	-
Lekwa-Teemane	1 055	-	-	1 055	1 055	-	-
Kagisano-Molopo	2 513	-	-	2 513	2 513	-	-
Dr Ruth Segomotsi Mompati District Municipality	2 050	-	-	2 050	2 050	-	-
City of Matlosana	1 983	-	-	1 983	1 983	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Maquassi Hills	1 000	-	-	1 000	1 000	-	-
NW405 Ventersdorp/Tlokwe JB Marks	2 097	-	-	2 097	2 097	-	-
Dr Kenneth Kaunda District Municipality	1 649	-	-	1 649	1 649	-	-
City of Cape Town	32 877	-	-	32 877	32 877	-	-
Matzikama	1 578	-	-	1 578	1 578	-	-
Cederberg	1 954	-	-	1 954	1 954	-	-
Bergrivier	1 422	-	-	1 422	1 422	-	-
Saldanha Bay	2 502	-	-	2 502	2 502	-	-
Swartland	1 768	-	-	1 768	1 768	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
West Coast District Municipality	1 027	-	-	1 027	1 027	-	-
Witzenberg	2 299	-	-	2 299	2 299	-	-
Drakenstein	5 185	-	-	5 185	5 185	-	-
Stellenbosch	5 227	-	-	5 227	5 227	-	-
Breede Valley	3 215	-	-	3 215	3 215	-	-
Langeberg	2 033	-	-	2 033	2 033	-	-
Cape Winelands District Municipality	1 581	-	-	1 581	1 581	-	-
Theewaterskloof	1 857	-	-	1 857	1 857	-	-
Overstrand	2 635	-	-	2 635	2 635	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Cape Agulhas	1 740	-	-	1 740	1 740	-	-
Swellendam	1 604	-	-	1 604	1 604	-	-
Overberg District Municipality	1 243	-	-	1 243	1 243	-	-
Kannaland	1 184	-	-	1 184	1 184	-	-
Hessequa	1 108	-	-	1 108	1 108	-	-
Mossel Bay	2 798	-	-	2 798	2 798	-	-
George	5 111	-	-	5 111	5 111	-	-
Oudtshoorn	2 728	-	-	2 728	2 728	-	-
Bitou	2 579	-	-	2 579	2 579	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Knysna	1 497	-	-	1 497	1 497	-	-
Eden District Municipality	1 629	-	-	1 629	1 629	-	-
Laingsburg	1 238	-	-	1 238	1 238	-	-
Prince Albert	1 180	-	-	1 180	1 180	-	-
Beaufort West	1 924	-	-	1 924	1 924	-	-
Central Karoo District Municipality	1 231	-	-	1 231	1 231	-	-
	730 046	-	-	730 046	730 046	-	-

The Department certifies that all transfers to Municipalities were deposited into the primary bank account in terms of the Division of Revenue Fund

*NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020*

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Buffalo City	9 956	-	-	9 956	9 956	-	-	9 956	9 956	-	100 %	4 050	4 050
Nelson Mandela Bay	8 950	-	-	8 950	8 950	-	-	8 950	5 560	3 390	62%	6 711	6 711

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Dr Beyers Naude(Camdeboo)	1 251	-	-	1 251	1 251	-	-	1 251	1 251	-	100 %	1 032	1 032
Blue Crane Route	1 410	-	-	1 410	1 410	-	-	1 410	1 370	40	97%	1 000	1 000
Makana	1 131	-	-	1 131	1 131	-	-	1 131	771	360	68%	1 000	1 000
Ndlambe	1 002	-	-	1 002	1 002	-	-	1 002	984	18	98%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Sundays River Valley	1 019	-	-	1 019	1 019	-	-	1 019	1 019	-	100 %	1 000	1 000
Kouga	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100 %	1 013	1 013
Kou-Kamma	1 087	-	-	1 087	1 087	-	-	1 087	731	356	67%	1 000	1 000
Sarah Baartman District	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Mbhashe	5 630	-	-	5 630	5 630	-	-	5 630	5 630	-	100 %	5 015	5 015
Mnquma	1 740	-	-	1 740	1 740	-	-	1 740	1 396	344	80%	1 308	1 308
Great Kei	1 189	-	-	1 189	1 189	-	-	1 189	1 204	(15)	101 %	1 168	1 168

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Amahlathi	1 236	-	-	1 236	1 236	-	-	1 236	523	713	42%	1 449	1 449
Ngqushwa	1 901	-	-	1 901	1 901	-	-	1 901	1 532	369	81%	1 480	1 480
EC 129 Nkonkobe/Nxuba	2 766	-	-	2 766	2 766	-	-	2 766	2 355	411	85%	1 752	1 752
Amathole District	2 466	-	-	2 466	2 466	-	-	2 466	3 097	(631)	126 %	2 446	2 446

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Inxuba Yethemba	1 284	-	-	1 284	1 284	-	-	1 284	1 284	-	100 %	1 456	1 456
Intsika Yethu	2 591	-	-	2 591	2 591	-	-	2 591	2 172	419	84%	2 898	2 898
Emalahleni	2 261	-	-	2 261	2 261	-	-	2 261	1 998	263	88%	2 022	2 022

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Engcobo	2 883	-	-	2 883	2 883	-	-	2 883	2 883	-	100 %	2 160	2 160
Sakhisizwe	1 480	-	-	1 480	1 480	-	-	1 480	962	518	65%	1 951	1 951
EC139 Tsolwana/Inkwanca/Lukanji	4 422	-	-	4 422	4 422	-	-	4 422	3 697	725	84%	4 253	4 253

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Chris Hani District Municipality	4 642	-	-	4 642	4 642	-	-	4 642	3 248	1 394	70%	6 158	6 158
Elundini	2 883	-	-	2 883	2 883	-	-	2 883	2 063	820	72%	1 777	1 777
Senqu	2 384	-	-	2 384	2 384	-	-	2 384	2 384	-	100%	2 796	2 796

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
EC 145 Maletswai/Gariep	1 565	-	-	1 565	1 565	-	-	1 565	1 565	-	100 %	1 517	1 517
Joe Gqabi District Municipality	1 504	-	-	1 504	1 504	-	-	1 504	662	842	44%	2 254	2 254
Ngquza Hill	1 407	-	-	1 407	1 407	-	-	1 407	1 382	25	98%	1 398	1 398

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Port St Johns	1 462	-	-	1 462	1 462	-	-	1 462	1 225	237	84%	1 775	1 775
Nyandeni	1 444	-	-	1 444	1 444	-	-	1 444	1 444	-	100%	1 321	1 321
Mhlontlo	1 781	-	-	1 781	1 781	-	-	1 781	1 709	72	96%	1 821	1 821
King Sabata Dalindyebo	3 735	-	-	3 735	3 735	-	-	3 735	2 620	1 115	70%	3 954	3 954

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
O.R. Tambo District Municipality	6 294	-	-	6 294	6 294	-	-	6 294	6 294	-	100 %	4 882	4 882
Umzimvubu	3 257	-	-	3 257	3 257	-	-	3 257	3 257	-	100 %	2 476	2 476
Matatiele	2 512	-	-	2 512	2 512	-	-	2 512	2 412	100	96%	3 185	3 185

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mbizana	2 452	-	-	2 452	2 452	-	-	2 452	2 452	-	100 %	2 335	2 335
Ntabankulu	1 621	-	-	1 621	1 621	-	-	1 621	1 225	396	76%	1 909	1 909
Alfred Nzo District Municipality	9 174	-	-	9 174	9 174	-	-	9 174	8 108	1 066	88%	10 844	10 844

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mangaung	1 382	-	-	1 382	1 382	-	-	1 382	683	699	49%	2 423	2 423
Letsemeng	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 000	1 000
Kopanong	1 186	-	-	1 186	1 186	-	-	1 186	640	546	54%	1 000	1 000
Mohokare	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Xhariep District Municipality	1 136	-	-	1 136	1 136	-	-	1 136	859	277	76%	1 029	1 029
Masilonyana	1 000	-	-	1 000	1 000	-	-	1 000	589	411	59%	1 000	1 000
Tokologo	1 138	-	-	1 138	1 138	-	-	1 138	-	1 138	0%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Tswelopele	1 319	-	-	1 319	1 319	-	-	1 319	1 072	247	81%	1 000	1 000
Matjhabeng	1 236	-	-	1 236	1 236	-	-	1 236	1 236	-	100%	1 000	1 000
Nala	1 097	-	-	1 097	1 097	-	-	1 097	1 036	61	94%	1 000	1 000
Lejweleputswa District	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Setsotho	1 769	-	-	1 769	1 769	-	-	1 769	1 593	176	90%	1 517	1 517
Dihlabeng	1 375	-	-	1 375	1 375	-	-	1 375	1 375	-	100%	1 000	1 000
Nketoana	1 101	-	-	1 101	1 101	-	-	1 101	1 101	-	100%	1 054	1 054

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Maluti-a-Phofung	6 077	-	-	6 077	6 077	-	-	6 077	6 076	1	100 %	4 120	4 120
Phumelela	1 000	-	-	1 000	1 000	-	-	1 000	612	388	61%	-	-
Mantsopa	1 677	-	-	1 677	1 677	-	-	1 677	1 344	333	80%	1 130	1 130
Thabo Mofutsanyana District	1 696	-	-	1 696	1 696	-	-	1 696	1 209	487	71%	1 180	1 180

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Moqhaka	1 000	-	-	1 000	1 000	-	-	1 000	735	265	74%	1 000	1 000
Ngwathe	1 377	-	-	1 377	1 377	-	-	1 377	925	452	67%	-	-
Metsimaholo	1 157	-	-	1 157	1 157	-	-	1 157	1 125	32	97%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mafube	1 000	-	-	1 000	1 000	-	-	1 000	293	707	29%	-	-
Ekurhuleni	22 022	-	-	22 022	22 022	-	-	22 022	19 022	3 000	86%	25 054	25 054
City of Johannesburg	23 955	-	-	23 955	23 955	-	-	23 955	22 730	1 225	95%	34 737	34 737
City of Tshwane	23 016	-	-	23 016	23 016	-	-	23 016	23 016	-	100%	32 013	32 013

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Emfuleni	3 559	-	-	3 559	3 559	-	-	3 559	3 559	-	100 %	2 746	2 746
Midvaal	1 564	-	-	1 564	1 564	-	-	1 564	919	645	59%	1 181	1 181
Lesedi	1 460	-	-	1 460	1 460	-	-	1 460	1 459	1	100 %	1 297	1 297
Sedibeng District	1 173	-	-	1 173	1 173	-	-	1 173	703	470	60%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Mogale City	4 481	-	-	4 481	4 481	-	-	4 481	4 481	-	100 %	4 346	4 346
Merafong City	1 000	-	-	1 000	1 000	-	-	1 000	486	514	49%	1 180	1 180
Rand West City(GT485	3 011	-	-	3 011	3 011	-	-	3 011	2 032	979	67%	2 135	2 135

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Randfontein & West Rand District Municipality	1 080	-	-	1 080	1 080	-	-	1 080	752	328	70%	1 105	1 105
eThekweni	78 757	-	-	78 757	78 757	-	-	78 757	78 757	-	100 %	75 333	75 333

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uMdoni	1 228	-	-	1 228	1 228	-	-	1 228	1 228	-	100 %	1 219	1 219
uMzumbe	1 564	-	-	1 564	1 564	-	-	1 564	961	603	61%	1 526	1 526
uMuziwabantu	1 219	-	-	1 219	1 219	-	-	1 219	800	419	66%	1 213	1 213
Ray Nkonyeni	4 405	-	-	4 405	4 405	-	-	4 405	3 828	577	87%	4 061	4 061

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
(Hibiscus Coast)													
Ugu District Municipality	4 523	-	-	4 523	4 523	-	-	4 523	3 350	1 173	74%	3 250	3 250
uMshwathi	1 322	-	-	1 322	1 322	-	-	1 322	1 322	-	100%	1 471	1 471

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uMngeni	1 000	-	-	1 000	1 000	-	-	1 000	888	112	89%	1 000	1 000
Mpofana	1 148	-	-	1 148	1 148	-	-	1 148	1 113	35	97%	1 000	1 000
iMpendle	1 257	-	-	1 257	1 257	-	-	1 257	1 257	-	100%	1 160	1 160
Msunduzi	4 200	-	-	4 200	4 200	-	-	4 200	2 739	1 461	65%	2 890	2 890

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mkhambathini	1 440	-	-	1 440	1 440	-	-	1 440	1 440	-	100 %	1 034	1 034
Richmond	1 716	-	-	1 716	1 716	-	-	1 716	1 716	-	100 %	1 515	1 515
uMgungundlovu District Municipality	3 368	-	-	3 368	3 368	-	-	3 368	2 935	433	87%	4 265	4 265

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Okhahlamba	2 539	-	-	2 539	2 539	-	-	2 539	2 539	-	100 %	2 432	2 432
iNkosi Langalibalele(KZN 237 Umtshezi)	2 149	-	-	2 149	2 149	-	-	2 149	2 149	-	100 %	1 387	1 387
Alfred Duma(KZN 238 Ladysmith)	3 930	-	-	3 930	3 930	-	-	3 930	3 316	614	84%	4 319	4 319

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uThukela District Municipality	7 054	-	-	7 054	7 054	-	-	7 054	6 840	214	97%	6 206	6 206
eNdumeni	1 410	-	-	1 410	1 410	-	-	1 410	873	537	62%	1 000	1 000
Nquthu	1 112	-	-	1 112	1 112	-	-	1 112	1 110	2	100%	1 014	1 014

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uMsinga	3 905	-	-	3 905	3 905	-	-	3 905	3 905	-	100 %	4 394	4 394
uMvoti	1 674	-	-	1 674	1 674	-	-	1 674	1 002	672	60%	1 849	1 849
uMzinyathi District Municipality	4 624	-	-	4 624	4 624	-	-	4 624	2 786	1 838	60%	5 109	5 109

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Newcastle	3 098	-	-	3 098	3 098	-	-	3 098	2 997	101	97%	3 199	3 199
eMadlangeni	1 037	-	-	1 037	1 037	-	-	1 037	810	227	78%	1 000	1 000
Dannhauser	1 021	-	-	1 021	1 021	-	-	1 021	796	225	78%	1 000	1 000
Amajuba District	1 387	-	-	1 387	1 387	-	-	1 387	1 209	178	87%	1 620	1 620

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
eDumbe	1 267	-	-	1 267	1 267	-	-	1 267	832	435	66%	1 103	1 103
uPhongolo	2 513	-	-	2 513	2 513	-	-	2 513	1 726	787	69%	2 534	2 534
AbaQulusi	1 654	-	-	1 654	1 654	-	-	1 654	1 654	-	100%	1 295	1 295

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Nongoma	2 016	-	-	2 016	2 016	-	-	2 016	1 390	626	69%	1 615	1 615
Ulundi	4 040	-	-	4 040	4 040	-	-	4 040	3 564	476	88%	3 854	3 854
Zululand District Municipality	8 818	-	-	8 818	8 818	-	-	8 818	8 818	-	100%	5 908	5 908

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uMhlabuyalingana	3 525	-	-	3 525	3 525	-	-	3 525	2 121	1 404	60%	3 047	3 047
Jozini	3 217	-	-	3 217	3 217	-	-	3 217	3 217	-	100%	2 751	2 751
Mtubatuba	2 148	-	-	2 148	2 148	-	-	2 148	2 148	-	100%	2 070	2 070
Big Five Hlabisa KZN 276	2 506	-	-	2 506	2 506	-	-	2 506	2 058	448	82%	1 826	1 826

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uMkhanyakude District Municipality	4 674	-	-	4 674	4 674	-	-	4 674	4 386	288	94%	3 022	3 022
uMfolozi	2 171	-	-	2 171	2 171	-	-	2 171	1 824	347	84%	1 620	1 620
uMhlathuze	4 492	-	-	4 492	4 492	-	-	4 492	3 552	940	79%	5 189	5 189

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uMlalazi	3 068	-	-	3 068	3 068	-	-	3 068	2 436	632	79%	3 212	3 212
Mthonjaneni	2 026	-	-	2 026	2 026	-	-	2 026	2 026	-	100%	1 808	1 808
Nkandla	2 409	-	-	2 409	2 409	-	-	2 409	2 409	-	100%	2 712	2 712
King Cetshwayo	6 763	-	-	6 763	6 763	-	-	6 763	4 486	2 277	66%	7 762	7 762

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
(Uthungulu)													
Mandeni	2 234	-	-	2 234	2 234	-	-	2 234	2 234	-	100 %	2 255	2 255
KwaDukuzana	1 729	-	-	1 729	1 729	-	-	1 729	1 601	128	93%	1 540	1 540
Ndwedwe	1 348	-	-	1 348	1 348	-	-	1 348	1 348	-	100 %	1 195	1 195

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Maphumulo	1 325	-	-	1 325	1 325	-	-	1 325	1 065	260	80%	1 157	1 157
iLembe District Municipality	2 019	-	-	2 019	2 019	-	-	2 019	2 019	-	100%	1 731	1 731
Greater Kokstad	3 700	-	-	3 700	3 700	-	-	3 700	3 146	554	85%	1 311	1 311

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uBuhlebezwe	1 793	-	-	1 793	1 793	-	-	1 793	1 404	389	78%	1 590	1 590
uMzimkhulu	2 352	-	-	2 352	2 352	-	-	2 352	2 352	-	100%	2 324	2 324
Dr Nkosazana Dlamini Zuma(KZN Ingwe)	2 381	-	-	2 381	2 381	-	-	2 381	1 724	657	72%	1 596	1 596

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Harry Gwala District Municipality	5 316	-	-	5 316	5 316	-	-	5 316	4 332	984	81%	2 518	2 518
Greater Giyani	3 362	-	-	3 362	3 362	-	-	3 362	3 091	271	92%	3 519	3 519
Greater Letaba	1 225	-	-	1 225	1 225	-	-	1 225	1 225	-	100%	1 521	1 521

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Greater Tzaneen	5 749	-	-	5 749	5 749	-	-	5 749	5 749	-	100 %	5 510	5 510
Ba-Phalaborwa	1 142	-	-	1 142	1 142	-	-	1 142	884	258	77%	1 000	1 000
Maruleng	1 113	-	-	1 113	1 113	-	-	1 113	1 113	-	100 %	1 169	1 169
Mopani District	3 292	-	-	3 292	3 292	-	-	3 292	3 292	-	100 %	1 232	1 232

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
LIM341(Musina)	1 139	-	-	1 139	1 139	-	-	1 139	1 139	-	100 %	1 040	1 040
LIM343 (Thulamela)	7 477	-	-	7 477	7 477	-	-	7 477	6 926	551	93%	6 225	6 225
Makhado	1 863	-	-	1 863	1 863	-	-	1 863	1 395	468	75%	1 240	1 240

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
LIM 345(Collins Chabane)	1 169	-	-	1 169	1 169	-	-	1 169	1 169	-	100 %	1 134	1 134
Vhembe District Municipality	1 589	-	-	1 589	1 589	-	-	1 589	997	592	63%	1 215	1 215
Blouberg	1 072	-	-	1 072	1 072	-	-	1 072	1 072	-	100 %	1 089	1 089

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Molemole	1 167	-	-	1 167	1 167	-	-	1 167	794	373	68%	1 101	1 101
Polokwane	4 201	-	-	4 201	4 201	-	-	4 201	2 761	1 440	66%	5 742	5 742
Lepele-Nkumpi	1 172	-	-	1 172	1 172	-	-	1 172	1 172	-	100%	1 758	1 758
Capricorn District	4 340	-	-	4 340	4 340	-	-	4 340	1 827	2 513	42%	3 642	3 642

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Thabazimbi	1 105	-	-	1 105	1 105	-	-	1 105	631	474	57%	1 343	1 343
Lephalale	1 407	-	-	1 407	1 407	-	-	1 407	794	613	56%	2 014	2 014
Bela-Bela	1 046	-	-	1 046	1 046	-	-	1 046	1 046	-	100%	1 154	1 154

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mogalakwena	1 294	-	-	1 294	1 294	-	-	1 294	-	1 294	0%	1 537	1 537
LIM 368 Modimolle /Mookgopong	1 000	-	-	1 000	1 000	-	-	1 000	771	229	77%	1 021	1 021
Ephraim Mogale	1 317	-	-	1 317	1 317	-	-	1 317	919	398	70%	1 594	1 594

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Elias Motsoaledi	1 374	-	-	1 374	1 374	-	-	1 374	1 182	192	86%	1 002	1 002
Makhuduthamaga	1 070	-	-	1 070	1 070	-	-	1 070	807	263	75%	1 004	1 004
LIM 476 Greater Tubatse/Fetakgomo	1 786	-	-	1 786	1 786	-	-	1 786	1 379	407	77%	2 035	2 035

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Sekhukhune District Municipality	2 665	-	-	2 665	2 665	-	-	2 665	1 944	721	73%	1 746	1 746
Chief Albert Luthuli	2 445	-	-	2 445	2 445	-	-	2 445	2 036	409	83%	1 901	1 901
Msukaligwa	2 879	-	-	2 879	2 879	-	-	2 879	2 838	41	99%	2 006	2 006

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mkhondo	2 264	-	-	2 264	2 264	-	-	2 264	2 264	-	100 %	2 281	2 281
Dr Pixley ka Isaka Seme	1 345	-	-	1 345	1 345	-	-	1 345	1 124	221	84%	1 259	1 259
Lekwa	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100 %	1 000	1 000
Dipaleseng	1 707	-	-	1 707	1 707	-	-	1 707	1 315	392	77%	1 537	1 537

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Govan Mbeki	1 599	-	-	1 599	1 599	-	-	1 599	1 599	-	100 %	1 937	1 937
Gert Sibande District Municipality	3 283	-	-	3 283	3 283	-	-	3 283	3 283	-	100 %	3 872	3 872
Victor Khanye	1 851	-	-	1 851	1 851	-	-	1 851	1 851	-	100 %	1 994	1 994

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Emalahleni	4 556	-	-	4 556	4 556	-	-	4 556	4 556	-	100 %	4 231	4 231
Steve Tshwete	3 723	-	-	3 723	3 723	-	-	3 723	1 929	1 794	52%	4 151	4 151
Emakhazeni	1 182	-	-	1 182	1 182	-	-	1 182	517	665	44%	1 184	1 184
Thembisile Hani	2 029	-	-	2 029	2 029	-	-	2 029	2 029	-	100 %	1 984	1 984

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Dr JS Moroka	3 078	-	-	3 078	3 078	-	-	3 078	1 914	1 164	62%	2 955	2 955
Nkangala District Municipality	2 131	-	-	2 131	2 131	-	-	2 131	2 131	-	100%	3 626	3 626
Thaba Chweu	1 818	-	-	1 818	1 818	-	-	1 818	1 818	-	100%	1 931	1 931

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Nkomazi	6 374	-	-	6 374	6 374	-	-	6 374	5 420	954	85%	6 708	6 708
Bushbuckridge	4 453	-	-	4 453	4 453	-	-	4 453	4 453	-	100%	4 447	4 447
City of Mbombela	5 836	-	-	5 836	5 836	-	-	5 836	5 836	-	100%	8 240	8 240
Ehlanzeni District	3 173	-	-	3 173	3 173	-	-	3 173	3 173	-	100%	3 067	3 067

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Richtersveld	-	-	-	-	-	-	-	-	-	-		1 000	1 000
Nama Khoi	1 058	-	-	1 058	1 058	-	-	1 058	824	234	78%	1 000	1 000
Kamiesberg	1 000	-	-	1 000	1 000	-	-	1 000	748	252	75%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Hantam	1 595	-	-	1 595	1 595	-	-	1 595	1 595	-	100 %	1 345	1 345
Karoo Hoogland	-	-	-	-	-	-	-	-	-	-	-	-	-
Khâi-Ma	1 000	-	-	1 000	1 000	-	-	1 000	926	74	93%	1 000	1 000
Namakwa District	1 000	-	-	1 000	1 000	-	-	1 000	769	231	77%	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Ubuntu	1 000	-	-	1 000	1 000	-	-	1 000	682	318	68%	1 000	1 000
Umsobomvu	1 117	-	-	1 117	1 117	-	-	1 117	339	778	30%	1 000	1 000
Emthanjeni	1 220	-	-	1 220	1 220	-	-	1 220	487	733	40%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Kareeberg	1 085	-	-	1 085	1 085	-	-	1 085	538	547	50%	1 000	1 000
Renosterberg	1 023	-	-	1 023	1 023	-	-	1 023	1 184	(161)	116%	1 000	1 000
Thembelile	1 000	-	-	1 000	1 000	-	-	1 000	702	298	70%	1 000	1 000
Siyathemba	1 131	-	-	1 131	1 131	-	-	1 131	1 131	-	100%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Siyancuma	1 010	-	-	1 010	1 010	-	-	1 010	1 010	-	100 %	1 000	1 000
Pixley Ka Seme District Municipality	1 093	-	-	1 093	1 093	-	-	1 093	765	328	70%	1 000	1 000
!Kai !Garib	1 146	-	-	1 146	1 146	-	-	1 146	1 146	-	100 %	1 547	1 547

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
!Kheis	1 000	-	-	1 000	1 000	-	-	1 000	656	344	66%	1 000	1 000
Tsantsabane	1 130	-	-	1 130	1 130	-	-	1 130	1 130	-	100%	1 000	1 000
Kgatelopele	1 055	-	-	1 055	1 055	-	-	1 055	961	94	91%	-	-
Dawid Kruiper (NC087)	1 437	-	-	1 437	1 437	-	-	1 437	412	1 025	29%	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Khara Hais/Mier)													
Z.F. Mqacawu District Municipality	1 089	-	-	1 089	1 089	-	-	1 089	610	479	56%	-	-
Sol Plaatjie	3 608	-	-	3 608	3 608	-	-	3 608	3 608	-	100 %	3 137	3 137

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Dikgatlong	1 000	-	-	1 000	1 000	-	-	1 000	882	118	88%	1 084	1 084
Magareng	1 000	-	-	1 000	1 000	-	-	1 000	1 199	(199)	120 %	1 000	1 000
Phokwane	1 142	-	-	1 142	1 142	-	-	1 142	360	782	32%	-	-
Frances Baard District	1 270	-	-	1 270	1 270	-	-	1 270	899	371	71%	1 113	1 113

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Joe Morolong	1 319	-	-	1 319	1 319	-	-	1 319	676	643	51%	1 447	1 447
Ga-Segonyana	1 274	-	-	1 274	1 274	-	-	1 274	810	464	64%	1 000	1 000
Gamagara	1 249	-	-	1 249	1 249	-	-	1 249	171	1 078	14%	1 235	1 235

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
John Taolo Gaetsewe District Municipality	1 088	-	-	1 088	1 088	-	-	1 088	993	95	91%	1 000	1 000
Moretele	2 858	-	-	2 858	2 858	-	-	2 858	2 813	45	98%	1 772	1 772
Madibeng	1 403	-	-	1 403	1 403	-	-	1 403	1 191	212	85%	1 174	1 174

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Rustenburg	3 786	-	-	3 786	3 786	-	-	3 786	3 544	242	94%	3 545	3 545
Kgetlengrivier	1 461	-	-	1 461	1 461	-	-	1 461	-	1 461	0%	1 159	1 159
Moses Kotane	1 695	-	-	1 695	1 695	-	-	1 695	948	747	56%	1 000	1 000
Bojanala Platinum District	1 437	-	-	1 437	1 437	-	-	1 437	777	660	54%	1 558	1 558

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Ratlou	1 571	-	-	1 571	1 571	-	-	1 571	1 571	-	100 %	1 448	1 448
Tswaing	1 232	-	-	1 232	1 232	-	-	1 232	1 232	-	100 %	1 632	1 632
Mafikeng	2 675	-	-	2 675	2 675	-	-	2 675	1 073	1 602	40%	5 063	5 063

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Ditsobotla	1 922	-	-	1 922	1 922	-	-	1 922	1 922	-	100 %	1 918	1 918
Ramotshere Moiloa	1 000	-	-	1 000	1 000	-	-	1 000	709	291	71%	1 094	1 094
Ngaka Modiri Molema District Municipality	1 235	-	-	1 235	1 235	-	-	1 235	1 143	92	93%	1 277	1 277

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
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	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Naledi	1 569	-	-	1 569	1 569	-	-	1 569	1 427	142	91%	1 652	1 652
Mamusa	1 207	-	-	1 207	1 207	-	-	1 207	756	451	63%	1 098	1 098
Greater Taung	1 286	-	-	1 286	1 286	-	-	1 286	1 236	50	96%	1 077	1 077
Lekwa-Teemane	1 055	-	-	1 055	1 055	-	-	1 055	457	598	43%	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Kagisano-Molopo	2 513	-	-	2 513	2 513	-	-	2 513	2 513	-	100 %	2 639	2 639
Dr Ruth Segomotsi Mompati District Municipality	2 050	-	-	2 050	2 050	-	-	2 050	1 794	256	88%	1 278	1 278
City of Matlosana	1 983	-	-	1 983	1 983	-	-	1 983	1 064	919	54%	2 037	2 037

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Maquassi Hills	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100 %	1 017	1 017
NW405 Ventersdorp/Tlokwe JB Marks	2 097	-	-	2 097	2 097	-	-	2 097	2 097	-	100 %	1 947	1 947
Dr Kenneth Kaunda District	1 649	-	-	1 649	1 649	-	-	1 649	1 300	349	79%	1 151	1 151

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
City of Cape Town	32 877	-	-	32 877	32 877	-	-	32 877	15 300	17 577	47%	24 266	24 266
Matzikama	1 578	-	-	1 578	1 578	-	-	1 578	1 578	-	100%	1 630	1 630
Cederberg	1 954	-	-	1 954	1 954	-	-	1 954	1 954	-	100%	1 819	1 819

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Bergvriev	1 422	-	-	1 422	1 422	-	-	1 422	1 421	1	100 %	1 413	1 413
Saldanha Bay	2 502	-	-	2 502	2 502	-	-	2 502	2 210	292	88%	2 055	2 055
Swartland	1 768	-	-	1 768	1 768	-	-	1 768	1 768	-	100 %	1 572	1 572
West Coast District	1 027	-	-	1 027	1 027	-	-	1 027	1 009	18	98%	1 047	1 047

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipality													
Witzenberg	2 299	-	-	2 299	2 299	-	-	2 299	1 849	450	80%	1 780	1 780
Drakenstein	5 185	-	-	5 185	5 185	-	-	5 185	5 185	-	100%	4 433	4 433
Stellenbosch	5 227	-	-	5 227	5 227	-	-	5 227	3 225	2 002	62%	5 722	5 722

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Breede Valley	3 215	-	-	3 215	3 215	-	-	3 215	2 247	968	70%	3 066	3 066
Langeberg	2 033	-	-	2 033	2 033	-	-	2 033	1 575	458	77%	1 740	1 740
Cape Winelands District Municipality	1 581	-	-	1 581	1 581	-	-	1 581	1 085	496	69%	1 391	1 391

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Theewaterskloof	1 857	-	-	1 857	1 857	-	-	1 857	1 253	604	67%	1 451	1 451
Overstrand	2 635	-	-	2 635	2 635	-	-	2 635	1 455	1 180	55%	1 926	1 926
Cape Agulhas	1 740	-	-	1 740	1 740	-	-	1 740	1 740	-	100%	1 141	1 141
Swellendam	1 604	-	-	1 604	1 604	-	-	1 604	1 360	244	85%	1 266	1 266

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Overberg District Municipality	1 243	-	-	1 243	1 243	-	-	1 243	896	347	72%	1 125	1 125
Kannaland	1 184	-	-	1 184	1 184	-	-	1 184	855	329	72%	1 055	1 055
Hessequa	1 108	-	-	1 108	1 108	-	-	1 108	1 062	46	96%	1 026	1 026

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mossel Bay	2 798	-	-	2 798	2 798	-	-	2 798	2 371	427	85%	2 337	2 337
George	5 111	-	-	5 111	5 111	-	-	5 111	2 881	2 230	56%	5 466	5 466
Oudtshoorn	2 728	-	-	2 728	2 728	-	-	2 728	1 608	1 120	59%	2 822	2 822
Bitou	2 579	-	-	2 579	2 579	-	-	2 579	1 190	1 389	46%	2 615	2 615

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Knysna	1 497	-	-	1 497	1 497	-	-	1 497	1 237	260	83%	1 187	1 187
Eden District Municipality	1 629	-	-	1 629	1 629	-	-	1 629	1 629	-	100%	1 021	1 021
Laingsburg	1 238	-	-	1 238	1 238	-	-	1 238	1 180	58	95%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Prince Albert	1 180	-	-	1 180	1 180	-	-	1 180	1 061	119	90%	1 042	1 042
Beaufort West	1 924	-	-	1 924	1 924	-	-	1 924	1 122	802	58%	1 285	1 285
Central Karoo District Municipality	1 231	-	-	1 231	1 231	-	-	1 231	925	306	75%	1 013	1 013

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
	730	-	-	730	730	-	-	730	616	113		692	692
	046			046	046			046	801	245		878	878

The Department certifies that all transfers to Municipalities were deposited into the primary bank account in terms of the Division of Revenue Fund

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL ACCOUNT	AGENCY/	TRANSFER ALLOCATION				TRANSFER		2018/19
		Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
		R'000	R'000	R'000	R'000	R'000	%	R'000
Construction Development Board	Industry	76 160	-	-	76 160	76 160	100%	73 323
Council for the Built Environment		52 796	-	-	52 796	52 796	100%	50 100
Property Management Entity	Trading	4 315 736	-	-	4 315 736	4 315 736	100%	4 009 490
Construction SETA		558	-	-	558	558	100%	518
Parliamentary Management Board	Village	10 599	-	-	10 599	10 599	100%	10 368
Agrément SA		31 062	-	-	31 062	31 062	100%	29 988
TOTAL		4 486 911	-	-	4 486 911	4 486 911		4 173 787

*NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020*

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Independent Development Trust	5 000	-	-	5 000	5 000	100,0%	-	-	28 362
TOTAL	5 000	-	-	5 000	5 000	100%	-	-	28 362

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 1D

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ ORGANISATION INTERNATIONAL	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Commonwealth War Graves Commission	24 621	-	-	24 621	24 620	100%	22 723
TOTAL	24 621	-		24 621	24 620	100%	22 723

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted appropriations Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Non State Sector	750 424	-	-	750 424	750 424	100%	720 158
TOTAL	750 424	-	-	750 424	750 424	100%	720 158

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 1F
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
H/H EML S/BEN:LEAVE GRATUITY	3 515	-	741	4 256	2 224	0%	2 200
KHUZWAYO N					26		
NTOMBELA CT					61		
SMITH T					43		
MARAMBANA NR					75		
TSATSI KA					81		
BILA TE					44		
BUTHELEZI VV					52		
LEDWABA E					56		
LEWIS JP					97		
MOTITSWE BPBM					52		
NZIMANDE ES					52		
SIDAMBE M					28		
KOEN AD					87		
MIGA EB					20		
MJO O					67		
JEFFREYS CB					7		

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
MOSWEU ET					2		
BACELA NTSONDWA N					17		
MONYADI ME					39		
VAN JAARVELD WJ					39		
BALOYI TP					45		
BAPELA LD					3		
BOKOLOSHE XF					6		
CELE SS					8		
CHIDI IR					5		
FENYANE L					7		
GANGAVARAPU VRK					55		
HAWU M					8		
HLATSHWAYO SJ					17		
JIYANE EN					14		
JONI V					7		
KGAMPE S					11		
KGATLA MG					8		
KHUMALO BQ					16		
KHUMALO MCL					12		

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
KHUZWAYO L					7		
LEGOABE MTP					3		
LETSOAKA MS					14		
MABUELA SM					9		
MAHLAZA S					1		
MAKHUBELA P					3		
MAKOLA TM					2		
MAKWETSA LF					15		
MALULEKE SM					8		
MASHABA ML					8		
MIYA SC					14		
MKHWANAZI EM					16		
MKWANAZI PB					12		
MOLALA KN					10		
MOLEFE HK					8		
MONTSA C					5		
MOTHELESI LP					15		
MOUTLANA KV					15		
MPJANE MD					10		
MTSWENI M					3		
MUDAU S					18		

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
MULAUDZI T					5		
MWELASE LM					11		
MZOZO Y					17		
NAKEDI B					17		
NDLOVU A					16		
NGWENYA SE					9		
NKANYANI N					3		
NKOANE PT					8		
NKUNA MJ					1		
NONYANA NF					14		
PHAHLAMOHLAKA A					7		
RAMARU C					8		
RANKAPOLE SA					16		
RASILUMA MI					12		
SEGONE AO					6		
SHABALALA B					9		
SHIBAMBU TM					6		
TSHAUTSHAU RG					14		
UNNAM U					7		
UNNAM U					14		
BOTHA BD					42		

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
GUDIBANDI A					55		
IKECHUKWU SSS					3		
JACOBS GV					34		
KGATLHE MR					7		
LELALA PY					45		
MAHLANGU ZJ					7		
MALELE JS					57		
MANYIFOLO SSA					9		
MASETE SKD					26		
MATABANE SF					12		
MOKADI KS					21		
MOLOI NS					15		
NKGADIME LC					11		
NONYANE V					13		
SHIRINDA PX					10		
SIFANELE SI					23		
JANSE VAN RENSBURG EN					98		
MAHLANGU BS					14		
MOKWATLO SJ					4		
HENDERSON SW					155		

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
H/H:BURSARIES(NON-EMPLOYEE)	5 280	-	-	5 280	4 943	0%	6 767
University of the Witwatersrand					2 752		
University of Pretoria					1 852		
University of Johannesburg					240		
Van Schaik Bookstore					35		
University of Walter Sisulu					50		
University of North-West					14		
H/H EML S/BEN:PST RETIRMT BENEF	-	-	-	-	1 741		-
CRONIN JI					1 741		
H/H CLAIMS AGAINST THE STATE	-	-	-	-	88		348
Roopram-Baijnath S					88		
TOTAL	8 795	-	741	9 536	8 996	-	9 315

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2019	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2020	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
	Old Mutual								
	(Nedbank/Perm)	13	13	-	(13)	-	-	-	-
TOTAL		13	13	-	(13)	-	-	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000

Department

Basic Education	-	-	54 541	54 541	54 541	54 541
Presidency	-	-	699	-	699	-
MP Public Works Road and Transport	-	-	-	73	-	73
Limpopo Public Works	-	-	-	13 678	-	13 678

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Eastern Cape Public Works	-	-		36		36
Provincial Department	-	-	5 632	-	5 632	-
Agriculture, Land Reform & Rural Development	-	-	342	-	342	-
Department of Home Affairs	-	-	60	-	60	-
Subtotal	-	-	61 274	68 328	61 274	68 328
Other Government Entities						
Public Works (PMTE)	-	-	8 726	10 139	8 726	10 139

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

SETA	-	-	3 612	3 612	3 612	3 612
CETA	-	-	3 868	5 099	3 868	5 099
NSF	-	-	99	566	99	566
Subtotal	-	-	16 305	19 416	16 305	19 416
TOTAL	-	-	77 579	87 744	77 579	87 744

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000

DEPARTMENTS

Current

Justice and Constitutional Development	-	3 530	2 732	-	2 732	3 530
South African Police Services	-	94	-	-	-	94
Department of International Relations and Coordinations	-	1 446	1 595	-	1 595	1 446

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
Defence	-	13 802	-	-	-	13 802
Government Printing Works	3	-	-	-	3	-
TOTAL	3	18 872	4 327	-	4 330	18 872

OTHER GOVERNMENT
ENTITY

Current

Property Management
Trading Entity (PMTE)

2 475	4 109	-	-	2 475	4 109
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NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
AGSA	1 595	833	-	-	1 595	833
Telkom SA LTD	69	252	-	-	69	252
IDT	1 520	950	-	-	1 520	950
MERSETA	-	421	-	-	-	421
Subtotal	5 659	6 565	-	-	5 659	6 565
Non-current						
AGRISETA	-	-	-	437	-	437
MERSETA	-	-	-	2 975	-	2 975

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
CATHSSETA	-	-	6	2 652	6	2 652
Subtotal	-	-	6	6 064	6	6 064
Total Other Government Entities	5 659	6 565	6	6 064	5 665	12 629
TOTAL INTERGOVERNMENTAL	5 662	25 437	4 333	6 064	9 995	31 501

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ANNEXURE 5A
INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
GCIS	-	205	-	-	-	205
Subtotal	-	205	-	-	-	205
PUBLIC ENTITIES						
IDT	6 321	797	-	-	6 321	797
Subtotal	6 321	797	-	-	6 321	797
OTHER INSTITUTIONS						

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

ILO	5 302	-	-	-	5 302	-
Subtotal	5 302	-	-	-	5 302	-
TOTAL	11 623	1 002	-	-	11 623	1 002

ANNEXURE 5B

INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000

OTHER ENTITIES

Current

National Skills Fund	39 702	48 034	-	-	39 702	48 034
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NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Subtotal	39 702	48 034	-	-	39 702	48 034
TOTAL	39 702	48 034	-	-	39 702	48 034
Current	39 702	48 034	-	-	39 702	48 034
Non-current	-	-	-	-	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2020

Part B: Property Management Trading
Entity Annual Financial Statements for the
year ended 31 March 2020

Property Management Trading Entity

Index

The reports and statements set out below comprise the annual financial statements presented to parliament:

Index	Page
Statement of Financial Position	2
Statement of Financial Performance	3
Statement of Changes in Net Assets	4
Cash Flow Statement	5
Statement of Comparison of Budget and Actual Amounts	6
Accounting Policies	7 - 61

The annual financial statements set out on pages 2 to 61 have been prepared on the going concern basis.

Property Management Trading Entity

Statement of Financial Position as at 31 March 2020

		2020	2019
	Note(s)	R'000	Restated* R'000
Assets			
Current Assets			
Receivables from exchange transactions	3	5 855 469	5 420 687
Receivables from non-exchange transactions	4	109	252
Operating lease asset	5	645 619	389 581
Cash and cash equivalents	6	8 114	6 647
		<u>6 509 311</u>	<u>5 817 167</u>
Non-Current Assets			
Property, plant and equipment	7	114 010	113 781
		865	466
Investment property	8	4 977 296	5 076 505
Heritage assets	9	4 765 876	4 696 712
Intangible assets	10	32 034	30 682
		<u>123 786</u>	<u>123 585</u>
		071	365
Total Assets		<u>130 295</u>	<u>129 402</u>
		382	532
Liabilities			
Current Liabilities			
Operating lease liability	5	648 411	364 730
Bank overdraft	6	2 580 895	2 683 976
Deferred revenue	11	5 702 610	7 882 994
Payables from exchange transactions	12	5 412 969	4 876 820
Retention liabilities	13	320 812	393 380
Finance lease obligation	14	3 446	3 726
Employee benefit obligations	15	198 092	207 713
Provisions	16	623 776	643 773
		<u>15 491 011</u>	<u>17 057 112</u>
Non-Current Liabilities			
Retention liabilities	13	21 545	14 597
Finance lease obligation	14	2 046	1 560
		<u>23 591</u>	<u>16 157</u>
Total Liabilities		<u>15 514 602</u>	<u>17 073 269</u>
Net Assets		<u>114 780</u>	<u>112 329</u>
		780	263

Property Management Trading Entity

Statement of Financial Performance

		2020	2019 Restate d
	Note(s)	R'000	R'000
Revenue from exchange transactions	17	14 753 827	12 110 147
Revenue from non-exchange transactions	18	4 347 614	4 046 881
Construction revenue	19	264 596	324 618
Total revenue		19 366 037	16 481 646
Expenditure			
Construction expenses	19	264 596	324 618
Depreciation, amortisation and impairments on assets	20	2 442 162	2 328 975
Employee related costs	21	1 821 360	1 792 150
Impairment loss on receivables	22	1 456 081	740 734
Interest expense	23	85 072	73 549
Loss on disposal	24	122 261	104 848
Operating leases	25	5 189 491	4 767 815
Property maintenance (contracted services)	26	2 876 443	2 317 211
Property Rates		1 209 428	1 238 779
Sundry operating expenses	27	1 447 626	1 401 993
Total expenditure		16 914 520	15 090 672
Surplus for the year		2 451 517	1 390 974

Property Management Trading Entity

Statement of Changes in Net Assets

		Accumulat edsurplus R'000
Opening balance as previously reported as at 1 April 2018		115 930 942
<i>Adjustments</i>		
Correction of prior period errors	37	(4 992 651)
Balance at 1 April 2018		110 938 289
<i>Changes in net assets</i>		
Surplus for the 12 months		1 390 974
Correction of prior period errors	37	4 717 367
Total changes		6 108 341
Balance as previously reported as at 31 March 2019		117 046 630
<i>Adjustments</i>		
Correction of prior period errors	37	(4 717 367)
Balance at 1 April 2019 as restated*		112 329 263
<i>Changes in net assets</i>		
Surplus for the year		2 451 517
Balance at 31 March 2020		114 780 780

Property Management Trading Entity

Cash Flow Statement

		2020	2019
	Note(s)	R'000	R'000
Cash flows from operating activities			
Receipts			
Accommodation charges - leasehold intergovernmental		4 666 345	4 785 640
Accommodation charges - freehold intergovernmental		7 337 967	6 141 302
Accommodation charges - freehold private		49 100	50 675
Augmentation		4 315 736	4 009 490
Management fees on municipal services		203 902	185 030
Municipal services recovered		4 078 043	3 700 594
Interest, fines, recoveries and other receipts		-	20 195
Construction revenue		264 596	328 495
		20 915 689	19 221 421
Payments			
Cleaning and gardening		276 746	280 002
Admin, goods and services		454 156	565 013
Maintenance		3 542 175	2 805 953
Municipal services paid on behalf of clients		4 986 501	4 484 162
Municipal services expenditure		482 792	363 698
Operating leases (including rent on land)		5 081 000	4 533 567
Property rates		1 008 110	1 210 051
Compensation of employees		1 813 276	1 763 856
Construction expenses		264 596	328 495
		17 909 352	16 334 797
Net cash flows from operating activities	28	3 006 337	2 886 624
Cash flows from investing activities			
Additions to property, plant and equipment		(2 830 529)	(3 288 833)
Proceeds from sale of property, plant and equipment	7	27 000	200 126
Additions to intangible assets		(7 986)	(20 206)
Additions to heritage assets		(89 381)	(116 894)
Net cash flows from investing activities		(2 900 896)	(3 225 807)

Property Management Trading Entity

Cash flows from financing activities		
Finance lease payments	(7 332)	(9 155)
Finance leases entered into	6 439	3 544
Net cash flows from financing activities	(893)	(5 611)
Net decrease in cash and cash equivalents	104 548	(344 794)
Cash and cash equivalents at the beginning of the year	(2 677 329)	(2 332 535)
Cash and cash equivalents at the end of the year	6 (2 572 781)	(2 677 329)

Property Management Trading Entity

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis					
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	R'000	R'000	R'000	R'000	R'000
Statement of Financial Performance					
Receipts					
Accommodation charges - leasehold intergovernmental	5 066 088	(26 446)	5 039 642	4 666 345	(373 297)
Accommodation charges - freehold intergovernmental	8 541 417	(974 458)	7 566 959	7 337 967	(228 992)
Accommodation charges - freehold private	58 320	-	58 320	49 100	(9 220)
Augmentation	4 215 736	100 000	4 315 736	4 315 736	-
Management fees on municipal services	212 220	-	212 220	203 902	(8 318)
Municipal services recovered	4 244 404	991 422	5 235 826	4 078 043	(1 157 783)
Construction revenue	-	-	-	264 596	264 596
Interest, fines, recoveries and other receipts	9 592	-	9 592	-	(9 592)
Receipts	22 347 777	90 518	22 438 295	20 915 689	(1 522 606)
Payments					
Cleaning and gardening	312 253	(8 991)	303 262	276 746	(26 516)
Admin, goods and services	509 226	-	509 226	454 156	(55 070)
Maintenance	2 676 253	444 271	3 120 524	3 542 175	421 651
Municipal services paid on behalf of clients	4 244 404	991 422	5 235 826	4 986 501	(249 325)
Operating leases (including rent on land)	5 125 088	(26 446)	5 098 642	5 081 000	(17 642)
Property rates	1 408 621	(400 511)	1 008 110	1 008 110	-
Compensation of employees	2 051 049	-	2 051 049	1 813 276	(237 773)
Municipal services expenditure	413 246	85 758	499 004	482 792	(16 212)
Construction expenses	-	-	-	264 596	264 596
Payments	16 740 140	1 085 503	17 825 643	17 909 352	83 709
Capital movements					
Recoverable capital expenditure	3 448 915	(974 458)	2 474 457	2 039 469	(434 988)
Non-recoverable capital expenditure	2 103 972	(20 527)	2 083 445	900 910	(1 182 535)
Machinery and equipment	54 750	-	54 750	30 409	(24 341)
	5 607 637	(994 985)	4 612 652	2 970 788	(1 641 864)
Cash deficit	-	-	-	35 549	35 549

Refer to note 29 for the reconciliation and explanations of material differences.

Property Management Trading Entity

Accounting Policies

1. Presentation of Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB), unless otherwise indicated, and in accordance with Section 91(1) of the Public Finance Management Act (Act No. 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand ("R") which is also the functional currency of the Property Management Trading Entity ("PMTE"). Values are rounded to the nearest thousand ("R'000") unless otherwise indicated.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Significant judgement and sources of estimation uncertainty

1.1.1 Control of immovable assets

The Minister of Public Works and Infrastructure is the legal custodian of all immovable assets vested in national government, except in cases where custodial functions were assigned to other ministers by virtue of legislation before the commencement of GIAMA on 1 April 2009. The Department of Public Works (DPWI) assigned those functions to the PMTE and by virtue of the transfer of functions that occurred on 18 November 2013, and 30 March 2015, the PMTE controls those assets for accounting purposes. The PMTE benefits from the assets in pursuit of its objectives and regulates the access of others to the benefits of the assets (i.e. the PMTE decides who may benefit from the use of the assets). Control includes the ability to acquire, dispose and maintain the assets.

PMTE monitors state land reflected on the Deeds Register on an on-going basis. Land registered in the name of the national government, that could not be confirmed to be under the custodianship of other national custodians, is recognised by the PMTE. Any changes in ownership is derecognised accordingly. PMTE discloses a contingent asset for properties identified to be under its custodianship where the property could not be reliably measured due to the extent not being determined through the Office of the Surveyor General.

In terms of paragraph 7.37 of the vesting guidelines issued by Department of Rural Development and Land Reform on 30 March 2017, "for any provincial government to claim ownership of vacant land such province should provide proof of intended use. The absence of such proof automatically means that such land vests in the National Government of RSA". PMTE is thus deemed to have control over such land parcels and has currently recognised unvested land parcels.

PMTE recognises immovable assets where the property will vest with the national government based on the principles contained in the approved vesting guidelines.

Property Management Trading Entity

Whilst properties (land and buildings) as outlined in the Endowment Act no. 33 of 1922 are disclosed in the financial statements of Department of Defence (DoD), there are a number of extended structures pertaining to such endowment facilities that have “encroached” onto neighbouring land under the custodianship of PMTE. Whilst such structures are reflected as part of endowment properties by DoD, the underlying land is currently reflected in immovable assets by PMTE until such time as it may be transferred to DoD. Control and or access over such land may be restricted given the DoD facilities thereon.

1.1.2 Assets and liabilities related to the transfer of functions

For initial measurement purposes, assets acquired through the transfer of functions are measured at their carrying amounts as per the records of the DPWI. Where those carrying amounts do not represent GRAP compliant amounts, the carrying amounts were estimated using various measurement bases, depending on the type of asset or liability. For the purposes of determining a deemed cost, immovable assets transferred were valued using either the municipal valuations, comparable sales value or depreciated replacement cost. For movable assets a depreciated replacement cost was used. Financial assets and liabilities at fair value was used and other liabilities were transferred at the best estimate at the date of transfer. The DPWI transferred functions on two separate occasions, effective 18 November 2013 and 30 March 2015 respectively. For measurement purposes, 1 April 2013 and 1 April 2014 were used respectively. For further details refer to note 1.29.

Notes to the Annual Financial Statements

1.1 Significant judgement and sources of estimation uncertainty (continued)

1.1.3 Useful life and residual values

The estimated useful lives of property, plant and equipment, investment property and intangible assets are assessed annually and is dependent on the condition of the assets. Management applies judgement in assessing the condition of the assets. The residual values are estimated to be zero as the PMTE will be utilising these assets over their entire economic life, unless clear evidence exists to the contrary.

Refer to note 1.6 for the accounting policies on estimated useful lives for property, plant and equipment, note 1.7 for investment property and note 1.9 for intangible assets.

1.1.4 Classification of accommodation charges as lease revenue

As the intention of the PMTE is to provide accommodation at values that are directly equal to the value of the service being delivered, the PMTE categorises all accommodation charges, with the exception of prestige accommodation, as revenue from exchange transactions, notwithstanding the fact that this revenue may or may not equal the value of the service delivered.

The amount for prestige accommodation is determined in accordance with the ministerial handbook. The ministerial handbook allows for the ministers to stay free of charge in the first property provided to him or her. For the second property, the ministerial handbook requires the minister to be charged a percentage of his or her salary as a rental fee. This rental fee does not approximate the value of the service provided to the prestige clients. Therefore, the receivable is classified as a statutory receivable and the revenue is classified as a non-exchange transaction.

1.1.5 Classification and measurement of leases

Management uses judgement to determine if a lease is classified as an operating or a finance lease. Management's judgement is based on whether risk and rewards incidental to ownership have been transferred.

Cognisance has been taken of the fact that client departments generally extend the period for which they lease premises through the PMTE where these properties are rented from the private sector. It is difficult to conclude that it is certain that the PMTE (as lessee) will always extend the lease term of leasehold property at inception of the lease because of the general occupation trend of its client departments. Taking everything into consideration, management is of the opinion that the risk and rewards incidental to ownership is not transferred during the lease term from either the lessee's or the lessor's perspective.

The same terms and conditions included in the underlying lease agreements with the landlord is used to determine the relevant presentation for lease-out arrangements.

Notes to the Annual Financial Statements

The PMTE considers leases to be month-to-month leases when the underlying lease agreements on leasehold properties have expired and the asset is still being utilised by the client department.

As the lease terms and conditions are not determinable for month-to-month leases and freehold inter-governmental accommodation, the lease revenue and expenditure are recognised when due.

1.1.6 Provision for maintenance

Management developed a model to determine the amount due to suppliers for work performed when job cards are outstanding and/or the value of the service has not been confirmed. The model is based on historical trends and costing data. The base line data is determined on actual information for payments made during 2016. For the purpose of determining the average time of service to be rendered, management stratified the data of calls logged and payments made in accordance with the severity of the incident. For the purpose of determining the average price per incident, the data was stratified based on the category of maintenance call. The average price is adjusted for the effect of inflation on an annual basis. The actual amounts due, on an individual basis, may differ significantly from the provision made.

Notes to the Annual Financial Statements

1.1 Significant judgement and sources of estimation uncertainty (continued)

1.1.7 Impairment

Impairment of receivables measured at cost or amortised costs

Accommodation charges from client departments are allocated through voted funds and are due within 30 days from invoice date. If client departments do not pay within 30 days, the receivable is considered for impairment.

An impairment loss is recognised firstly on individually significant receivables. Thereafter an impairment loss is recognised on a group of receivables with the same credit risk. Impairment assessments are based on objective evidence as a result of one or more events that occurred during the reporting period. For clients which have defaulted, management makes judgements based on history to determine if the receivable/group of receivables have to be impaired. The actual write-offs may differ significantly from the impairment losses recognised.

Impairment of receivables is based on management's best estimate of the expected cash flows for amounts that are outstanding for longer than the normal payment terms discounted at the current rate applicable to debts owed to the state. Where management cannot determine the future payment date, management discounts from invoice date for 12 months after year-end.

The discount rate used for impairment purposes is not adjusted for the different classes of receivables as the majority of the debt is with government departments.

Impairment of non-current assets

The PMTE uses the depreciated replacement cost method for measuring the impairment of majority of the immovable assets. Depreciated replacement cost is based on the current building indices factoring in the current condition rating assessed.

Assets under construction are considered for impairment when the project is cancelled, halted or delayed. For furniture, machinery, computer, office and other equipment, the asset is considered for impairment when it is no longer used, physically damaged or there is a significant change in the condition of the asset.

1.1.8 Significantly delayed projects

A project is regarded as 'significantly delayed' when it has been delayed by more than 50% of the planned project period.

Notes to the Annual Financial Statements

Projects are regarded as technically delayed, for financial statement disclosure purposes, when the project has not yet reached practical completion status at reporting date and the 'planned project period' has expired before the reporting date.

Projects that are 'Completed', 'Cancelled' or in the 'Planning and Design stage' are excluded from the population for the purpose of the 'significantly delayed' disclosures.

1.1.9 Classification of immovable assets

Judgement is applied when classifying immovable assets between property, plant and equipment, investment property and heritage assets. Consideration is given to the type of property, the purpose for which the property is held, and the occupant. The main factor considered is whether PMTE holds the asset either for service delivery (in accordance with government objective), resulting in property, plant and equipment, or for capital appreciation and/or earning or rentals, resulting in investment property, or for future generations resulting in heritage assets. Where state property is rented out to another government entity or public service employees to provide cost effective accommodation services or for social services, these properties are classified as property, plant and equipment rather than investment property as the PMTE holds these assets to deliver on its mandate rather than to earn rentals or capital appreciation.

The Standard of GRAP on Investment Properties (GRAP 16) requires undeveloped land, for which no purpose has been determined, to be classified as investment property. However, where the land is acquired for strategic purposes, the land is to be classified as property, plant and equipment. In considering the classification of undeveloped land, the PMTE considers how it acquired the land and whether the land is being used. Where the land was acquired through expropriation or a result of legislation, the PMTE classifies the land as property, plant and equipment rather than investment property, as it is assumed to be acquired for strategic purposes in accordance with government's policies and aims.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.1 Significant judgement and sources of estimation uncertainty (continued)

PMTE determines the intended use of a facility by evaluating the characteristics of the facility against the criteria for Investment Property. The criteria for Investment Property are as follows:

- The current occupant (lessee) is not an organ of state; and
- Future occupants of the facility will most probably not be an organ of state; and
- There is no intention for the facility to be occupied in future by an organ of state for the production or supply of goods or services, for administrative purposes or for executing its mandate; and / or
- The facility is held in its entirety, for long-term/future capital appreciation rather than for short-term sale in the ordinary course of operations; or
- The facility is specifically earmarked as Investment Property (i.e. for rental to occupants that are not organs of state; or for development with the sole intention to be leased to occupants that are not organs of state, or capital appreciation); and / or
- A vacant building/facility is held to be leased out under one or more operating leases on a commercial basis to external parties;
- The intended use is of a dual nature/purpose. A facility will only be classified as Investment Property if the main purpose and most significant use of the facility is to earn rentals or capital appreciation; or
- The facility is being constructed or developed for future use as investment property.

Heritage assets may be used for administrative purposes. Management uses judgement to determine whether a significant portion of the heritage asset is utilised for office accommodation. If a significant portion of the heritage asset is utilised for administrative purposes, the asset is classified as property, plant and equipment under the Standard of GRAP on *Property, Plant and Equipment* (GRAP 17).

For purposes of classifying these non-financial assets, that are subject to impairment, either as cash-generating or non- cash generating, PMTE applied the following criteria:

- The purpose for which the asset is held;
- The intention to earn commercial (profit-making) return on the property;
- The ability to earn commercial return on the property; and
- The restrictions on the use of the property by PMTE.

The PMTE, as a trading entity of the DPWI, is accountable for these assets and needs to maintain these assets on behalf of national government. It cannot use these assets for any other purpose than to deliver on its mandate (consistent with GIAMA and the PFMA). The PMTE has to provide accommodation to other departments to enable them to deliver on their mandates. Where the PMTE does ask market related rent on property that is not utilised by other departments, it is not considered material and therefore all non-financial assets have been classified as non-cash generating for impairment purposes.

1.1.10 Principal - agent relationships

The PMTE's mandate is to manage the accommodation and infrastructure needs of national departments. Should the PMTE be unable to satisfy the accommodation needs of a particular client

Property Management Trading Entity

Notes to the Annual Financial Statements

department through the use of state-owned property, the PMTE would lease the required property from a private landlord, on behalf of the client department, and for their beneficial occupation. Consideration was given as to whether the PMTE is acting as an agent on behalf of the client departments, as a result of carrying out these activities.

Management, however, is of the opinion that the decision making ability, the accountability, the credit risk and the value added processes all rest with the PMTE. This indicates that the PMTE is the principal with regards to the lease arrangement with the respective landlords.

Client departments occupying properties are liable for the municipal services charges incurred in utilising those properties. The PMTE offers a service of paying the municipal service charges on behalf of the client departments and then recovering those costs directly from the client department. For this service, the PMTE charges a 5% management fee which is invoiced and recovered from the client department. The PMTE is acting as an agent with regards to the payment and recovery of these municipal service charges. The management fee for rendering this service is recognised as revenue for the PMTE.

The PMTE is using certain public entities to manage projects on its behalf and is liable to pay a management fee to these entities for the services delivered by them. In these arrangements, the PMTE still remains the principal and is still fully accountable for the work performed.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.1 Significant judgement and sources of estimation uncertainty (continued)

1.1.11 Related party disclosure

The Standard of GRAP on Related Party disclosures (GRAP 20) provides exemption from detailed disclosures where those transactions are on:

- ▢ Normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the PMTE to have adopted, if dealing with that individual entity or person in the same circumstances; and
- ▢ Terms and conditions within the normal operating parameters established by our mandate.

In the absence of a pricing strategy for leases, judgement is made to determine the disclosures around related party transactions based on the nature of the transactions and the associated terms. In addition, many services have been rendered in-kind to the PMTE stemming from its relationship with the DPWI. Due to the nature of these transactions, where amounts could not be measured reliably, only a narrative disclosure is made. This is in line with the principle in the Standard of GRAP on Revenue from Non-exchange Transactions (GRAP 23) to not recognise certain services-in-kind where it cannot be measured reliably. It is difficult to measure the value of these services and they are usually consumed within the period. Where amounts could be reliably measured, they have been recognised.

1.2 Receivables from exchange transactions

Receivables from exchange transactions are recognised when exchange revenue is due to the PMTE through legislation (statutory receivables) or in accordance with an agreement (financial assets). Refer to note 1.15 and 1.16 respectively.

1.3 Receivables from non-exchange transactions

Receivables from non-exchange transactions are recognised when non-exchange revenue is due to the PMTE through legislation (statutory receivables) or in accordance with an agreement (financial assets). Refer to note 1.15 and 1.16 respectively.

1.4 Leases

The PMTE classifies lease agreements in accordance with risk and rewards incidental

to ownership. The lease is classified as a finance lease where:

- (a) the lessor transfers substantially all the risks and rewards to the lessee;
 - (b) the lease transfers ownership of the asset to the lessee by the end of the lease term;
 - (c) the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
 - (d) the lease term is for the major part of the economic life of the asset even if title is not transferred;
 - (e) at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
-

Property Management Trading Entity

Notes to the Annual Financial Statements

(f) the leased assets are of a such a specialised nature that only the lessee can use them without major modifications.

All other leases are classified as operating leases

Finance leases - PMTE as a lessee

Where the PMTE has assessed itself to be a lessee to a finance lease arrangement, it recognises a finance lease liability and a related leasehold asset, which would be disclosed as part of property plant and equipment. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The PMTE recognises finance lease liabilities resulting from finance leases as a liability in the Statement of Financial Position. Minimum lease payments is apportioned between the finance charge and the reduction of the outstanding liability. Such liabilities are presented as a payable at an amount equal to the net obligation of the lease. Interest expense is recognised based on the interest rate implicit in the finance lease. Where the fair value of the assets are not available to determine the implicit interest rate in the lease, the PMTE uses the rate applicable to debt owed by the state. The liability is recognised at the lower of the fair value of the leased asset or the present value of the minimum lease payments.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.4 Leases (continued)

Operating leases - PMTE as a lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term where the lease term exceeds one month; except where the terms and conditions have not been determined or are in the process of being re-negotiated. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue. The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. Lease revenue is presented as accommodation charges in the Statement of Financial Performance and notes to the financial statements.

The PMTE recognised month-to-month leases as revenue from exchange transactions as and when the revenue is due.

Operating leases - PMTE as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term where the lease term exceeds one month; except where the terms and conditions have not been determined or are in the process of being re-negotiated. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease asset or liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are classified as financial instruments (refer to note 6).

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, strategic or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

Property Management Trading Entity

Notes to the Annual Financial Statements

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses, except for assets under construction, land and heritage assets, these are subsequently measured at cost less accumulated impairment losses. Land is not depreciated.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment. Major inspection costs which are a condition of the continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Heritage assets assessed as having a dual function of being a heritage asset and providing accommodation services are recognised as property, plant and equipment, if a significant portion of the heritage asset is utilised for office accommodation. Refer to note 1.8 for the accounting policy for other heritage assets.

With the exception of assets acquired through the transfer of functions under common control which is measured at deemed cost as the carrying value at the date of transfer, where property, plant and equipment is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.6 Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset only when it is probable that the future economic or service potential benefit associated with that item will flow to the PMTE and the cost thereof can be reliably measured.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. These components are depreciated separately.

Depreciation is calculated on a straight line basis over the expected useful lives of each item. Depreciation is charged to the surplus or deficit, unless it is included in the carrying amount of another asset. Depreciation commences on an asset when it is in the condition necessary for it to be capable of operating in a manner intended by management.

Assets under construction are ready for their intended use once a completion certificate or occupational certificate has been issued. At this point depreciation will commence.

The useful life, depreciation method and a residual value for property, plant and equipment are reviewed annually. Any changes are recognised as a change in accounting estimates and included in depreciation.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Building and improvements (including components)	
▯ Low rise buildings (up to 4 floors)	12 - 50 years
▯ High rise buildings (more than 4 floors)	40 - 80 years
▯ Warehouse / garage / storerooms	40 - 60 years
▯ Prisons	100 years
▯ Barracks	12 - 50 years
▯ Dwellings	40 - 60 years
▯ Temporary structures	30 years
▯ Roads, harbours and mines	12 - 35 years
▯ Boundary fences on vacant land	15 years
▯ Water and other infrastructure	20 - 60 years
▯ Airport runways	40 - 60 years
▯ Dams and reservoirs	100 years
▯ Other	12 - 50 years
Land	indefinite useful lives
Furniture and office equipment	5 - 15 years
Vehicles	5 - 10 years
Computer equipment	3 - 15 years
Other machinery and equipment	10 - 30 years

The PMTE assesses annually at each statutory reporting date whether there is any indication that an asset may be impaired. If such indication exists, the PMTE estimates the recoverable service amount or recoverable amount for non-cash- generating and cash generating assets respectively. An impairment loss is recognised where the carrying amount exceeds the asset's recoverable service amount or recoverable amount as applicable.

Property Management Trading Entity

Notes to the Annual Financial Statements

The PMTE assesses annually at each statutory reporting date whether there is any indication that an impairment loss recognised in prior period for an asset may no longer exist or may have decreased. If such indication exists, the PMTE estimates the recoverable service amount or recoverable amount of that asset. Any impairment loss recognised in prior periods for an asset is only reversed if there has been a change in the estimated use to determine the asset's recoverable service amount since the last impairment loss was recognised. Reversals of impairment is limited to the carrying amount of the asset had no impairment been recognised for the asset in prior periods.

Impairment losses and reversals of impairment losses are recognised in the surplus or deficit in the period in which the event occurs.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. If a component is replaced, the carrying amount of the existing component is derecognised and the value of the new component is recognised.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.6 Property, plant and equipment (continued)

The PMTE is not allowed to dispose of or transfer immovable assets under its custodianship unless approved by the Minister of Public Works and Infrastructure or his delegated official, considering the restriction of the State and Land Disposal Act (Act No. 48 of 1961).

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost, including transaction costs. Investment property is subsequently carried at cost less accumulated depreciation and any accumulated impairment losses, except for land. Land is not depreciated.

With the exception of assets acquired through a transfer of functions under common control which is measured at carrying amount, where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Depreciation is calculated on a straight line basis over the expected useful lives of each item. Depreciation is charged to surplus or deficit. Depreciation commences on assets when they are in the condition necessary for them to be capable of operating in the manner intended by management. Depreciation ceases when the asset is disposed.

Item	Useful life
Land	indefinite
Buildings and improvements	12 - 100 years

Refer to note 1.6 for a detailed breakdown of the useful lives of the building and improvements.

Assets under construction are ready for their intended use once a practical completion certificate or occupational certificate has been issued. At this point depreciation will commence.

Property Management Trading Entity

Notes to the Annual Financial Statements

The useful life, depreciation method and residual value for investment property are reviewed annually. Any changes are recognised prospectively as changes in accounting estimates in surplus or deficit.

Impairment and reversals of impairment are recognised in surplus or deficit in the period in which the event occurs.

The PMTE is not allowed to dispose of or transfer immovable assets under its custodianship unless approved by the Minister of Public Works and Infrastructure or his delegated official, considering the restriction in the State and Land Disposal Act (Act No. 48 of 1961).

Items of investment property assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

Gains and losses on the derecognition of investment properties, including impairment and impairment reversals, are treated similarly to gains and losses for property, plant and equipment (refer to note 1.6).

1.8 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.8 Heritage assets (continued)

PMTE recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

Heritage assets are measured at cost.

With the exception of assets acquired through the transfer of functions under common control which is measured at deemed cost, where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Heritage assets assessed as having a dual function, of which a significant portion is held for the provision of accommodation or administrative purposes, are recognised and disclosed as property, plant and equipment.

The cost of an item of heritage assets is the purchase price and other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Heritage assets that cannot be reliably measured are not recognised, but relevant information about these assets are disclosed in the notes, if applicable. Any costs incurred subsequently shall be recognised in surplus or deficit as incurred.

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Heritage assets are not depreciated as they are regarded as having an indefinite useful life but are annually assessed for impairment. If any such indication exists, the PMTE estimates the recoverable amount or the recoverable service amount of the heritage asset.

An impairment loss is recognised where the carrying amount exceeds the recoverable service amount for non-cash generating assets. Impairment losses and reversals of impairment are recognised in surplus or deficit in the period when the event occurs.

PMTE derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.

1.9 Intangible assets

Property Management Trading Entity

Notes to the Annual Financial Statements

The PMTE recognises intangible asset when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Where the PMTE acquires the rights to use an asset, other than exercising its rights through legislation, it classifies these as intangible assets.

With the exception of assets acquired through the transfer of functions under common control which is measured at carrying amount, where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are initially recognised at cost and subsequently carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period, the amortisation method and the residual values of the intangible assets with finite useful lives are reviewed annually. Intangible assets with indefinite useful lives are tested annually for impairment. Any changes are recognised as a change in accounting estimate in surplus or deficit.

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of the intangible assets, unless such useful lives are indefinite. Amortisation commences on the asset when they are in the condition necessary for them to be capable of operating in a manner intended by management.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Property Management Trading Entity

Notes to the Annual Financial Statements

1.9 Intangible assets (continued)

Item	Useful life
Computer software	5 years

Items of intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

Impairments and reversals of impairments are recognised in surplus or deficit in the period that the event occurs. Losses or gains on impairments and impairment reversals are treated similarly to gains and losses for property, plant and equipment (refer to note 1.6).

1.10 Payables from exchange transactions

The PMTE recognises payables from exchange transactions where liabilities result from counter performance by respective parties as a result of exchange transactions.

Payables from exchange transactions are initially measured at fair value. Where the outflow is expected to be cash or another financial asset, the payable is classified as a financial liability.

The PMTE recognises in payables an amount for accruals where an estimate is made of the amounts due for goods or services that have been received or supplied, but an invoice or formal request for payment has not been received at the reporting date as well as outstanding invoices.

1.11 Employee benefits

Short-term employee benefits

The PMTE recognises an undiscounted amount of short-term benefits due to employees in exchange for the rendering of services by employees as follows:

- As a liability in cases where the amounts have not yet been paid.
 - Where the amount paid exceeds the undiscounted amount of the benefits due, the PMTE recognises the excess as an asset to the extent that the overpayment will lead to a reduction of future payments or a cash refund.
 - As an expense, unless the PMTE uses the services of employees in the construction of an asset and the benefits received meet the recognition criteria of an asset, at which stage it is included as part of the cost of the related property, plant and equipment, investment property or intangible asset item.
-

Property Management Trading Entity

Notes to the Annual Financial Statements

Leave benefits

The PMTE recognises the expected cost of short-term employee benefits in surplus or deficit, in the form of compensated absences (paid leave) when the employees render services that increase their entitlement to leave benefits.

The expected cost of accumulating leave benefits is measured as the additional amount that the PMTE expects to incur as a result of the unused entitlement that has accumulated at the reporting date.

Performance and service bonuses

The PMTE recognises the expected cost of performance or service bonus payments where there is a present legal or constructive obligation to make these payments as a result of past events and a reliable estimate of the obligation can be made. A liability for service bonus is accrued on a proportionate basis as services are rendered. A liability for performance bonus, which is based on the employee's performance in the applicable year, is raised on the estimated amount payable in terms of the incentive schemes. The PMTE considers the present obligation to exist when it has no realistic alternative but to make the payments related to performance bonuses.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.11 Employee benefits

(continued) Retirement and

medical benefits

All permanent employees are members of the Government Employees Pension Fund (GEPF), which is a defined benefit plan. Employees are contributing 7.5% of their pensionable salary towards the fund on a monthly basis. PMTE contributes a further 13% to the fund on behalf of the employees. Obligations are limited to the contributions made and any shortfall in the GEPF is made good by the State, therefore the PMTE accounts for the fund as a defined contribution plan. Payments are charged as an expense to employee cost in surplus or deficit in the same year as the related services is provided.

Long service awards

The PMTE recognises the expected cost of short-term employee benefits in surplus or deficit, in the form of long service awards, when the employees render services for a period that entitles them to long service award benefits as prescribed by DPSA policies.

1.12 Retention liabilities

A retention liability is recognised as a financial liability where monies due to a contractor are withheld for a set period of time during which the PMTE has an enforceable right to have defects remedied by the contractor. The measurement of the retention liability is the same as payables from exchange transactions which have been classified as financial liabilities. The liability is derecognised when the liability is settled or when the contractor defaults and is not entitled to settlement.

1.13 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- 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 can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date, discounted to present value where the time value of money is expected to be material.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Provisions where the timing of the outflow is uncertain is classified as current liabilities.

Property Management Trading Entity

Notes to the Annual Financial Statements

Contingent assets are disclosed where the PMTE has a possible inflow of resources but the inflow did not meet the recognition criteria of an asset. Contingent liabilities are disclosed where a liability is subject to an uncertain event or the outflow is only assessed to be possible.

Contingent assets and contingent liabilities have been based on the best estimate available at the time of preparing the financial statements.

Contingent liabilities relating to litigations have been based on the assessment of the estimated claim against the PMTE as at the end of the reporting period. Contingent liabilities on retentions, leases, unscheduled maintenance and municipal rates and services are based on management's calculations of the possible inflows/outflows expected to be settled.

1.14 Reserves

The PMTE's reserves are made up of accumulated surplus.

Accumulated surplus is mainly built up to ensure adequate rehabilitation and maintenance of state owned infrastructure and future infrastructure development.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.15 Statutory receivables and payables

Classification, recognition and

measurement

Statutory receivables and payables arise from the right to receive cash or make payments in terms of legislative requirements. The PMTE will recognise receivables when it obtains the right to receive assets in terms of legislation, at the amount determined in the legislation (i.e. transaction price), which is the fair value at initial recognition. Thereafter the receivable will be assessed for impairment.

Payables arising from legislative requirements are measured at the amount determined in legislation (i.e. transaction price). Statutory receivables and payables are not discounted.

Impairment of receivables measured at cost

At each end of the reporting period, the PMTE assesses all receivables to determine whether there is objective evidence that the asset or group of assets have been impaired. The inability to redeem amounts due based on the payment history is considered to be indicators of impairment.

If there is objective evidence that an impairment loss on receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, excluding future credit losses not yet incurred. Impairment loss on receivables is impaired directly to the receivables. Receivables at cost are discounted at a risk free rate adjusted for the risk associated with the debt. Impairment losses are recognised in surplus or deficit as expenses.

Impairment losses are reversed when an increase in the receivable's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed does not exceed the carrying amount that would have been recognised had the impairment not been recognised. The amount of the reversal is recognised in surplus or deficit.

1.16 Financial instruments

Classification, recognition and measurement

The PMTE recognises a financial asset or a financial liability when it becomes a party to the contractual arrangement in the instrument.

The PMTE recognises financial assets using trade date accounting.

Property Management Trading Entity

Notes to the Annual Financial Statements

The PMTE does not offset a financial asset and a financial liability unless a legally enforceable right to offset the recognised amounts currently exists and the PMTE intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Interest relating to a financial instrument or a component of a financial instrument is recognised as revenue or expense in surplus or deficit.

The PMTE's financial instruments consists only of cash and cash equivalents, including the bank overdraft and non-derivative instruments such as leases, receivables and payables with no or minimal transaction costs.

All financial instruments are initially measured at fair value and subsequently at amortised cost using the effective interest method, except for leases (refer to note 1.4).

Transaction costs in respect of financial instruments which are not at fair value through surplus or deficit are included in the initial measurement of the instrument.

Interest is charged on debt outstanding exceeding the normal credit terms at the rate applicable for debt owed to the State, except for debt owed by government institutions.

The effect of payment for short term receivables outstanding for longer than the 30 days is considered during the impairment assessment.

Impairment of assets

Property Management Trading Entity

Notes to the Annual Financial Statements

1.16 Financial instruments (continued)

The PMTE assesses at the end of each reporting period whether there is any objective evidence that a financial or non- financial asset or group of assets are impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). Impairment loss on receivables is accounted for directly to the receivables. Financial assets at amortised cost are discounted to the original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly to the receivable. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date of reversal. The amount of the reversal is recognised in surplus or deficit.

At the end of each reporting period the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets have been impaired.

Non-financial assets measured at cost:

Where the carrying amount of a non-financial asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit. In assessing the value in use, the PMTE has adopted the depreciated replacement cost approach.

For further details regarding impairment of property, plant and equipment, investment property, heritage assets and intangible assets, refer to note 1.6.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.16 Financial instruments

(continued) Derecognition

Financial assets

PMTE derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

Financial liabilities

PMTE derecognises a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on *Revenue from Non-exchange Transactions*.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.17 Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Revenue earned from accommodation charges is classified as lease revenue (refer to note 1.4 for further details on recognition and measurement of lease revenue). Accommodation charges are measured based on:

- the cost of leasing in (in the case where property is leased in from the private sector);
- the budget devolution as agreed upon with the client departments (in the case of state owned accommodation leased to client departments);
- approved accommodation charge in consultation with National Treasury for state accommodation; or
- the market related rental (in the case of state owned accommodation leased to the private sector and individuals).

Accommodation charges disclosed in the financial statements consists of:

- Leasehold inter-governmental, which refers to lease revenue earned from assets which are owned by the private sector, which is then sub-leased to client departments;
- Freehold inter-governmental, which refers to lease revenue from state owned assets leased to client departments; and
- Freehold private, which refers to lease revenue from state owned assets leased to the private sector and individuals

Revenue from construction contracts is classified as revenue from exchange transactions and recognised by reference to the stage of completion of the contract when the outcome of a construction contract can be estimated reliably. When the outcome of a construction contract cannot be estimated reliably, construction revenue is recognised to the extent of contract costs incurred that are likely to be recoverable in the period in which they are incurred. An expected loss on a contract is recognised immediately in the surplus or deficit in the period in which it was incurred. Refer to note 1.20 for further details.

Interest is recognised, in surplus or deficit, using the effective interest rate method. Interest is *inter alia* earned on advances provided on projects conducted by implementing agents and outstanding debt.

The PMTE pays municipal services on behalf of the client departments and earns 5% management fee on the value of the invoice. The management fee earned is recognised as revenue from exchange transactions in the surplus or deficit. Any amounts owed or overpaid on the management fee is recognised either as a receivable or payable from the exchange transactions as appropriate.

Other revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue will be recognised in the surplus or deficit when it becomes due to the PMTE. Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts and volume rebate.

1.18 Revenue from non-exchange transactions

Property Management Trading Entity

Notes to the Annual Financial Statements

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

The PMTE recognises the inflow of resources from a non-exchange transaction as revenue when it controls the asset, except in cases where a liability or equity is recognised in respect of that inflow. These liabilities are classified as payables from non-exchange transactions until the conditions relating to the revenue has been satisfied. Revenue from non-exchange transactions is measured initially at fair value.

Transfer payments received from the DPWI in order to fund operations and manage properties under the custodianship of DPWI, are referred to as augmentation and is classified as revenue from non-exchange transactions.

Revenue earned from freehold prestige accommodation charges is classified as lease revenue. Freehold prestige accommodation charges are recognised based on the reduced market related rental as per the ministerial handbook.

Where services are received in-kind and a reliable estimate can be made, the PMTE recognises the related revenue. In all other cases, the PMTE only discloses the nature of the transactions.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.19 Expenditure

Expenditure is classified in accordance with the nature of the expenditure.

The PMTE recognises expenditure in surplus or deficit when a decrease in future economic benefits or service potential relates to a decrease in an asset or an increase in a liability, other than those relating to distributions to owners.

The PMTE recognises expenses immediately in surplus or deficit when no future economic benefits or service potential are expected or when and to the extent that, future economic benefits or service potential do not qualify or cease to qualify for recognition as an asset in the Statement of Financial Position.

The PMTE also recognises expenses in surplus or deficit in those cases when a liability is incurred without the recognition of an asset, for example, when a liability under a court ruling arises.

Interest expense is recognised as an expense in surplus or deficit in the period in which they are incurred, using the effective interest method.

1.20 Construction contracts and receivables

Expenditure incurred in capital construction projects are classified as construction costs and recognised in the Statement of Financial Performance when the amount is recoverable based on the work completed. The revenue is recovered on a full cost recovery basis. The related receivable is recognised when the amount becomes recoverable.

1.21 Irregular, Fruitless and wasteful expenditure

Irregular, fruitless and wasteful expenditure, as defined by the PFMA, and material losses through criminal conduct is recognised as expenditure in the surplus or deficit according to the nature of the payment and disclosed separately in notes 31 and 32. When an amount becomes recoverable, a receivable is recognised. Any receivables recognised as a result of irregular, fruitless and wasteful expenditure or material losses through criminal conduct, are subject to an annual impairment assessment.

1.22 Related parties

The PMTE is controlled through the DPWI at National Government level. Other than management and their close family, only parties within the national sphere of government and entities reporting to National Departments that are subject to common control, is considered related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. Management include officials like the

Property Management Trading Entity

Notes to the Annual Financial Statements

Minister, the Minister's advisor, members of the Executive Committee (EXCO), chairpersons of significant committees, head of units and regional managers. Where the remuneration of management is not accounted for by the PMTE (as included in note 35), the remuneration is not included in the disclosure. This includes the remuneration of the Chief Financial Officer, the Director-General and the Minister of Public Works and Infrastructure. Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, management in their dealings with the entity.

Only transactions with related parties not at arms' length or not in the ordinary course of business are disclosed in note 35. Movable assets that have not been transferred specifically to the PMTE are not recognised by the PMTE but are recorded by the DPWI.

1.23 Budget information

The PMTE presents a comparison of budget amounts and actual amounts as a separate additional financial statement. The approved and final budget amounts are prepared on a modified cash basis. The budget is prepared based on the nature of the revenue and the expenditure. The actual amounts (prepared on an accrual basis) are adjusted for basis differences for comparability purposes.

The PMTE budgets for revenue including the transfer payment received through the DPWI. The PMTE budget is part of the overall DPWI vote.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.24 Commitments

Items are classified as commitments when the PMTE has committed itself to future transactions that will normally result in the outflow of cash. The current year's estimates are based on unrecognised capital and maintenance expenditure which has been approved and either contracted for or an order has been issued to the supplier relating to immovable assets.

See Notes: 8, 10, 7, 9 for additional disclosure. The PMTE also manages other projects on behalf of client departments which are not in respect of the PMTE's immovable assets. These agency commitments have been disclosed in note 34.

1.25 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.26 Going concern assumption

These annual financial statements have been prepared on the going concern basis. Refer to note 38.

1.27 Comparative figures

Comparative figures have been adjusted to correct errors identified in the current year but relating to prior years. The effect of the restatements are disclosed in note 37.

1.28 Deferred revenue

The PMTE recognises an amount for deferred revenue where the leasing revenue (accommodation charges - freehold inter- governmental) recognised from client departments is deferred until the project is ready for use and capitalised under immovable assets.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.29 Transfer of functions between entities under common control

The transfer of functions from entities under common control are accounted for by the PMTE by recognising the assets acquired and liabilities assumed at the carrying amount measured in accordance with the Standards of GRAP. The difference between the assets and liabilities is recognised in accumulated surplus or deficit.

The PMTE acquired the following functions and the related assets and liabilities from the DPWI on 30 November 2013:

- ▢ Asset Investment Management
- ▢ Property Management
- ▢ Facilities Management
- ▢ Key Account Management
- ▢ Regional Finance Units

The transitional provisions for the recognition and measurement of this transfer expired on 31 March 2017.

The PMTE acquired the following functions and the related assets and liabilities from the DPWI on 30 March 2015:

- ▢ Inner City Regeneration
- ▢ Projects and Professional services
- ▢ Regional co-ordination
- ▢ Supply Chain Management
- ▢ Regional support and Regional Managers

The transitional provisions for the recognition and measurement of this transfer expired on 31 March 2018

1.30 Entity-wide disclosure

The PMTE Operates within all geographical provinces with South Africa through its 11 regional offices and head office. Each Province has 1 Regional office each, except for Gauteng which has two physical regional offices plus head office and the Eastern Cape which has 2 regional offices. The Standard on Segmental Reporting (GRAP 18) requires an entity to disclose, where information is available without incurring excessive costs of disclosure, specified information relating to those said geographical areas as follows:

- (a) external revenues from non-exchange transactions and external revenues from exchange transactions attributed to the geographical areas in which it operates;
- (b) total expenditure attributed to the geographical areas; and
- (c) non-current assets² other than financial instruments, deferred tax assets (where applicable), post-employment benefit assets, and rights arising under insurance contracts for the geographical areas.

The PMTE has assessed the availability of such information and the information is only available at geographical area in respect of expenditure. Within the expenditure attributed to each geographical area, where the expenditure is inextricably linked with an item of revenue or non-current assets where it is impracticable to allocate per geographical area, then such expenditure has been allocated to the head

Property Management Trading Entity

Notes to the Annual Financial Statements

office. This includes Impairment losses, depreciation on immovable properties and straight lining of operating leases.

The costs to develop reports and interfaces to meet the remainder of the requirements of the entity-wide disclosure of GRAP 18 is deemed to be excessive.

The Entity Wide disclosure to the extent that it is practicable and available is disclosed in Annexure A on page 62.

Property Management Trading Entity

2. Standards of GRAP issued but not yet effective

2.1 Standards utilised in developing accounting policies and disclosure (with limited impact)

The PMTE has utilised the principles of the Standards of GRAP listed below in disclosing and accounting for relevant transactions. As a result, there will be limited impact on the financial statements when the Standards become effective.

Standard/ Interpretation:

- Related Parties (GRAP 20)
- Statutory receivables (GRAP 108)

2.2 Standards not yet effective (with possible extended impact)

The PMTE has not applied the standards below which have been approved but not yet effective. The adoption of this Standard is not expected to have an impact on the results of the PMTE, but may result in more disclosure than is currently provided in the financial statements.

Standard/ Interpretation:

- Accounting by Principals and Agents (GRAP 109)

2.3 Standards not yet effective (with no impact)

The standards and interpretations listed below have been approved but are not yet effective. It is unlikely that the standards, interpretations and/or amendments will have a material impact on the financial statements of the PMTE once they become effective, as the PMTE does not engage in transactions within the scope of these standards.

Standard/ Interpretation:

- GRAP 34 to 38 on Interests in Other Entities
- GRAP 110 on Living and Non-living Resources
- Service concession arrangements: Grantor (GRAP 32)
- Service concession arrangements where a grantor controls a significant residual value in an asset (IGRAP 17)
- Guideline for the accounting of arrangements undertaken in terms of the National Housing Programme

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
3. Receivables from exchange transactions		
Financial assets		
Accommodation debtors - leasehold inter-governmental	424 243	365 743
Accommodation debtors - freehold inter-governmental	946 778	1 169 568
Accommodation debtors - freehold private	45 022	37 344
Municipal services	601 267	748 876
Debt account	68 843	45 597
Revenue accrual - recoverable leases	673 158	319 086
Revenue accrual - recoverable municipal services	618 003	613 657
Revenue accrual - recoverable projects	523 423	592 639
Municipal deposits	20 042	19 667
Implementing agents	42 111	31 919
Other debtors	533	792
Recoverable property rates	-	-
	3 963 423	3 944 888
Non-financial assets		
Prepaid expenses - implementing agents	864 753	675 425
Prepaid expenses - leases	384 144	283 874
Prepaid expenses - other	77 289	8 058
Prepaid expenses - municipal services	14 353	22 557
Prepaid expenses - municipal services and property rates (backlog)	468 628	465 581
Creditors with debit balances	82 879	20 304
	1 892 046	1 475 799
	5 855 469	5 420 687

The applicable interest rate for outstanding freehold private receivables and debt account receivables for the period is 10.25% (March 2019: 10.25%).

Revenue accruals relates to services rendered to our clients but not yet invoiced.

Included in the prepaid expenses are contractual advances to other government entities which are implementing agents of the PMTE. Interest earned on these advances is included in implementing agents under financial assets above at an average effective interest rate of 4.9% (2019: 7.1%).

The gross amount for recoverable property rates amounts to R80 million (March 2019: R70 million). The full amount is impaired as it relates to amounts not yet invoiced to client departments and third parties and are likely not to be recovered.

Receivables past due but not impaired

All receivables past due were considered for impairments. Refer to note 22 for impairment loss incurred during the period for receivables from exchange transactions.

Individually significant receivables that are impaired

Property Management Trading Entity

Annual Financial Statements for the year ended 31

March 2020

Individually significant receivables are identified if the specific receivable's outstanding balance exceeds 5% of the total outstanding balance for the class of receivable. The factors to identify impairment are similar to the group assessment for impairment. The analysis below shows the total accumulated impairment from individually significant receivables, as a percentage of the gross receivable balance per class of receivable:

	202	201
	0	9
	%	%
Accommodation debtors - freehold inter-governmental	24	18
Accommodation debtors - leasehold inter-governmental	43	61
Accommodation debtors - freehold private	66	66
Municipal services	76	41
Debt account	-	65
Recoverable property rates	100	100

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
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4. Receivables from non-exchange transactions

Accommodation debtors - freehold prestige	109	252
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Certain properties are leased to prestige clients. According to the ministerial handbook, prestige officials receive one state owned residence at no charge. If available, prestige officials may occupy a second state owned residence which is charged at a reduced rental as prescribed.

Receivables from non-exchange transactions past due but not impaired

There were no receivables past due that were not impaired. Refer to note 22 for impairment loss incurred during the period for receivables from non-exchange transactions

5. Operating lease asset/(liability)

	Note	2020 R'000	2019 R'000
Current assets (PMTE as lessor)	5.1	645 619	389 581
Current liabilities (PMTE as lessee)	5.2	(648 411)	(364 730)
		<u>(2 792)</u>	<u>24 851</u>
5.1 Total operating lease asset - PMTE as lessor			
Leasehold inter-governmental		622 874	364 247
Freehold private		22 745	25 334
		<u>645 619</u>	<u>389 581</u>
Total minimum lease receipts - PMTE as lessor			
Within one year		2 526 158	2 488 470
In second to fifth year inclusive		5 090 341	5 411 418
Later than five years		2 020 589	1 472 652
		<u>9 637 088</u>	<u>9 372 540</u>

Leasehold inter-governmental

Based on the nature of leases that are running on a month-to-month and open-ended basis, the related leasehold commitment, is based on the contractually agreed upon notice period. The said amounts have been included in the "within one year" ageing bracket.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

The inter-governmental operating leases are sub-lease agreements with various client departments and are on the same terms as those applicable to the lease agreements entered into with the landlords on leasehold property. As a result of the month-to-month and open-ended leasehold commitments included in note below, the equal and opposite amount is included in the PMTE leases above.

Freehold private

The disclosure of the minimum lease payments above relates to state owned properties that are leased out to private parties (accommodation debtor - freehold private).

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
5. Operating lease asset/(liability) (continued)		
5.2 Total operating lease liabilities - PMTE as lessee		
Operating lease liabilities - leasehold inter-governmental	648 411	364 730
Total minimum lease payments - PMTE as lessee		
Within one year	2 457 771	2 493 363
In second to fifth year inclusive	4 963 799	5 387 416
Later than five years	2 020 589	1 424 189
	<u>9 442 159</u>	<u>9 304 968</u>

The PMTE has 2 457 leases of which 1743 have not expired included in the current private leasing portfolio (2019: 2 655 leases of which 1 352 have not expired). The leasehold commitments reflected above have been determined based on the terms and conditions of the relevant lease agreements. Based on the nature of leases that are running on a month-to-month and open-ended basis, the related leasehold commitment, at financial reporting date, is determined taking into account the contractually agreed upon notice period. These amounts have been included as part of the "within one year" ageing bracket.

6. Cash and cash equivalents

	2020 R'000	2019 R'000
Cash and cash equivalents consist of:		
Cash on hand	254	245
Bank balance	7 860	6 402
Cash and cash equivalents	<u>8 114</u>	<u>6 647</u>
Bank overdraft	(2 580 895)	(2 683 976)
	<u>(2 572 781)</u>	<u>(2 677 329)</u>

The cash held in the bank is with ABSA Limited, a registered financial services provider, and approved by National Treasury. The interest rate on the bank balance is variable. The average effective interest rate on short term bank deposits is 4.92% (March 2019 : 5%).

The bank overdraft is a Pay-Master-General account directly linked to National Treasury and carries interest at 0%.

7. Property, plant and equipment

	Cost /	2020
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Property Management Trading Entity

Annual Financial Statements for the year ended 2019

March 2020

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	Cost			Accumulated Carrying value		
	Valuation	depreciation and accumulated impairment		Valuation	depreciation and accumulated impairment	
	R '000	R '000	R '000	R '000	R '000	R '000
Land	35 585 662	-	35 585 662	35 721 663	-	35 721 663
Buildings and improvements	92 032 061	(13 809 597)	78 222 464	89 435 464	(11 603 728)	77 831 736
Furniture and office equipment	103 169	(50 662)	52 507	110 827	(56 728)	54 099
Computer equipment	257 376	(145 734)	111 642	239 793	(109 456)	130 337
Other machinery and equipment	70 213	(31 623)	38 590	68 491	(24 860)	43 631
Total	128 048	(14 037	114 010	125 576	(11 794	113 781
	481	616)	865	238	772)	466

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and

equipment - 2020

	Openin g balanc e	Additions	Disposals	Transfers in	Transfers out	Other change s, movemen ts	Depreciatio n	Impairme ntloss	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Land	35 721 663	4 142	(144 782)	4 639	-	-	-	-	35 585 662
Buildings and improvements	77 831 736	2 656 075	-	-	-	-	(2 183 994)	(81 353)	78 222 464
Furniture and office equipment	54 099	7 964	(31)	662	(1 332)	5 456	(13 623)	(688)	52 507
Computer equipment	130 337	18 480	(2 092)	632	(114)	3 043	(38 303)	(341)	111 642
Other machinery and equipment	43 631	1 683	(270)	99	(2)	390	(6 751)	(190)	38 590
	113 781 466	2 688 344	(147 175)	6 032	(1 448)	8 889	(2 242 671)	(82 572)	114 010 865

Reconciliation of property, plant and equipment - 2019

	Openin g balanc e	Additions	Disposals	Transfers in	Transfers out	Change in estimate and other	Othe r changes, movemen ts	Depreciati on	Impairme ntloss	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Land	35 815 378	3 552	(102 115)	4 848	-	-	-	-	-	35 721 663
Buildings and improvements	76 899 261	3 108 769	-	-	-	-	-	(2 103 039)	(73 255)	77 831 736
Furniture and office equipment	64 179	5 947	(307)	506	-	1 134	1 515	(18 417)	(458)	54 099

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

7. Property, plant and equipment (continued)

Assets under construction

Additional disclosure relating to assets under construction	Cumulative expenditure recognised in carrying value R'000	Carrying value of projects significantly delayed R'000	Carrying value of projec ts halted R'000	
2020				
Building and improvements	8 316 210	5 269 443		-
2019				-
Building and improvements	10 459 939	6 164 314		-

Reasons for construction projects significantly delayed are mainly due to poor contractor performance.

	2020	2019
Assets subject to finance lease (Net carrying amount)	R'000	R'000
	11	7
OFurniture and office equipment	405	206

Refer to note 14 for further details regarding the commitments for finance leased asset.

Contractual commitments for acquisition and maintenance of Property, plant and equipment	Committed for acquisition (CAPEX) R'000	Committed for maintenanc e (OPEX) R'000	Total commitm ent R'000
2020			
Building and improvements	6 631 396	2 871 297	9 502 693
2019			
Building and improvements	8 061 391	3 160 021	11 221 412

Other disclosure

In 2019, 71 land parcels with the value of R63 939 540 (2020:0) had changed ownership with no formal process or disposal followed. The balance of the land disposals shown in 2020 and 2019 followed the formal process.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

8. Investment property

	2020			Restated 2019		
	Cost /	Accumulated	Carrying value	Cos	Accumulated	Carrying value
	t /	t /				
	Valuation	depreciation and accumulated impairment		Valuation	depreciation and accumulated impairment	
	R '000	R '000	R '000	R '000	R '000	R '000
Investment property	5 672 650	(695 354)	4 977 296	5 672 650	(596 145)	5 076 505

Reconciliation of investment property - 2020

	Opening balance R '000	Disposals R '000	Depreciation R '000	Total R '000
Building and improvements	3 774 530	-	(99 209)	3 675 321
Land	1 301 975	-	-	1 301 975
	5 076 505	-	(99 209)	4 977 296

Reconciliation of investment property - 2019

	Opening balance R '000	Disposals R '000	Impairments Depreciation R '000	Total R '000
Building and improvements	3 874 334	-	(565)	3 774 530
Land	1 301 975	-	-	1 301 975
	5 176 309	-	(565)	5 076 505

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

505

Amounts recognised in Statement of Financial Performance relating to Investment Property

	2020			2019		
	Revenue generating R'000	Non-revenue algenerating R'000	Tot R'000	Revenue generati ng R'000	Non- revenue generatin g R'000	Total R'000
Property maintenance	60	326	386	13	303	316
Municipal services	144	3 085	3 229	526	263	789
Property rates	1 107	1 520	2 627	1 767	503	2 270
Cleaning and gardening	-	18	18	-	582	582
Security	84	2 324	2 408	104	1 997	2 101
Depreciation	3 158	90 051	93 209	3 186	96 053	99 239
Total direct expenses	4 553	97 324	101 877	5 596	99 701	105 297
Revenue from exchange (Freehold private)	63 517	-	63 517	53 816	-	53 816
Total surplus/(deficit) on investment property	58 964	(97 324)	(38 360)	48 220	(99 701)	(51 481)

Property Management Trading Entity

Notes to the Annual Financial Statements

9. Heritage assets

	2020			Restated 2019		
	Cost /	Accumulated	Carrying value	Cos	Accumulated	Carrying value
	t /					
	Valuation	impairment losses		Valuation	impairment losses	
	R '000	R '000	R '000	R '000	R '000	R '000
Land	2 771 880	-	2 771 880	2 771 880	-	2 771 880
Building and improvements	2 030 773	(36 777)	1 993 996	1 950 532	(25 700)	1 924 832
Total	4 802 653	(36 777)	4 765 876	4 722 412	(25 700)	4 696 712

	Opening balance	Additions	Impairment losses recognised	Total
	R '000	R '000	R '000	R '000
Reconciliation of heritage assets - 2020				
Land	2 771 880	-	-	2 771 880
Building and improvements	1 924 832	80 240	(11 076)	1 993 996
	4 696 712	80 240	(11 076)	4 765 876

Reconciliation of heritage assets - 2019

	Opening balance	Additions	Impairment losses recognised	Total
	R '000	R '000	R '000	R '000
Land	2 771 880	-	-	2 771 880
Building and improvements	1 812 731	113 577	(1 476)	1 924 832
	4 584 611	113 577	(1 476)	4 696 712

Property Management Trading Entity

Additional disclosure relating to assets under construction

	Cumulative expenditure recognised in carrying value R'000	Carrying value of projects significantly delayed R'000	Carrying value of projects halted R'000
2020			
Building and improvements 2019	753 244	535 963	-
Building and improvements	689 779	470 125	-

Restrictions on heritage assets

The PMTE is not allowed to dispose heritage assets under its custodianship.

	Committed for acquisition (CAPEX) R'000	Committed for maintenance (OPEX) R'000	Total commitment R'000
2020			
Buildings and improvements	69 603	-	69 603
2019			
Buildings and improvements	76 289	-	76 289

Property Management Trading Entity

Notes to the Annual Financial Statements

10. Intangible assets

	2020			Restated 2019		
	Cost /	Accumulated Carrying value		Cos	Accumulated Carrying value	
	t /					
Valuation	amortisation and accumulated impairment			Valuation	amortisation and accumulated impairment	
	R '000	R '000	R '000	R '000	R '000	R '000
Computer software	48 953	(16 919)	32 034	52 127	(21 445)	30 682

Reconciliation of intangible assets - 2020

	Openi ng balan ce	Additions	Disposals	Amortisation	Total
	R '000	R '000	R '000	R '000	R '000
Computer software	30 682	8 625	(639)	(6 634)	32 034

Reconciliation of intangible assets - 2019

	Openi ng balan ce	Additions	Adjustments	Other changes, movemen ts	Amortisation	Total
	R '000	R '000	R '000	R '000	R '000	R '000
Computer software	23 130	20 248	-	(42)	(12 654)	30 682

Additional disclosure relating to assets under development

Cumulativ e expenditur e recognised in carrying value	Carrying value of projects significantly delayed	Carryin g value of project s halted
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Property Management Trading Entity

	R'000	R'000	R'000
2020			
Computer software	29 233	29 233	-
2019	-	-	-
Computer software	24 964	24 964	-

Reason for the project significantly delayed is due to poor contractor performance relating to the Archibus software development project.

Contractual commitments for acquisition and maintenance of intangible assets	Committed for acquisition (CAPEX) R'000	Committed for maintenance (OPEX) R'000	Total commitment R'000
2020			
Computer software	19 067	1 275	20 342
2019			
Computer software	24 573	12 139	36 712

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020	Restated 2019
	R'000	R'000
<hr/>		
11. Deferred revenue		
Deferred revenue	5 702 610	7 882 994
<hr/>		
This relates to recoverable capital claims for projects that are under construction which will be deferred until the project is complete.		
Opening Balance	7 882 994	7 826 959
Plus: Revenue deferred during the year	1 736 828	1 961 774
Less: Revenue recognised during the year	(3 917 212)	(1 905 739)
	5 702 610	7 882 994
<hr/>		
12. Payables from exchange transactions		
Financial liabilities		
Accrued expenses - Assets	479 136	494 078
Accrued expenses - Cleaning and gardening	17 788	20 705
Accrued expenses - Leases	1 118 664	946 669
Accrued expenses - Maintenance	330 398	317 467
Accrued expenses - Municipal services	1 835 408	1 762 850
Accrued expenses - Other	43 575	42 106
Accrued expenses - Property rates	408 046	199 305
Accrued expenses - Scheduled maintenance	259 223	202 103
Accrued expenses - Security	10 226	10 321
Total accrued expenses	4 502 464	3 995 604
Unallocated deposits	3 688	1 766
Trade payables	436	2 650
Deposits received	57	29
Contract guarantees	131	87
	4 506 776	4 000 136
<hr/>		
Non-financial liabilities		
Revenue claimed in advance - leases	643 518	505 784
Income received in advance - other services	66 867	118 127
Debtors with credit balances	195 808	252 773
	906 193	876
<hr/>		

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

		684
5 412 969	4 876	
		820

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	Restate d 2019 R'000
13. Retention liabilities		
Non-current liabilities	21 545	14 597
Current liabilities	320 812	393 380
	<u>342 357</u>	<u>407 977</u>
14. Finance lease obligation		
Minimum lease payments due		
- within one year	3 914	4 051
- in second to fifth year inclusive	2 181	1 663
	<u>6 095</u>	<u>5 714</u>
Less: future finance charges	(603)	(428)
Present value of minimum lease payments	<u>5 492</u>	<u>5 286</u>
Present value of minimum lease payments due		
- within one year	3 446	3 726
- in second to fifth year inclusive	2 046	1 560
	<u>5 492</u>	<u>5 286</u>
Non-current liabilities	2 046	1 560
Current liabilities	3 446	3 726
	<u>5 492</u>	<u>5 286</u>

The finance lease liability relates to furniture and office equipment, whereby the PMTE takes ownership of the asset upon completion of the contract. These contracts are typically for a period of 36 months. These contracts have no escalation clauses. On 1 March 2018, a new agreement was entered into with regards to cell phones and 3G cards whereby the entity purchases the cell phones up front with no further finance lease obligations.

15. Employee benefit obligations

Reconciliation - 2020

	Opening balance R'000	Utilised during the year R'000	Over/(under) provided R'000	Additions R'000	Total R'000
Leave	133 407	(95 371)	(38 036)	133 369	133 369
Service bonus	41 650	(41 298)	(351)	44 421	44 422
Performance bonus	26 446	(22 733)	(3 713)	14 244	14 244
Long service awards	6 210	(2 784)	(3 426)	6 057	6 057
	<u>207 713</u>	<u>(162 186)</u>	<u>(45 526)</u>	<u>198 091</u>	<u>198 092</u>

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

Reconciliation - 2019

	Opening balance	Utilised during the year	Over/(under) provided	Additions	Total
	R'000	R'000	R'000	R'000	R'000
Leave	126 408	(62 845)	(13 726)	83 570	133 407
Service bonus	38 686	(38 271)	(415)	41 650	41 650
Performance bonus	21 744	(21 030)	(714)	26 446	26 446
Long service awards	5 733	(3 173)	3 650	-	6 210
	192 571	(125 319)	(11 205)	151 666	207 713

Property Management Trading Entity

Notes to the Annual Financial Statements

16. Provisions

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in estimate	Total
Reconciliation of provisions						
2020						
Maintenance	623 178	405 433	(114 490)	(315 531)	4 136	602 726
Legal proceedings	20 595	4 600	(1 341)	(2 804)	-	21 050
	<u>643 773</u>	<u>410 033</u>	<u>(115 831)</u>	<u>(318 335)</u>	<u>4 136</u>	<u>623 776</u>
Reconciliation of provisions						
2019						
Maintenance	1 011 199	423 941	(278 399)	(546 207)	12 644	623 178
Legal proceedings	18 879	16 585	-	(14 869)	-	20 595
	<u>1 030 078</u>	<u>440 526</u>	<u>(278 399)</u>	<u>(561 076)</u>	<u>12 644</u>	<u>643 773</u>

Municipal services and property rates

The DPWI embarked on Phase II Invoice Verification project to verify claims across all regions made by local municipalities on arrear municipal debts. The project involved detailed and extensive investigation and verification of claims with the local municipalities to ensure only confirmed and valid claims are settled. The next phase of the project will be to confirm the debt with the relevant departments to settle the remaining liability and to recover over payments to municipalities. National Treasury is being consulted to assist with a uniform approach concerning the settlement of the debt and outstanding interest.

As a result of this project, the PMTE has identified prepayments to municipalities amounting to R 666 million (March 2019: R 465 million) included in the prepaid expenses in note 3.

Debt owed to/due from municipalities but not confirmed has been included in contingent liabilities and contingent assets respectively (refer to note 30). Included in contingent liabilities is an amount of R 25 million (March 2019: R 25 million) relating to interest charged by municipalities which is still in the process of verification.

In addition, the PMTE is not billed on various properties for property rates for which it may be liable in terms of the Municipal Rates Act. The amount of this liability is not reliably measurable due to the uncertainty relating to municipal valuations, applicable rates chargeable, possible exemptions on state owned properties, subdivision of land parcels, timing of receipt of bills, possible changes in ownership and payment arrangements. Therefore management has not recognised a liability in respect of these property rates in the current reporting period. Management is actively engaging with the relevant municipalities in order to rectify possible incorrect billings.

Property Management Trading Entity

Maintenance

The PMTE appoints contractors to perform repair and maintenance services for its properties. The amount above has been classified as a provision as there is a greater element of uncertainty regarding the amounts and the timing of the work performed. Management is in the process of engaging with contractors to provide all required documentation to validate invoices. Management has developed a model to estimate the obligation for the work performed by contractors (refer to 1.1.6).

The change in estimate relates mainly to the change in the estimated cost to adjust for inflation, as well as a change in the finalisation ratio to account for the possibility that calls can be cancelled after year end.

Legal proceedings

Provisions for legal proceedings consist of claims and litigations for services that have been delivered without an indication of the timing of settlement or the amount of settlement. The provision is based on the amounts confirmed by the legal advisors of the PMTE.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
17. Revenue from exchange transactions		
Accommodation charges - Leasehold Inter-governmental	5 108 886	4 584 853
Accommodation charges - Freehold Inter-governmental	8 906 973	6 753 520
Accommodation charges - Freehold Private	63 517	53 816
Management fees on municipal services	260 694	225 165
Reversal of impairment loss for receivables from exchange transactions	23 040	366 546
Sundry revenue	57 908	4 568
Interest revenue	326 530	119 177
Recoveries	6 279	2 502
	14 753 827	12 110 147
The amount included in revenue arising from exchange transactions is as follows:		
Interest revenue consists of:		
Interest from receivables	326 530	119 177
18. Revenue from non-exchange transactions		
Augmentation	4 315 736	4 009 490
Goods and service in-kind	20 726	26 682
Contractor fines	4 948	3 569
Donations revenue	4 639	4 849
Accommodation charges - Prestige	1 565	2 291
	4 347 614	4 046 881
19. Construction revenue and expenses		
Amount recognised in surplus		
Construction Revenue	264 596	324 618
Construction Expenses	(264 596)	(324 618)
The following is included in the Revenue Accrual (Projects) and Prepaid expense amounts per note 3:		
Gross amount due from clients		
Costs incurred to date	264 596	324 618
Amount invoiced to date	(194 583)	(298 639)
	70 013	25 979
Amounts not yet billed (Revenue accrual)		
Retentions	13 194	12 471
Accrued expenses	72 686	30 473
Prepaid expenses	(15 867)	(16 965)

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
21. Employee related costs		
Basic salary and non-pensionable salary	1 389 842	1 366 546
Housing allowances	60 307	59 667
Medical aid contributions	93 479	86 551
Overtime	39 647	33 165
Pension fund contributions	138 513	136 612
Performance bonus	12 817	26 729
Service bonus	86 755	82 880
	<u>1 821 360</u>	<u>1 792 150</u>
22. Impairment loss on receivables		
Receivables from exchange transactions	1 455 133	739 915
Receivables from non-exchange transactions	948	819
	<u>1 456 081</u>	<u>740 734</u>
23. Interest expense		
Interest on overdue accounts	3 154	3 245
Interest on municipal services and property rates	80 819	69 350
Interest on finance leases	1 099	954
	<u>85 072</u>	<u>73 549</u>
Interest due on backlog municipal services and property rates have not been paid, however, have been provided as explained in note 16.		
24. Loss on disposal/transfer of assets		
Property, plant and equipment	<u>122 261</u>	<u>104 848</u>
25. Operating lease		
Operating lease - building and improvements	5 121 058	4 702 755
Operating lease - furniture and office equipment	47 174	41 144
Rent on land	21 259	23 916
	<u>5 189 491</u>	<u>4 767 815</u>
26. Property maintenance (contracted services)		
Property maintenance expense relates to the following asset categories:		
Property, plant and equipment	2 838 830	1 934 662
Investment property	386	29 757
Heritage assets	24 551	340 961
Leased properties	12 676	11 831
	<u>2 876 443</u>	<u>2 317 211</u>

Property Management Trading Entity

Annual Financial Statements for the year ended 31

March 2020

The property maintenance expense constitutes transactions with contractors for services rendered relating to repairs and maintenance on properties.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

		2020 R'000	2019 R'000
27. Sundry operating expenses			
Advertising		1 426	276
Auditors remuneration		23 072	29 351
Bad debts written off		53	1 802
Bank charges		739	489
Bursaries		17 812	19 071
Cleaning and gardening		273 642	275 359
Computer software related expenses		10 956	17 205
Communication expenses		10 336	9 594
Consulting fees	27.1	171 305	241 046
Consumables		29 237	25 296
Fleet expenses	27.2	15 560	15 159
Losses incurred	27.3	139 559	167 987
Municipal service expenses		496 213	380 600
Other contractors		4 229	7 686
Other goods and services		21 565	21 588
Retirement awards		670	291
Security		130 319	94 909
Service in-kind expenses	27.4	24 145	7 684
Travel and subsistence		76 788	86 600
		<u>1 447 626</u>	<u>1 401 993</u>

27.1 Consulting fees

Included in consulting fees is an amount of R 47 million (2019: R 17 million) paid to Development Bank of South Africa for business improvement processes. R 32 million (2019: R52 million) paid to Special Investigating Unit for investigation purposes, and R 18 million (2019: R18 million) paid to COEGA Development Corporation for business continuity and process documentation. The remaining balance of consulting fees relates the assessment and verification of the immovable assets, green building & energy saving consultants and engineering conditional assessment reviews of properties and components. .

27.2 Fleet expenses

The PMTE has entered into operating lease arrangements for vehicles. The operating lease for vehicles is on a month-to- month basis and therefore no operating lease asset or liability exists.

27.3 Losses incurred

The losses incurred consists mainly of additional payments made to default contractors on projects.

27.4 Service in kind expense

Property Management Trading Entity

Annual Financial Statements for the year ended 31

March 2020

This amount relates to expenses and movable assets paid for by the PMTE but utilised by the DPWI.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
28. Cash generated from operations		
Surplus	2 451 517	1 390 974
Adjustments for:		
Depreciation, impairment and amortisation	2 442 162	2 328 975
Loss on disposal/transfer of assets	122 261	104 848
Interest expense	85 072	73 549
Interest revenue	(326 530)	(119 177)
Impairment on receivables	1 456 081	740 734
Bad debt written off	53	1 802
Reversal of impairment loss on receivables	(23 040)	(366 546)
Service in-kind revenue	(20 726)	(26 682)
Service in-kind expense	24 145	7 684
Losses incurred	139 559	167 987
Donations received	4 639	4 849
Revenue from transfer of immovable assets	(27 000)	(200 126)
Changes in working capital:		
Receivables from exchange transactions	(1 679 957)	(1 123 106)
Receivables from non-exchange transactions	(805)	(1 049)
Operating lease asset	(256 038)	192 573
Operating lease liability	283 681	(189 060)
Payables from exchange transactions	547 929	7 927
Provisions	(100 816)	(455 655)
Employee benefit obligations	(9 621)	15 142
Retention liabilities	74 155	274 946
Deferred revenue	(2 180 384)	56 035
	<u>3 006 337</u>	<u>2 886 624</u>

Property Management Trading Entity

Notes to the Annual Financial Statements

29. Budget differences

Reconciliation of budget to actual

Net cash flows from operating activities	3 006 337
Net cash flows from investing activities	(2 900 896)
Net cash flows from financing activities	(893)
	<hr/>
	104 548
	<hr/>
Cash deficit	35 549
Surplus for the year	2 451 517
	<hr/>
Basis difference	2 487 066
	<hr/>

The difference between the cash surplus per the Statement of Comparison of Budget and Actual Amounts and the Statements of Financial Performance relates to non-cash movements.

Explanations of material variances between actual amounts and final budgeted

amount Receipts

Accommodation charges - private leases

The variance is attributable to the recurring disputes relating to occupation, the other reason is due to the fact the Department of Defence paid their invoices after year end. PMTE has intensified its recovery management through various actions with specific emphasis on the top six debtors.

Municipal services recovered

Municipal services recovered is relating to the actual recoveries where the PMTE paid municipal services on behalf of clients. It includes recoveries from client departments relating to the water and energy savings programme. The low recovery is attributable to the unpaid Invoices, 90% of the amount is contributed by significant owing Clients Department of Correctional Services/Department of Defence/Department of Justice and South African Police Services. Department of Defence contributes to 48% of total unpaid debt.

Expenditure

Cleaning and gardening

Cleaning and horticultural services are provided to the facilities occupied by PMTE, Justice and Prestige. These services are delivered partially through in-house capability and partially through the use of

Property Management Trading Entity

Notes to the Annual Financial Statements

external service providers. The variances is attributable to the delay in the procurement of new contracts where the existing contracts have expired. The reason for the delay was the extended time it took to obtain the security vetting results.

Repairs

The reasons for underspending on this budget was due to the poor performance by the contractors and the delay and extension of time on some of the projects.

Administrative, goods and services

The underspending on this budget was due to allocation of R50m for updating and correcting of immovable asset register which was not spend. This amount will be spent in the next financial year as part of a R100 million project.

Compensation of Employees

.The under-expenditure on this budget is attributable to the delay in the filling of vacant positions.

Property Management Trading Entity

Notes to the Annual Financial Statements

29. Budget differences

(continued) Machinery and

Equipment

The under-expenditure is attributable to the delay in the procurement of the additional VC facilities Tenders which were advertised but could not be adjudicated before the end of the financial year. Also funding allocated for procurement of laptops throughout all the branches has not been spent due to delays experienced in ICT with the SITA contract.

Capital non-recoverable expenditure (Refurbishment

The reasons for underspending on this budget was due to the poor performance by the contractors and the delay and extension of time on some of the projects.

Capital recoverable expenditure (Client Capital)

The reasons for the underspending was due to the delay in the execution of projects which was caused by poor performance of some of the contractors, delays in appointing new contractors as well as the delays of the extension of time on some of the projects. As the projects are recoverable, the PMTE has to request approval from the client departments before tenders are advertised, when recommended bids are higher than the estimate and every time there is an increase in the cost of the project. Delays in client responses is a major cause of under-expenditure. Clients are expected to sign-off on their available allocations before the start of the financial year, but some Clients only make the allocations available during the first quarter of the financial year. This leads to further delays and under-expenditure as projects cannot be placed on the Procurement Plan before approval of the budget.

Property Management Trading Entity

Notes to the Annual Financial Statements

30. Contingencies

	2020 R'000	2019 R'000
Contingent liabilities		
Municipal services and property rates	77 163	60 544
Legal claims against the PMTE	175 699	156 920
	<u>252 862</u>	<u>217 464</u>

Municipal services and property rates

The DPWI embarked on Phase II Invoice Verification project to verify claims made by local municipalities on arrear municipal debts. The project involved detailed investigation of claim with the local municipalities to ensure only valid claims are settled. For further details refer to note 16.

Legal Claims against the PMTE

The claims against the PMTE arose from property and maintenance disputes with various third parties and/or service providers as well as litigations regarding cancellations of rental leases. The entity's legal advisors are handling the claims on behalf of the PMTE and have assessed the probability of each claim in determining the total amount of the legal contingent liability and that the outflow of economic benefits is possible at the reporting date.

	2020 R'000	2019 R'000
Contingent assets		
Municipal services and property rates	82	82
Legal claims by the PMTE	8	8
Property, plant and equipment	240 526	239 067
	<u>Undefined</u>	<u>Undefined</u>
	<u>241 354</u>	<u>239 895</u>

Municipal services and property rates

The DPWI embarked on Phase II Invoice Verification project to verify claims made by local municipalities on arrear municipal debts. The project involved detailed investigation of claim with the local municipalities to ensure only valid claims are settled. For further details refer to note 16.

Property Management Trading Entity

Notes to the Annual Financial Statements

30. Contingencies (continued)

Legal claims by the PMTE

The claims for the PMTE arose from property and maintenance disputes with various third parties and/or service providers. The entity's legal advisors are handling the claims on behalf of the PMTE and have assessed the probability of each claim in determining the total amount of the legal contingent asset and that the inflow of economic benefits is possible at the reporting date.

Special Investigating Unit recoveries

The Special Investigating Unit (SIU) was tasked to investigate certain leases between PMTE as the lessee and the Landlords with reference to Proclamation R38 of 2010 (which was extended with Proclamation R27 of 2015) as well as Proclamation R59 of 2014. In 2018, PMTE reported contingent assets of R765 million, however these cases did not translate into actual claims it is therefore deemed prudent not to further include these as contingent assets.

The SIU was tasked to investigate certain projects relating to prestige properties, with reference to Proclamation R54 of 2014 and Proclamation R59 of 2013. These matters are either currently preceding in court or summons have been issued for recovery of funds. Any possible recovery is not determinable at this stage.

Property, plant and equipment

There are 79 properties under the custodianship of National Department of Public Works and Infrastructure/ PMTE. The properties could not be reliably measured due to the extent either not being determined through the office of the Surveyor General or the extent being too excessive to apply the valuation method on. PMTE is in the process of validating these extent.

The PMTE is in the process of regularising the ownership of land parcels pertaining to state domestic facilities (SDF) built on land currently registered under a number of other state custodians. Whilst the SDFs have already been recognised, the PMTE estimates that there are 3 286 land parcels (2019: 3 183 land parcels) that will potentially need to be transferred to PMTE. Transfers can only be completed once an arrangement has been concluded with the current custodian and the land has been surveyed, registered or endorsed. The value of these land parcels can furthermore only be reliably determined once it has been surveyed and the revised Surveyor General diagrams have been issued. The PMTE received the deeds register on 30 April 2020 and is in the process of verifying the information. This could result in additional assets that may have to be recognised and/or assets to be transferred to relevant custodians.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
31. Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	88 900	87 199
Fruitless and wasteful expenditure - relating to current year	-	3 254
Fruitless and wasteful expenditure - relating to prior years	61	1 221
Less amounts resolved	-	(5)
Less amounts reversed	(652)	(2 769)
	<u>88 309</u>	<u>88 900</u>

Amounts reversed relate to instances where the determination test revealed that these transactions did not meet the definition of fruitless and wasteful expenditure in accordance with the Fruitless and Wasteful Expenditure Framework.

At the conclusion of the audit process, there were transactions discovered by the audit team as potential fruitless and wasteful expenditure that management still needed to go through the assessment and determination processes to confirm if they meet the definition of fruitless and wasteful expenditure in line with the National Treasury Framework on Fruitless and Wastful Expenditure issued in 2019. These transactions amount to R15 million.

Investigations are also being conducted by the SIU in terms of proclamations R38. of 2010, R.59 of 2014 and R.27 of 2015. Recommendations of the investigation reports are implemented by Management as and when they are received from the SIU and appropriate disclosures are made accordingly.

32. Irregular expenditure

	2020 R'000	2019 R'000
Opening balance	1 739 865	2 334 039
Add: Irregular Expenditure - current year	147 501	2 263
Add: Irregular Expenditure - prior years	188 520	12 528
Less: Current year amounts condoned	(109 756)	(97)
Less: Prior year amounts condoned	(7 401)	(97 985)
Less: Amounts not recoverable (not condoned)	(114 052)	(510 883)
	<u>1 844 677</u>	<u>1 739 865</u>

Analysis of awaiting condonation per age classification

Current year	147 501	2 263
Prior years	<u>1 697 175</u>	<u>1 737</u>
	602	
Total	<u>1 844 676</u>	<u>1 739 865</u>

At the conclusion of the audit process, there were transactions discovered by the audit team as potential irregular expenditure that management still needed to go through the assessment and determination

Property Management Trading Entity

Annual Financial Statements for the year ended 31

March 2020

processes to confirm if they meet the definition of irregular expenditure in line with the National Treasury Framework on Irregular Expenditure issued in 2019. These transactions amount to R1,206 billion. Of these amounts, R1,144 billion relate to leases that had expired and where National Treasury granted approval for their renewal and extension. Where determination tests have been concluded and officials are found liable in law, appropriate actions are taken by management in line with the relevant prescripts and the Policy on Management of Financial Misconduct.

Investigations are also being conducted by the SIU in terms of proclamations R38. of 2010, R.59 of 2014 and R.27 of 2015. Recommendations of the investigation reports are implemented by Management as and when they are received from the SIU and appropriate disclosures are made accordingly.

Total

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
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32. Irregular expenditure (continued)

Details of current year amounts

condoned

Procurement and Contract Management condoned by National Treasury	2020 R'000
	<u>109 756</u>

This transaction resulted in irregular expenditure whereby the Implementing Agent who transacts and conducts business independently from the Trading Entity did not follow necessary procurement processes in terms of Regulation 8 as per the Preferential Procurement Regulations. The Implementing Agent followed the processes as per the Irregular Expenditure Framework and sought condonation from the relevant authority.

Details of irregular expenditure - current year

Appropriate approval not obtained from delegated authority	1 218
Incorrect evaluation performed	192
Incorrect procurement process followed	10 030
Irregular appointment of officials	5 480
Limitation of scope	277
Non-compliance with tax	4 333
Procurement and Contract Management for Designated Sectors	102 012
Tender awarded to incorrect bidder	295
Use of Emergency delegation not justifiable	23 663
	<u>147 500</u>

Included in the amount above is R23,6 million that relates to Beitbridge border project where the emergency delegation was invoked and the investigation found the reasons to utilise the emergency delegation was not justifiable. R102 million relates to expenditure incurred by the implementing agent due to non-application of designated sectors.

Details of irregular expenditure - prior year amounts condoned

Roster Appointments/Consultants	<u>7 401</u>
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The Department had in previous years utilised the Roster System which was found to have contravened National Treasury prescripts on quotations. However, the Department has ceased using this system since April 2014 and all appointments of consultants are done using proper procurement processes.

Details of irregular expenditure not recoverable (not condoned)

Appropriate approval not obtained from delegated authority	255
Incorrect procurement process followed	113 783
Three quotations not obtained	14
	<u>114 052</u>

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

Included in the above is an amount of R113 million that relates to instances that were approved by National Treasury in prior years, and the remaining amount of R1 million was found not to meet the definition of irregular expenditure.

Details of Irregular expenditure - prior year

Appropriate approval not obtained from delegated authority	4 102
Irregular appointment of officials	5 210
Lease: Procurement process not followed	172 682
Tender awarded to incorrect bidder	196
Procurement and Contract Management for Designated Sectors	7 744
Non-compliance with tax	6 503
	<hr/>
	196 437

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
33. Financial instruments disclosure		
Categories of financial instruments		
Financial assets at amortised cost		
Receivables from exchange transactions	3 963 423	3 944 888
Cash and cash equivalents	8 114	6 647
	<u>3 971 537</u>	<u>3 951 535</u>
Financial liabilities at amortised cost		
Bank overdraft	2 580 895	2 683 976
Payables from exchange transactions	4 506 776	4 000 136
Retention liabilities	342 357	407 977
Finance lease obligation	5 492	5 286
	<u>7 435 520</u>	<u>7 097 375</u>

34. Risk management

Financial risk management

The entity's activities are exposed to a variety of financial risks which includes market risk (including interest rate risk), credit risk and liquidity risk.

The Director-General, as the Accounting Officer, is responsible for strategic risk management. The Audit Committee provides oversight over the risk management. The PMTE has a risk management strategy that has been developed in terms of the Treasury Regulation 3.2. The purpose of the PMTE risk management strategy is to identify the risks and ensure that the overall risk profile remains at acceptable levels. The risk management strategy provides reasonable, but not absolute, assurance that risks are being adequately managed.

The PMTE risk policy sets out the minimum standards of risk management to be adopted and adhered to by all the units within the PMTE. The risk policy is established to identify and analyse the risks faced by the PMTE, to set appropriate risk tolerance levels and controls and to monitor risks and adherence these tolerance levels. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the PMTE activities. The risk management policy contains processes for identifying both the impact and likelihood of such a risk occurring. Risks that have been identified as having a potentially severe impact on the PMTE are regarded as unacceptable and where possible will be avoided. Financial risk is not considered significant with the exception of the overdraft.

Responsibility for adherence to the PMTE risk management strategy rests with the management. Internal Audit provides reviews of management's compliance to the risk management processes within the PMTE. Internal Audit reports to management and the Audit Committee on a regular basis.

Property Management Trading Entity

Notes to the Annual Financial Statements

34. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the PMTE is not able to settle its obligations. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

For operating lease liabilities and finance lease liabilities, the maturity analysis is disclosed in note 5 and note 14 respectively. Operating lease payments for vehicles increases annually based on CPIX. All payments are due within 30 days except tender deposits and retentions which are due when the related contracts expire. These tender deposits are considered immaterial in managing the cash flows of the PMTE and have been excluded from the maturity analysis below

2020	Note	1 month R'000	2-12 months R'000	2 years R'000	3 years R'000	> 3 years R'000	Total R'000
Bank overdraft	6	2 580 895	-	-	-	-	2 580 895
Accrued expenses - Assets	12	479 136	-	-	-	-	479 136
Accrued expenses - Cleaning and gardening	12	17 788	-	-	-	-	17 788
Accrued expenses - Leases	12	1 118 664	-	-	-	-	1 118 664
Accrued expenses - Maintenance	12	330 398	-	-	-	-	330 398
Accrued expenses - Municipal services	12	1 835 408	-	-	-	-	1 835 408
Accrued expenses - Other	12	43 575	-	-	-	-	43 575
Accrued expenses - Property rates	12	408 046	-	-	-	-	408 046
Accrued expenses - Scheduled maintenance	12	259 223	-	-	-	-	259 223
Accrued expenses - Security	12	10 226	-	-	-	-	10 226
Revenue claimed in advance	12	643 518	-	-	-	-	643 518
Leases							
Trade payables	12	436	-	-	-	-	436
Retention liabilities	13	271 885	48 927	16 250	5 295	-	342 357
Capital commitments - Projects		1 821 889	2 626 062	1 354 183	697 001	207 520	6 706 655
Operating maintenance commitments - Projects		403 669	1 212 071	557 054	360 430	162 578	2 695 802
Agency commitments - Projects		83	70 115	14 286	1 958	-	169
		478					837
		10 308	3 957 175	1 941 773	1 064	370 098	17 641
		234			684		964
2019	Note	1 month R'000	2-12 months R'000	2 years R'000	3 years R'000	> 3 years R'000	Total R'000
Bank overdraft	6	2 683 976	-	-	-	-	2 683 976

Property Management Trading Entity

Notes to the Annual Financial Statements

Accrued expenses - Assets	12	494 078	-	-	-	-	494 078
Accrued expenses - Cleaning and gardening	12	20 705	-	-	-	-	20 705
Accrued expenses - Leases	12	946 669	-	-	-	-	946 669
Accrued expenses - Maintenance	12	317 467	-	-	-	-	317 467
Accrued expenses - Municipal services	12	1 762 850	-	-	-	-	1 762 850
Accrued expenses - Other	12	42 106	-	-	-	-	42 106
Accrued expenses - Property rates	12	199 305	-	-	-	-	199 305
Accrued expenses - Scheduled maintenance	12	202 103	-	-	-	-	202 103
Accrued expenses - Security	12	10 321	-	-	-	-	10 321
Revenue claimed in advance	12	505 784	-	-	-	-	505 784
leases							
Trade payables	12	2 650	-	-	-	-	2 650
Retention liabilities	13	309 397	83 983	14 104	-	493	407 977
Capital commitments - Projects		3 127 522	2 152 977	1 356 477	761 491	739 213	8 137 680
Operating maintenance commitments - Projects		1 986 410	358 364	188 029	54 813	13 750	2 601 366
Agency commitments - Projects		175	122 619	124 139	72 013	64 009	558
Agency commitments - Projects		875					655
		12 787 218	2 717 943	1 682 749	888 317	817 465	18 893 692

Property Management Trading Entity

Notes to the Annual Financial Statements

34. Risk management (continued)

For further commitment disclosure for operating leases, refer to note 5.

The PMTE's policy is not to enter into capital and/or lease commitments without ensuring commitment from the client departments to settle its obligations.

The liquidity maturity analysis represents the contractual cash flows and has not been discounted.

Credit risk

Credit risk is the risk of financial loss to the PMTE if a client department or counterparty defaults on its contractual obligations to the PMTE. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

The PMTE may have financial assets arising out of transactions with suppliers due to overpayments and non-delivery. The PMTE manages this risk by requiring retentions and or guarantees before contract work commences.

The credit risk of financial assets arising out of lease contracts as it relates to transactions with other government departments and institutions is actively managed where there are disagreements about inter-governmental debt.

The PMTE first engages with the respective client to resolve the issue and if required involves National Treasury to mediate the situation. These various government institutions have no independent credit ratings.

Outstanding debt is assessed for impairment and amounts are not written off unless the authorised process is followed. However, as a result of client departments' inability to accumulate savings to settle debt, a considerable amount of time may expire before the amount is collected.

The PMTE is also exposed to additional credit risk as a result of the transfer of functions as it now also collects monies from the private sector for leases. The extent of these are not considered to be material.

The PMTE makes provision for this in the impairment calculation by discounting the expected future cash flows taking into account the expected period of payment.

The PMTE does not enter into additional leases with any client departments without first assessing the current outstanding debt of the client department.

Amounts that are neither past due nor impaired are considered to be recoverable as it relates to the current invoices not outstanding later than 30 days.

Property Management Trading Entity

Notes to the Annual Financial Statements

The nature of the PMTE's exposure to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior period.

Property Management Trading Entity

Notes to the Annual Financial Statements

34. Risk management (continued)

Financial and statutory assets exposed to credit risk at year end were as follows:

2020	2019
R'000	R'000
8 114	6 647

,

Cash and cash equivalents	645 619	389 581
Operating lease asset	3 963 423	3 944 888
Receivables from exchange transactions	109	252
Receivables from non-exchange transactions		
	<u>4 617 265</u>	<u>4 341 368</u>

The carrying values of the above financial assets are net of any impairments and approximate their fair value.

None of the amounts disclosed above have been pledged as security or collateral for liabilities or contingent liabilities.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The PMTE is exposed to limited interest rate risk from cash balances as it sweeps transactions through commercial accounts to the Reserve Bank account.

Property Management Trading Entity

Notes to the Annual Financial Statements

The PMTE is exposed to changes in the interest rate applicable to debt owed to the state. Other changes in interest rates are considered insignificant. National Treasury determines this rate and manages the risk on behalf of National Government.

35. Related parties

The PMTE performs property management services for the state owned and leasehold immovable assets occupied by National Departments and their related parties, and recognises and recovers accommodation charges from them.

The PMTE is exempt from disclosure of related party transactions provided that the services are received/delivered within normal supplier/client relationships, on terms and conditions that is no more nor less favourable than those that would have reasonably be expected to be adopted if dealing with that entity/person in the same circumstances. The extent of those transactions delivered in accordance with the PMTE legal mandate and that meets the exemption criteria, is included in note 17 (accommodation charges - leasehold inter-governmental and management fees on municipal services).

The PMTE operates within the administration of the DPWI and as such all contracts are entered into in the name of the DPWI. The liabilities and obligations arising from these transactions are accounted for by the PMTE if it relates to the PMTE operating activities as these liabilities will be settled using the PMTE funds and resources. As such, these transactions are not considered related party transactions.

Property Management Trading Entity

Notes to the Annual Financial Statements

35. Related parties (continued)

Other overhead costs include the sharing of corporate services between the DPW and the PMTE. Due to the nature of these transactions and the operational structures between the PMTE and the DPW, the value of these shared costs cannot be reliably measured. These costs, paid by the DPW on behalf of the PMTE and not recovered, include the following corporate shared services:

- Supply Chain Management (SCM) for head office
- Internal Audit
- Human Resources (Human Resource Management and Human Resource and Organisational Development)
- Gender, people with disabilities, youth and children
- Marketing and Communication
- Information Services
- Legal Services
- Security Management
- International relations and Strategic Management Unit
- Office of the Ministry, Office of the Director General and Office of the Chief Financial Officer
- Monitoring and Evaluation
- Labour Relations

In addition, the DPW and the PMTE share the service cost of certain special interventions entered into in support of the turn around strategy. These cannot be reliably separated. The PMTE receives an augmentation of funds from National Treasury via the DPW to fund its operations.

The PMTE recognises accommodation revenue on state owned buildings based on the amount budgeted by client departments. The level of service delivery relating to this accommodation charge is not linked to the value received, it is likely that some clients may benefit to the disadvantage of others. It is not possible to identify the extent of benefit or disadvantage received. The full amount of the revenue transaction is disclosed in note 17. The related receivables (accommodation debtors - freehold inter-governmental) is disclosed in note 3.

Revenue from exchange transactions:

Accommodation charges - freehold	152 880	133 815
intergovernmental		
Agriculture, Forestry and Fisheries	104 534	53 435
Arts and Culture	1 242 899	1 163 061
Correctional Services	1 129 542	1 075 754
Defence and Military Veterans	-	1 113
Higher Education	30 852	26 828
Environmental Affairs	1 232	21 446
Health	73 613	64 013
Home Affairs	781	679
Human Settlement	439	418
Independent Police Investigative Directorate	732	307
International Relations and Cooperation	418 246	397 474
Justice and Constitutional Development	72 866	69 133
Labour	42 179	36 678
Rural Development and Land Reform	4 027	3 821
Mineral Resources	42 712	40 524
National Treasury - SARS	7 604	6 613
Public Works		

Property Management Trading Entity

Notes to the Annual Financial Statements

SA Police Services	1 397 874	1 331 309
Social Development	834	725
Statistics South Africa	-	1
Trade and Industry	10	4
Water and Sanitation	204 519	177 842
	<u>4 928 375</u>	<u>4 604 993</u>
Revenue from non-exchange transactions		
Public Works and Infrastructure - Augmentation	4 315 736	4 009 490
Public Works and Infrastructure - Goods and service in-kind	20 726	26 682

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

	2020 R'000	2019 R'000
35. Related parties (continued)	4 336 462	4 036 172

The PMTE receives free services from the DPWI. Overhead costs that can be measured reliably and have been included in revenue from non-exchange transactions as services in-kind. These costs are not recovered by the DPWI.

Gross receivables from exchange transactions:

Accommodation charges - freehold	77 375	100 987
intergovernmental		
Agriculture, Forestry and Fisheries	26 292	-
Arts and culture	244 824	757 239
Correctional Services	19 020	21 446
Health	8 297	7 565
International Relations and Cooperation	834	-
Social development	899	1
Justice and Correctional Services	-	40 524
National Treasury - SARS	1	1
Rural Development	-	19
Statistics South Africa	117	107
Trade and Industry		
	377 659	927 889

Impairment relating to exchange transactions:

Accommodation charges - freehold		
intergovernmental		
Agriculture, Forestry and Fisheries	2 861	708
Arts and culture	172	-
Correctional Services	168 058	159 007
Health	17 999	2 065
International Relations and Cooperation	7 573	7 282
Justice and Constitutional Development	11	1
National Treasury - SARS	-	136
Rural Development and Land Reform	1	1
Social development	10	-
Statistics South Africa	-	19
Trade and Industry	107	107
	196 792	169 326

The below table shows the total outstanding debt per client department as well as the cumulative impairment recognised. The "Gross receivables from exchange transactions: Accommodation charges - freehold intergovernmental" above is included in the below receivables:

2020	Gross receivable				Impairment provision			
Client	Freehold	Leasehold	Municipal	Total	Freehold	Leasehold	Municipal	Total
department	Intergovernmental	Intergovernmental	al		Intergovernmental	Intergovernmental	al	

Property Management Trading Entity

Annual Financial Statements for the year ended 31

March 2020

nt	mental	ment al	Services		mental	ment al	Services	
Agriculture	84 701	87 916	114 516	287 133	2 884	13 851	91 284	108 019
'Agriculture	-	-	711	711	-	-	355	355
Arts and	155 703	3 517	51 288	210 509	23 931	3 263	31 263	58 457
Cult								
Basic	43 759	-	-	43 759	40 044	-	-	40 044
Educat								
Centre fo	-	-139	1	-137	-	-	-	-
Pu								
Companies	-	129	-5	124	-	3	-	3
A								
Cooperativ	-	38	3 621	3 659	-	1	1 371	1 372
e								
Correction	285 632	6 035	958 453	1 250 120	168 919	125	869 653	1 038 697
al								
Defence	421 005	188 433	1 731 091	2 340 530	19 014	1 025	1 539 469	1 559 508
Energy	-	19 713	-9	19 704	-	8 507	-	8 507
Environme	4 176	30 552	28 015	62 743	4 167	21 312	26 003	51 482
nt								
Gender	-	151	1 407	1 558	-	3	1 116	1 119
Equa								
Governme	-	-	-	-	-	-	-	-
nt								

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

						2020 R'000	2019 R'000
35. Related parties (continued)							
Film and Pub	-	-9	476	467	-	-	179
Financial And	-	8 223	3 463	11 686	-	7 285	3 133
Govt Commu	-	2 539	394	2 932	-	764	210
Government	65	9	1 750	1 823	2	-	658
Health	47 931	-558	21 121	68 493	19 031	-	17 240
Higher Educa	-	-4 705	3 333	-1 372	-	-	2 444
Home Affairs	87 763	-24 664	-1 504	61 596	296	-	296
Human Settle	-	51 413	-734	50 679	-	50 407	50 407
Human Right	-	151	110	261	-	3	69
Ind Police Inv	-	129 596	1 073	130 669	-	95 790	656
International	78 002	15 313	5 903	99 218	71 363	13 949	5 189
Justice & Co	-	-733	-	-733	-	-	-
Justice & Co	45 002	-35 462	225 780	235 320	593	-	168 254
Labour	232	-20 930	-2 219	-22 917	1	-	-
Military	111	1 228	464	1 802	109	25	174
Veter	-	-	-	-	-	-	-
Mineral Res	-	2 913	9 045	11 958	-	60	8 511
National Pros	1 521	5 211	1 536	8 267	1 392	4 125	1 003
National Sch	-	-4 013	676	-3 337	-	-	473
National Trea	-	138 289	36 335	174 625	-	118 837	33 995
Office of the	77	24	272	373	70	1	148
Office Of The	-	1 402	293	1 695	-	1 402	283
Parliament	961	1 761	-	2 723	880	1 346	-
Planning,Mo	-	-264	-	-264	-	-	-
Public Enterp	-	-2	209	209	-	-2	138
Public Servic	5 660	5 513	263	11 436	4 237	5 513	182
Public Works	-2	-1 729	2 475	746	-	-	931
Rural Develo	533	-9 903	18 743	9 374	2	-	9 670
Sa Social Se	1 026	5 904	-	6 930	185	122	-
Sa Social Se	-	-	155	155	-	-	84
Sa Social Se	-	-	972	972	-	-	576
Sa Social Se	-	-12	264	264	-	-	99
Sa Social Se	-	-4	874	874	-	-	329
Sa Social Se	-	-11	60	60	-	-	22
Sa Social Se	-	-12	1 229	1 229	-	-	865
Sa Social Se	-	-10	730	730	-	-	702
SASSA- Pret	-	-	577	577	-	-	366
SASSA- Umt	-	-	2 996	2 996	-	-	2 773
SASSA-Port	-	-	1 151	1 151	-	-	433
SASSA-Mma	-	-	22	22	-	-	8
Science And	-	6 677	160	6 837	-	6 677	155
Small Busine	-	1 067	219	1 286	-	1 067	216
Social Devel	72	-3 792	898	-2 822	66	-	456
South African	-	-	8 075	8 075	-	-	6 577
South African	40 672	-53 747	357 321	344 246	4 488	-	217 321
Sport And Re	2 704	25 639	4 452	32 795	2 474	17 196	3 699
SITA	-	-	22 512	22 512	-	-	20 903
Statistics SA	61	55 145	9 625	64 832	61	55 145	7 720
Telecommun	-	4 448	2 963	7 411	-	92	2 268
Tourism	-	5 637	96	5 732	-	116	37
Trade And In	117	-39	1 499	1 577	107	-	1 389
Transport	-	67 812	1 354	69 166	-	41 795	834
Water And S	-	-20 173	4 615	-15 558	-	-	2 333
Women	-	7 590	125	7 715	-	3 152	47
DIE AFRIKA	-	-26	-	-26	-	-	-
IZIKO MUSE	-	179	-	179	-	4	-
NATIONAL L	-	-874	-	-874	-	-	-
NATIONAL M	-	358	-	358	-	7	-

Property Management Trading Entity

Annual Financial Statements for the year ended 31

March 2020	-	-	-	-	-	-	-	-
PAN SOUTH	-	95	-	95	-	2	-	2
ROBBEN ISL	-							

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

							2020 R'000	2019 R'000
35. Related parties (continued)								
ROBBEN ISL	-	91	-	91	-	2	-	2
Totals	1 307 487	698 952	3 641 292	5 647 731	364 317	472 974	3 084 264	3 921 555

Mar 2019

Client department	Gross receivable				Total	Impairment			
	Freehold	Leasehold	Municipal			Freehold	Leasehold	Municipal	Total
	Intergovernmental	Intergovernmental	Services			Intergovernmental	Intergovernmental	Services	
Agriculture	100 987	18 322	80 596	199 905	708	8 485	57 849		67 042
Agriculture	-	-	747	747	-	-	141		141
Arts and Culture	76 545	6 405	31 194	114 144	14 527	375	12 333		27 235
Basic Education	39 899	-	-	39 899	25 082	-	-		25 082
Centre for Public Companies	-	720	35	755	-	476	-		476
Cooperatives	-	(21)	(5)	(26)	-	-	-		-
Correctional	-	(3 069)	1 693	(1 376)	-	-	23		23
Defence	791 202	(10 663)	603 790	1 384 329	160 069	24	507 777		667 870
Energy	198 768	(237 241)	1 244 894	1 206 421	4 976	-	860 936		865 912
Environment	-	11 398	(366)	11 032	-	7 403	-		7 403
Gender Equality	4 167	21 117	24 790	50 074	4 163	19 258	24 310		47 731
Government	-	-	656	656	-	-	656		656
Government	14	-	-	14	-	-	-		-
Film and Publications	-	(609)	46	(563)	-	-	-		-
Financial And Govt	-	7 265	3 273	10 538	-	6 736	3 273		10 009
Communit	-	726	315	1 041	-	688	11		699
Health	-	25	316	341	-	2	-		2
Higher Education	21 447	(629)	23 457	44 275	2 065	-	18 415		20 480
Home Affairs	-	(4 705)	3 179	(1 526)	-	-	1 914		1 914
Human Settlement	118	(22 597)	(906)	(23 385)	38	3 987	-		4 025
Human Rights	-	45 872	(336)	45 536	-	47 200	-		47 200
Ind Police	-	-	98	98	-	-	24		24
Inv	-	107 569	1 105	108 674	-	103 367	406		103 773
International	71 123	13 920	5 904	90 947	68 463	17 871	4 799		91 133

Property Management Trading Entity

Annual Financial Statements for the year ended 31

March 2020	-	(2 389)	-	(2 389)	-	-	-	-
Justice & Co	37 831	(27 830)	135 001	145 002	557	5 666	100 064	106 287
Labour	2 642	(21 280)	(740)	(19 378)	25	-	939	964
Military	102	149	236	487	102	134	2	238
Veter	-	2 834	8 357	11 191	-	521	8 188	8 709
Mineral Res	1 387	5 081	1 324	7 792	1 335	4 012	694	6 041
National Pros	-	109	1 898	2 007	-	186	1 898	2 084
National Sch	-	114 518	36 729	151 247	-	107 167	32 650	139 817
Trea	70	(537)	97	(370)	68	-	73	141
Office of the	-	1 595	277	1 872	-	2 769	277	3 046
Office Of The	877	1 392	-	2 269	844	1 272	-	2 116
Parliament	-	(560)	-	(560)	-	-	-	-
Planning, Mo	-	2 236	675	2 911	-	1 979	274	2 253
Public Enterp	4 220	5 656	1 086	10 962	4 220	6 213	143	10 576
Public Servic	-	(1 727)	759	(968)	-	-	-	-
Public Works	12 067	(4 162)	9 641	17 546	18	-	6 024	6 042
Rural Develo	190	14 998	6 686	21 874	183	10 626	4 618	15 427
Sa Social Se	-	6 677	151	6 828	-	1 947	150	2 097
Science And	-	1 067	214	1 281	-	1 067	214	1 281
Small Busine	-	(455)	559	104	63	-	192	255
Social Devel	40 590	-	7 993	48 583	136	-	5 772	5 908
South African	75 185	(58 272)	256 440	273 353	4 358	-	144 750	149 108
South African	-	19 827	4 156	23 983	2 373	14 556	3 270	20 199
Sport And Re	2 465	-	47 841	50 306	-	-	3 285	3 285
SITA	79	77 871	7 665	85 615	77	71 551	5 457	77 085
Statistics SA								

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2020

						2020 R'000	2019 R'000
35. Related parties (continued)							
Telecommu n	-	(6 352)	1 849	(4 503)	-	-	1 849
Tourism	-	1 116	316	1 432	-	349	8
Trade And In	107	(962)	1 386	531	107	-	1 296
Transport	-	41 750	864	42 614	-	29 256	523
Water And S	233	-	4 273	4 506	-	-	988
Women	-	3 559	119	3 678	-	3 921	-
Totals	1 482 315	129 714	2 560 327	4 172 356	294 557	479 064	1 816 465
							2 590 086

The PMTE incurs costs relating to cleaning and gardening services for leasehold properties occupied by certain client departments. Figures reflected in the tables below reflect the related party transactions applicable per client department. These costs are not recovered from client departments, and therefore considered a free service to them. The related party accruals disclosed below are unsecured and are expected to be settled within the normal course of business.

Expenditure		
Arts and Culture	8 583	11 520
Justice and Constitutional Development	223 414	192 135
	<u>231 997</u>	<u>203 655</u>

Accruals raised		
Arts and Culture	79	1 630
Defence and Military Veterans	35	14
International Relations and Cooperation	-	10
Justice and Constitutional Development	12 534	13 493
The Presidency	3 018	3 252
Tourism	83	-
Water and sanitation	117	-
	<u>15 866</u>	<u>18 399</u>

Property Management Trading Entity

Annual Financial Statements for the year ended 31

March 2020

35. Related parties (continued)

2020 Remuneration of management	Official	Basic salary	Non- pensionable salary	Structured service bonus	Post- employment benefits	Other short- term employee benefits	Total
Employees: Regional Managers Bloemfontein	TP Zulu	876	18	73	114	304	1 385
Cape Town (Acting)	N Kani	694	314	58	90	99	1 255
Durban	NN Vilakazi	751	340	63	98	-	1 252
Johannesburg	JM Monare	833	215	69	108	182	1 407
Kimberley	R Baulackey	876	121	73	114	115	1 299
Mmabatho	R Matlala	785	249	65	102	119	1 320
Nelspruit	PT Mashiane	846	354	-	110	249	1 559
Polokwane	M Ntshani	958	111	80	124	241	1 514
Port Elizabeth	JG Van Der Walt	898	459	-	117	55	1 529
Pretoria	TB Phiri	751	236	-	98	178	1 263
Mthatha (Acting)	MS Mabandla	693	185	-	90	77	1 045
Employees: Other Officials							
Chief Director: Construction Management Inland	W Hlabangwane	898	377	75	117	87	1 554
Chief Director: Financial Planning	J Prinsloo	844	361	70	110	22	1 407
Acting Chief Director: State Owned	GS Ncoane	740	97	62	96	97	1 092
Exco Members: Head of units							
Head of PMTE (Acting)	PJ Maroga	900	386	-	-	311	1 597
Construction Project Management	B Mokhothu	1 200	358	-	156	18	1 732
Small Harbours	MS Thobakgale	1 065	456	-	-	303	1 824
Real Estate Investment Registry Services	BS Matthews	949	406	-	-	84	1 439
Supply Chain Management (Acting)	R Naidoo	930	200	77	121	186	1 514
Exco Members: Deputy Director General:							
Real Estate Management Services (Acting)	M Govender	799	172	148	104	111	1 334
Real Estate Investment Services	S Subban	1 065	158	89	138	85	1 535
Real Estate Management Services (Acting)	SMM Mabinja	188	71	-	-	50	309

Property Management Trading Entity

Annual Financial Statements for the year ended 31

March 2020							
Facilities Management	NC Makhubele	1 065	143	89	138	101	1 536
Technical Finance Expert	B Van Der Merwe	799	342	-	-	41	1 182
Operational and Financial Sustainability Program	GB Mokgoro	799	342	-	-	111	1 252

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

35. Related parties (continued)

21 202 135	6 471	1 091	2 145	3 226	34
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The remuneration disclosed above is for the period that the employee was occupying the role of management as indicated. Other short term benefits comprise of housing allowance, travel allowance and bargaining council contributions.

Post employment benefits comprises of pension fund and medical aid contributions to a defined

contribution plan. The following movements occurred in key management positions during

2019/20:

- Ms. B. Van der Merwe's contract as a DDG: Technical Finance Expert ended on 31 December 2019.
- Mr. G.B. Mokgoro's contract as a DDG: Operational and Financial Sustainability programme ended on 31 December 2019.
- Mr. P. J. Maroga's contract as acting Head of PMTE ended on 31 December 2019.
- Mr. M. Mabinja was appointed as acting DDG: Real Estate Management Services from January 2020.
- Mr. M. Govender's contract with PMTE ended on 31 March 2020.
- Ms. BS Matthew's contract with PMTE ended during January 2020.

The following employees were not remunerated by the PMTE, however they play a key role in management decision making:

- Mr. M Sithole was appointed as Chief Financial Officer on 01 April 2019. The position of CFO is on the structure of the DPWI Main Vote.
 - Mr. A. Dakela was appointed DDG PMO from 04 June 2019. He is seconded from another Government institution.
-

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

35. Related parties (continued)

2019 Remuneration of management	Official	Basic salary	Non- pensionable salary	Structured service bonus	Post- employment benefits	Other short- term employee benefits	Total
Employees: Regional Managers							
Bloemfontein	TP Zulu	833	19	45	108	287	1 292
Cape Town (Acting)	N Kani	659	299	54	86	122	1 220
Durban	NN Vilakazi	714	323	59	93	-	1 189
Johannesburg	JM Monare	792	196	66	103	186	1 343
Kimberley	R Baulackey	847	114	69	110	135	1 275
Mmabatho	R Matlala	746	231	62	97	111	1 247
Nelspruit	PT Mashiane	804	385	-	105	153	1 447
Polokwane	M Ntshani	910	101	76	118	205	1 410
Port Elizabeth	JG Van Der Walt	853	435	-	111	66	1 465
Pretoria	TB Phiri	714	288	64	93	54	1 213
Mthatha (Acting)	MS Mabandla	651	173	-	85	88	997
Employees: Other Officials							
Chief Director: Construction Management Inland	W Hlabangwane	853	356	71	111	87	1 478
Chief Director: Financial Planning	J Prinsloo	797	338	67	104	30	1 336
Acting Chief Director: State Owned	GS Ncoane	704	89	59	91	253	1 196
Exco Members: Head of units							
Head of PMTE (Acting)	PJ Maroga	1 141	489	-	-	238	1 868
Finance (Acting)	MR Sithole	828	163	-	108	294	1 393
Construction Project Management	B Mokhothu	1 141	341	-	148	33	1 663
Small Harbours	MS Thobakgale	1 012	434	-	-	105	1 551
Real Estate Investment Registry Services	BS Matthews	1 141	489	-	-	13	1 643

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Supply Chain Management (Acting)	R Naidoo	884	190	74	115	150	1 413
Exco Members: Deputy Director General: Real Estate Management Services (Acting)	M Govender	1 012	218	84	132	-	1 446

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

35. Related parties (continued)

Real Estate Investment Services	S Subban	1 012	147	84	132	84	1 459
Project Management Office (Acting)	PF Chiapasco	938	194	78	122	255	1 587
Facilities Management (Acting)	NC Makhubele	1 012	131	81	132	100	1 456
Operational and financial sustainability programme	GB Mokgoro	1 829	138	-	-	-	1 967
Technical Finance Expert	B Van Der Merwe	1 012	434	-	-	8	1 454
		-	23 839	6 715	1 093	2 304	37 008

The remuneration disclosed above is for the period that the employee was occupying the role of management as indicated. Other short term benefits comprise of housing allowance, travel allowance and bargaining council contributions.

Post-employment benefits comprises of pension fund and medical aid contributions to a defined contribution plan. The following movements occurred in key management positions during 2018/19:

- Mr M Sithole was appointed as Acting Head of Finance (PMTE) at the beginning of May 2018.
 - Mr R Naidoo was appointed as Acting Head of SCM since 1 May 2018.
 - Ms N Makhubele moved from DDG: REMS to Act DDG Facilities Management on 1 June 2018.
 - Mr PF Chiapasco moved from Act DDG: Facilities Management to Act DDG PMO on 1 June 2018. The position of the CFO is on the structure of DPWI
- Main Vote:
- Ms R Sadiki resigned as Chief Financial Officer at the end of April 2018.

36. Events after the reporting date

Implications of COVID-19 on the Annual Financial Statements

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

In terms of the regulations and as confirmed by the Minister in the media release on 29 May 2020, the DPWI's role is to identify and make quarantine sites available to the Department of Health. In addition, the DPWI has also reprioritised budget allocations for the provision of cleaning services, personal protective equipment, and contactless facilitation in the workplace, information and communication technology infrastructure as well as immovable asset infrastructure. At the time of signature of this report the rand value of the reprioritised budget allocated to Covid-19 relates goods and services amounted to R636 million for the 2020/2021 financial year.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

37. Prior period errors

Material differences relating to prior years and the prior year financial statements will only be restated at year end.

Statement of financial position

	Restated 2019 R'000
Decrease in receivables from exchange transactions 824)	(281
Decrease in property, plant and equipment 854)	(8 322
Increase in Heritage assets	2 894 609
Increase in Investment property	1 098 919
Increase in payables from exchange transaction 139)	(1 113
Increase in deferred revenue 546)	(80
Decrease in Provisions	1 087 468
Decrease in net assets 367)	<u>(4 717</u>

Statement of Financial Performance

Increase in revenue from exchange transactions	1 285
Increase in revenue from non-exchange transactions	4 849
Decrease in Property rates	57 451
Increase in loss on transfer/disposal 239)	(52
Decrease in depreciation, amortisation and impairment	248 534
Increase in sundry operating expenses	(2)
Decrease in impairment loss on receivables	15 406
Increase in profit	<u>275 284</u>

Decrease in opening accumulated surplus	(4 992
	651)
	<u>(4 717 367)</u>

Management identified errors in the asset registers and its calculations. Management reassessed the GRAP classification of projects to ensure that all projects were linked to the correct buildings and appropriately classified per classes. Extents and the components of the properties were verified and corrected. Management revisited the methods of determining the deemed costs for assets which were transferred effective 1 April 2013. Additional information arose which resulted in additions to assets under construction. The correction of the assets also affected the depreciation, impairment, amortisation, deferred revenue, revenue from accommodation charges and donation revenue.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Management assessed the applicability of iGRAP 19 and determined that its previous disclosure in respect of liabilities to pay levies was incorrect. Management corrected the prior period disclosure to account for this incorrect interpretation. The restatement affects the Prepaid Expenditure account, the property rate expenditure and the property rates accruals disclosure.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

38. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Although the PMTE has a bank overdraft of R2,6 billion (March 2019: R2,7 billion) and the current liabilities exceed the current assets by R9.0 billion (March 2019: R11,2 billion), management maintains their assertion that the PMTE is able to continue on a going concern basis into the foreseeable future. Current liabilities includes Deferred Revenue as disclosed in note 11 of R5.7 billion (March 2019: R7,9 billion) and other non-financial instruments of R906 million (March 2019: R877 million) (note 12) that will be settled in services rather than cash. Management applies the accounting principles of conservatism and prudence when accounting for its liabilities. The PMTE operates under the control and support of the National Department of Public Works and Infrastructure ("DPWI"). National Treasury has been informed of the PMTE's position accordingly. Management is embarking on a revenue generating drive and has reinforced its efforts in collection of all outstanding debts. The main reason for the increase in the bank overdraft was due to the increase in the amounts owed by client departments. Management has engaged in robust discussions with the relevant departments and National Treasury to resolve the issues around non-payment and to ensure payment is received on outstanding amounts. Subsequent to reporting date R1.2 billion was received relating to these outstanding debts. Refer to note 35 for more detail relating to outstanding debt owed by client departments.

ANNEXURE A – Entity wide disclosure

31-Mar-20	Head Office	Bloemfontein	Cape Town	Durban	Johannesburg	Kimberley	Mmabatho	Nelspruit	Polokwane	Port Elizabeth	Pretoria	Umtata	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Expenditure													
Interest expense	81 751	109	109	170	124	107	109	111	107	157	1 388	829	85 072
Employee costs	387 920	106 788	219 165	195 713	144 102	68 578	80 704	79 378	108 319	114 172	240 257	76 264	1 821 360
Depreciation and Arnotisation	2 427 456	1 466	2 124	1 728	1 728	899	576	1 193	902	1 066	2 225	797	2 442 161
Receivables Impairment	1 432 423	1 022	5 532	1 176	863	3 528	613	128	(265)	815	9 933	313	1 456 081
Operating leases	2 033 244	89 761	302 685	292 436	278 504	68 410	108 980	137 686	141 249	209 672	1 474 974	51 889	5 189 491
Property maintenance (contracted services)	(395 558)	49 509	817 103	424 907	445 617	52 477	114 420	56 761	138 420	218 639	784 565	169 582	2 876 443
Property Rates	15 589	63 537	231 992	208 621	132 171	82 687	65 422	54 739	45 279	120 872	160 657	27 862	1 209 428
Loss on disposal	121 931	-	56	8	92	155	-	-	18	1	-	-	122 261
Sundry operating expenses	482 580	44 283	149 179	66 625	80 648	43 968	39 576	39 005	41 473	47 074	378 393	34 822	1 447 626
Construction expenses	204 126	212	5 475	-	-	-	-	-	-	-	54 782	-	264 596
Total segment expenditure	6 791 463	356 688	1 733 420	1 191 384	1 083 850	320 809	410 402	369 002	475 502	712 468	3 107 175	362 357	16 914 520

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Physical address

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