

2020/21 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 and Infrastructure for the period
1 April 2020 to 31 March 2021

Mr. Imtiaz Fazel
Director-General (Acting)
30th September 2021

Table of Contents

i. List of Abbreviations	4
CHAPTER 1: GENERAL INFORMATION	7
1.1 Foreword by the Minister	8
1.2 Report by the Accounting Officer	9
1.2.1 Overview	9
1.3 Overview of Financial Results	22
CHAPTER 2: PERFORMANCE INFORMATION	40
2.1 Overview of Departmental Performance	41
2.2 key policy developments and legislative changes	43
CHAPTER 3: GOVERNANCE	101
CHAPTER 4: HUMAN RESOURCE MANAGEMENT	115
A. Human Resource Information: Main Vote.....	115
B. Human Resource Information: PMTE	135
CHAPTER 5: FINANCIAL INFORMATION	153

i. **List of Abbreviations**

FULL DESCRIPTION	ACRONYM	FULL DESCRIPTION	ACRONYM
Accounting Standards Board	ASB	Information Technology Acquisition	ITAC
Adult Basic Education and Training	ABET	Information Technology Procurement	ITP
Annual Financial Statement	AFS	Infrastructure Development Act, No 23 of 2014, as amended	IDA
Agrément South Africa	ASA	Infrastructure South Africa	ISA
Annual Performance Plan	APP	Land Redistribution Agricultural Development	LRAD
Assets under construction	AUC	Logistical Information System	LOGIS
Business Intelligence	BI	Memorandum of Understanding	MOU's
Built Environment Professionals	BEP	Medium Term Budget Policy Statement	MTBPS
Border Control Operating Coordinating Committee	BCOCC	Medium Term Expenditure Framework	MTEF
Asset Register Management	ARM	Medium Term Strategic Framework	MTSF
Basic Accounting System	BAS	Middle Management Services	MMS
Black Economic Empowerment	BEE	Millennium Development Goals	MDGs
Broad-Based Black Economic Empowerment	BBBEE	Municipal Infrastructure Grant	MIG
Built Environment Professions	BEPs	Management Information System	MIS
Business Continuity Plan	BCP	Non-Governmental Organisations	NGOs
Client Relationship Management	CRM	Non-Profit Organizations	NPOs
Community Based Organisations	CBOs	National Contractor Development Programme	NCDP
Construction Contact Centres	CCC's	National Economic Development And Labour Council	NEDLAC
Community Works Programme	CWP	National Infrastructure Maintenance Strategy	NIMS
Construction Industry Development Board	CIDB	National Youth Service	NYS
Continued Professional Development	CPD	Occupational Specific Dispensation	OSD
Contractor Incubator Programme	CIP	Occupational Health and Safety Act	OHSA
Council for Built Environment	CBE	Pan African Parliament	PAP
Custodian Asset Management Plan	CAMP	Performance Based Building	PBB
Department of Cooperative Governance and Traditional Affairs	COGTA	Public Finance Management Act	PFMA

FULL DESCRIPTION	ACRONYM	FULL DESCRIPTION	ACRONYM
Capital Works Implementation Programme	CWIP	Performance Management and Development System	PMDS
Department of International Relations and Cooperation	DIRCO	Planned Maintenance Implementation Programme	PMIP
Department of Public Works and Infrastructure	DPWI	Portfolio Performance and Monitoring	PPM
Department of Water Affairs	DWA	Property Charter Council	PCC
Department of Public Works Intergovernmental Forum	DPWNIF	Property Incubator Programme	PIP
Department of Rural Development and Land Reform	DRDLP	Property Management Information System	PMIS
Division of Revenue Act	DORA	Property Management Trading Entity	PMTE
Document Management System	DMS	Property Performance Standards	PPS
Engineering Council of South Africa	ECSA	Public Finance Management Act	PFMA
Early Childhood Development	ECD	Parliamentary Villages	PV
Economic and Employment Cluster	EEC	Regulatory Impact Assessment	RIA
Employee Development and Management System	EDMS	Recognition of Prior Learning	RPL
Estimates of National Expenditure	ENE	South African Local Government Association	SALGA
Employment Skills Development Agency	ESDA	Supply Chain Management	SCM
Expanded Public Works Programme	EPWP	Key Account Management	KAM
Executive Management Committee Meeting	EXCO	Implement Service Delivery Improvement Programme	SDIP
Full Time Equivalent	FTE	Senior Management Services	SMS
Facilities Management	FM	Service Delivery Standards	SDS
Financial Year	FY	Service Level Agreement	SLA
Generally Accepted Accounting Principles	GAAP	Software Asset Management	SAM
Generally Recognised Accounting Practice	GRAP	Strategic Plan	SP
Geographical Information System	GIS	Strategic Performance Management	SPM
Government Immovable Asset Management Act	GIAMA	State of the Nation Address	SONA
Head of Department	HOD	State Owned Entities	SOE's
Home Community Based Care	HCBC	Spatial Development Framework	SDF
Human Resource Development	HRD	User Asset Management Plan	UAMP
Immovable Asset Register	IAR	Union Building	UB

FULL DESCRIPTION	ACRONYM	FULL DESCRIPTION	ACRONYM
Independent Development Trust	IDT	International Union of Architects	UIA
Integrated Risk Management Framework	IRMF	User Requirement Specification	URS
Industrial Policy Action Plan	IPAP	Virtual Private Network	VPN
Information Communication & Technology	ICT	Voice over internet protocol	VOIP
Integrated Financial Management System	IFMS	Web Based Reporting Systems	WBS
Information Technology	IT	Workplace Skills Plan	WSP
Infrastructure Delivery Improvement Programme	IDIP	Works Control System	WCS

CHAPTER 1: GENERAL INFORMATION



1.1 Foreword by the Minister



“From 2020 and beyond, particularly within the property and infrastructure sectors, we are looking at a new normal in implementation and service delivery – one that ensures that our outcomes are for the public good.”

In 2020 our Country not only faced slow economic growth but the COVID-19 pandemic further exacerbated the challenges faced by our economy and communities. This has impacted those in the built environment and especially the construction sector. The year under review was one of great change.

Opportunities presented by the pandemic ignited a shift in the way we interact, live and conduct business. What came to the forefront was the need for the implementation of infrastructure, which is considered to be the catalyst for economic growth. In addition, as government we cannot do this alone. We need to work in partnership with our various stakeholders, including our communities, the private sector, labour and the international community.

During the 2020/21 financial year both the National Infrastructure Investment Plan and South Africa's Economic Reconstruction and Recovery Plan ("ERRP") were developed to resuscitate the economy, as well as addresses the triple challenge of unemployment, poverty and inequality.

From 2020 and beyond, due to both the economic circumstances of our country and the impact of the COVID-19 pandemic, particularly within the property and infrastructure sectors, we are looking at a new normal in implementation. Government must create the conditions conducive to create jobs by investing in infrastructure to create the crowding in effect by the private sector.

I also would like to take this opportunity to honour those in the Department who have passed away. Their hard work, commitment and contributions to the Department will be remembered for years to come.

I hereby present the Department of Public Works and Infrastructure's Annual Report for the 2020/21 financial year.

P. de Lille.

Ms. Patricia de Lille, MP
Minister of Public Works and Infrastructure

1.2 Report by the Accounting Officer



“The Departmental operations had to be reconfigured to adapt to the ‘New Normal’. Remote working has become part of the status quo as part of the Department’s focus on keeping employees safe during the COVID-19 pandemic. Generally in the wake of the fourth Industrial Revolution, the cloud, mobile devices, high-speed Internet connectivity and automation have become the norm contributing to how organisations are reinventing their human resources processes”

1.2.1 Overview

The pandemic (COVID -19) that swept the world in early 2020 presented a new challenge to the delivery of government services. The imposition of nationwide restrictions to minimise the spread of the virus further worsened growth prospects as most sectors of the economy were forced to close. Moreover, the limited income of poor households was wiped out by these closure restrictions. Given this pandemic combined with the poor growth prospects and the adjustment of the population to the 'New Normal', service delivery models will need to be rethought in the future.

COVID -19 has brought to light widespread weaknesses in most government departments, such as the health system and the general delivery of services by the frontline departments. The slow pace and/or lack of service delivery in some communities further underscored the inequalities in South Africa.

Government responded with a series of initiatives to combat the pandemic. This involved a number of budget cuts and reallocation of funds to COVID-related initiatives. The Department also played an active role in NATJOINTS, where it facilitated the establishment of standard rates on which hotels were to base their rates for accommodation offered as quarantine facilities. Standard Operating Procedures were developed and aligned with the Department’s protocol document. At the NATJOINTS, it was recommended that Government considers shifting its focus to self-quarantine rather than government-sponsored quarantine facilities, giving citizens the responsibility and a sense of ownership and control. In addition, the Department entered into SLAs with hotel facilities for quarantine purposes.

The Department further responded to combating the spread of COVID-19 by identifying the EPWP Non-State Sector Non-Profit Organisations Programme as the best response mechanism to support the Department of Health in the delivery of COVID-19 public health services in terms of the Department of Health Public Health Hygiene Strategy. Project implementation started in June 2020 in a staggered approach and ended at the end of November 2020. The project employed a total of 34 348 participants nationally.

In September 2019, the President convened a joint meeting of the National Assembly and the National Council of Provinces (NCOP) to discuss a possible approach to Gender-Based Violence and Femicide

(GBV-F). At this meeting, it was agreed that Government needed a revised strategy in relation to GBVF prevention. Government departments were asked to reprioritize their budgets to address the scourge of GBV-F. In response to this call, the Department committed to utilising unused government properties to provide shelter to victims of gender-based violence, as well as providing government buildings to be used for education and awareness through outdoor advertising and signage in partnership with the private sector. During the reporting period, the Department identified 83 properties and in partnership with the Department of Social Development (DSD), inspected 82 properties. However, DSD selected only 30 of these, the remainder of which were not selected due to the desolate condition they were in (disrepair, fire damage, and vandalism) and others simply did not meet the DSD's criteria for the intended use.

1.2.2 Response to Covid-19

The Departmental operations had to be reconfigured to adapt to the '*New Normal*'. Remote working has become part of the status quo as part of the Department's focus on keeping employees safe during the COVID-19 pandemic. Generally, in the wake of the fourth Industrial Revolution, the cloud, mobile devices, high-speed Internet connectivity and automation have become the norm contributing to how organisations are reinventing their human resources processes. To this end, the Department saw changes in security measures in place from biometric systems to contactless access control measures. Further, physical meetings were suspended and the need to the use of virtual meeting facilities to conduct the Departmental business become increasingly important.

To comply with national risk adjustment lockdown regulations and management of the spread of the virus, the Department appointed a Compliance Officer and established the Covid-19 National Steering Committee and 11 Regional Sub-Committees with the responsibility for coordinating and managing intervention/mitigation strategies. One of the primary responsibilities of the Steering Committee is to promote the safety and well-being of Department employees in the workplace. The Steering Committee compiles and ensures the implementation of circulars, guidelines and instructions (based on Disaster Management Legislation, DPSA and DoEL, and WHO guidelines) related to the fight against the global pandemic SARS Cov-2.

The committee, representing all branches, regions, and Organised Labour, meets frequently to monitor and assess conditions in the Department and the country. It considers local data and guidance from public health, government departments and agencies. The committee makes recommendations to the Accounting Officer on a variety of matters related to the Department's response to the pandemic, including relevant policies, health and safety protocols, and operational status. The committee, works to make timely, informed decisions and recommendations and communicates clearly and consistently to keep staff informed. Procurement and recovery arrangements are made and maintained to ensure effective business continuity. The committee coordinates all activities related to the COVID -19 pandemic to ensure the Department maintains the ability to respond appropriately to additional outbreaks, whether local, regional, or national.

Health and safety protocols established by the Steering Committee are mandatory for all employees, interns, agents, and partners who wish to enter the Department's premises. These action plans and protocols are essential for the prevention and containment of the spread of COVID -19 as part of the Business Continuity Plan. Each branch and regional office are required to submit monthly productivity reports to the Accounting Officer. Whilst it is incumbent on the Department to consider the health

and safety of its staff as a top priority, it is vital to maintain 100% of its service provision, which therefore requires close monitoring of protocol implementation.

The services provided by the Department are critical to the operation of various government departments and state agencies and, therefore, any interruption in service could significantly impact continuity in the delivery of services and impeded Government's ability to provide services to the citizens. The Department views Business Continuity Management (BCM) as a critical component to the success of its service delivery mandate. To this end, the BCM project was initiated to develop organisational resilience to respond to and recover from major disruptions, including those from pandemics such as COVID-19. This is the holistic approach that the Department is currently taking to the overall management of service delivery on an ongoing basis.

Working with the Compliance Officer, the Employee Health & Wellness unit also conducted outreach and counselling for affected employees and their families.

1.2.3 Economic Reconstruction and Recovery Plan (ERRP)

Launched by the President in October 2020, the Economic Recovery Strategy aims to mitigate the adverse socio-economic effects of the COVID-19 pandemic and to facilitate opening up of the economy, accelerating economic recovery and attaining higher and sustained economic growth. The strategy's associated Economic Recovery and Reconstruction Plan (ERRP), recognizes structural problems in the economy and identifies opportunities in specific sectors and markets to stimulate equitable and inclusive growth. These areas include:

1. Ensuring Energy Security
2. Industrialisation / Growing the Productive Economy
3. Mass Public Employment
4. Infrastructure That Meets the Goals Of NDP
5. Macro-Economic Interventions and Enablers of Growth
6. Green Economy Interventions
7. Agriculture and Food Security
8. Reviving the Tourism Sector

According to the plan, *Infrastructure Development* must play a leading role as a lever to boost aggregate demand, assist in reviving the construction industry and contribute to employment creation in line with the global trend of using infrastructure to reinvigorate economies.

In line with the above, the Department contributes to four (4) specific key areas of the plan and has been reporting, on a monthly basis, to the National Economic Recovery Council (NERC) through the ESIED Cluster since the plan's launch in October 2020. These four (4) areas include:

- *Industrialisation/Growing The Productive Economy*

According to the ERRP, local industries must be given preference to develop local suppliers and SMME's through the delivery of infrastructure. The Department has a responsibility of coordinating the contribution of infrastructure development across government to strengthen local procurement and the development of local supplier industries to contribute to inclusive

economic growth and job creation. In an initial approach, the Department has focused on its own contributions, from which the wider public works sector and later municipalities and other infrastructure developing departments' and state Institutions' would be engaged. This will enable NERC to take a bird's eye view of the contribution of the public construction sector to the development of local industry and its overall contribution to economic recovery and transformation.

As a first step towards achieving the above objectives, the Department has provided Provincial departments with information. The process of consolidating the entire public construction sector is underway and will continue through the MINMEC structures.

- *Mass Public Employment*

Regarding the contribution to mass public employment, the Department has reported on the work opportunities created through its programme on Rural Bridges and the work opportunities created through the EPWP, which the Department coordinates and reports on behalf of the 4 EPWP sectors.

- *Infrastructure That Meets The Goals Of NDP*

Given the critical catalytic role that infrastructure development must play in spurring economic activity, the government must invest in infrastructure delivery and reorient itself to a long-term view of maintaining and managing public infrastructure over the life of the assets. However, the government's budgetary situation and reduced capital expenditure have affected its ability to optimally implement these much needed measures. Therefore, strategies need to be implemented to optimize investments through alternative financing mechanisms such as strategic partnerships and blended financing.

In line with the above and its statutory mandate, the Department has contributed to the ERRP through Infrastructure South Africa (ISA) through programmes designed to ensure an increase in the rate and quality of infrastructure investment. These include the Cabinet approved Infrastructure Investment Plan for South Africa, the Strategic Integrated Projects (SIPs) gazetted on 24 July 2020 and the development of a Single Infrastructure Project Pipeline in the country.

However, to make this possible, the government needs to rethink its strategy and the regulatory role of construction and develop an approach to rebuild the industry and build consensus with all stakeholders (regulators, trade unions and private sector) on the design of an overarching policy direction that will enable the industry to deliver the required outcomes.

The Department needs to drive the process of reviving the construction industry across all spheres of Government, and has so far been contributing towards the ERRP through its entities' initiatives with regards to professional throughput, supply and demand of built environment professionals, and the entire skills development pipeline, as a first phase.

The Department not only needs to drive the throughput in the built environment with respect to skills development and infrastructure development, but needs to guide the entire sector through crosscutting policy direction for the entire value chain (professional development, manufacturing,

localization etc.) to ensure a dynamic and inclusive industry that contributes towards economic recovery and job-creation.

The Department has therefore commenced engaging on the development of a concept and detailed proposal toward the ultimate development of a Construction Sector Recovery Plan or a “Master Plan” to stimulate and sustain growth in the construction sector.

- *Macro-Economic Interventions And Enablers Of Growth*

Under the Macro-economic Interventions and Enablers of Growth, the Department has been contributing to specifically the *Anti-Corruption Key Reform Action* through the recently established Infrastructure Build Anti-Corruption Forum and the work and progress managed by the Steering Committee.

1.2.4 Presidential Employment Stimulus

In October 2020, the President also announced the Presidential Employment Stimulus Package designed to support a spectrum of opportunities, focusing on job creation through public employment; on job retention in vulnerable sectors; on direct support to livelihood strategies; as well as on fast-tracking high-impact employment enablers. As part of government’s broader economic recovery agenda, the stimulus package aims to use direct public investment to support employment opportunities. The secondary objective of the programme focuses on skills development.

The Employment Stimulus builds on current areas of strength in the EPWP to expand existing programmes, but it also takes areas of innovation to new scale. A total of 11 National Departments currently participate in the programme. With a budget of just over R12 billion, it is estimated that about 700 000 jobs and opportunities will be created. The Department was granted an amount of R159 million to create jobs and opportunities from November 2020 through to March 2021. With this budget allocation, the Department targeted 1 560 beneficiaries and a total of 1 886 beneficiaries to be appointed and deployed to address capacity gaps and for training opportunities, in the following areas:

- Water and Energy Efficiency (Green Economy) Facilities Management
- Water and Sanitation Facilities Management
- Welisizwe Rural Bridges Programme
- Facilities Management Employment
- Real Estate
- In-House Construction projects

The programme was implemented in partnership with various Water Boards, Municipalities and Infrastructure Departments. In the period under review, a total number of 115 beneficiaries were absorbed by the labour market and 21 professionals were retained within the Department.

1.2.5 Performance

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 (DPWI) focused mainly on Intergovernmental Coordination, coordination of the EPWP programmes, Property and Construction Industry Policy and Research, and management of the Prestige portfolio. The core business of property management is ring-fenced under the PMTE with emphasis on, *inter alia*, Immovable Asset Investment Management, managing relations between the Department and Client Departments, Real Estate Management Services, Construction Project Management, management of the Immovable Asset Register and Facilities Management.

The Department has 7 outcomes all of which contribute to the priorities of the 6th Administration and focus on implementation and targeted service delivery that addresses the ever-increasing needs across the Country. The core seven (7) outcomes are:

1. **Resilient, Capable and Ethical DPWI** – aligning people to processes and systems to drive organisational performance, we create a new effective and efficient culture that delivers ethically in a developmental state
2. **Integrated Planning & Co-ordination** – coordinating and incorporating stakeholder needs into infrastructure and spatial planning where government service delivery is enhanced
3. **Sustainable Infrastructure Investment** – By delivering sustainable infrastructure and creating a growing an economy through infrastructure investment as means to stimulate an inclusive growing industry
4. **Productive Assets** - Managing the asset portfolio with a productive strategic intent to enable better services delivery
5. **Transformed Built Environment** – By transforming the built industry for mutual and sustainable socio-economic benefit
6. **Optimised Job Opportunities** – By creating job opportunities and sustainable jobs for better living conditions
7. **Dignified Client Experience** – By delivering sustainable services where stakeholders are satisfied

The outcomes approach allows for a holistic presentation of the performance of the Department for the period under review covered in detail in Chapter 2.

1.2.6 Significant events and major projects

- *Release Of Land*

Flowing from the Integrated Planning Outcome, is the achievement of spatial justice through the strategic use of the Department's public land and building assets to effect spatial transformation. In support of Integrated Planning, joint spatial planning and economic redress, the Department released numerous vacant land parcels in support of the Land Reform programme for restitution and redistribution, human settlements and housing, and in support of the development of roads, water, electricity and gas pipelines. In the period under review, 32 143, 8356 hectares (about 92% target for the financial year) were released from the Department's portfolio for development of infrastructure programmes and socio-economic objectives.

Over the past two financial years, the Department has made good progress in finalising its processes to approve the transfer of land for restitution claims demonstrating our commitment to reversing the legacy of apartheid. In the period under review, 161 land parcels were signed off for release. These land parcels measure around 17 552 hectares valued at over R185 million to finalise restitution claims. In total, since 2019, the Department has approved the release of 193 land parcels for restitution purposes, measuring over 27 594 hectares and valued at more than R276 million

- *Immovable Asset Register And An Improved Audit Outcome*

The Department has also seen significant improvement in relation to the Immovable Asset Register (IAR). The asset register has to comply with management assertions namely completeness, existence, rights and obligations, valuation as well as presentation and disclosure. In the past, for numerous years, the Department received a qualified audit opinion due to the incorrect extents of the buildings and land parcels in the IAR, as well as the classification of assets under construction (work in progress and completed infrastructure projects). A comprehensive Audit Action Plan was developed to address these adverse findings, where the effective implementation and monitoring of the plan resulted in an unqualified IAR for the 2020/21 financial year. This, therefore, provides credibility to the largest state immovable asset register that serves as the core tool for the Department to execute its mandate of providing accommodation by supporting all property related activities.

- *Expropriation Bill*

In the financial year under review, the Expropriation Bill [B23-2020] was certified as constitutional by the Office of the Chief State Law Advisor. Subsequent to this certification, the Department gazetted the Bill to notify of its intention to introduce it for Parliamentary processes. The Expropriation Bill was finally introduced to Parliament, and jointly tagged as Section 76 Bill. The Department is supporting Parliamentary processes currently underway, which among others include public hearings and oral presentations in all provinces.

- *Infrastructure Investment Plan*

In May 2020, the Cabinet approved the Infrastructure Investment Plan (IIP) that centred on technical, financial and legal mechanisms to accelerate infrastructure investment, focusing on economic and social infrastructure, building new and upgrading existing infrastructure, repurposing redundant infrastructure as well as expediting maintenance of neglected infrastructure.

The Department's Infrastructure South Africa (ISA), takes up the responsibility to ensure the implementation of the IIP, within the provisions of the Infrastructure Development Act, 2014 (Act 23 of 2014). In executing this function, ISA has worked across all spheres of government and State-Owned Entities to develop a project pipeline of over 270 projects, some of which have been gazetted as Strategic Integrated Projects (SIPs); facilitates long-term investment in infrastructure across the public and private sectors through investment unblocking and the effective coordination of IDA structures. Five SIPs programmes are implemented by the Department. These include: SIP 21m: Small Harbours Development: National, SIP 25: Rural Bridges "Welisizwe"

Programme SIP 28: PV and Water Savings on Government Buildings Programme SIP 29: Comprehensive Urban Management Programme and SIP 36: Salvokop Precinct.

- *National Infrastructure Plan(NIP)*

As part of the Integrated Planning & Co-ordination outcome, ISA developed the National Infrastructure Plan 2050, as required by the Infrastructure Development Act which was transferred to the Department by the President in terms of proclamation no 49 of 2019. The National Infrastructure Plan aims to foster integrated spatial planning and focused infrastructure implementation among organs of state by establishing a single view of service delivery. Cognisance is also taken of the importance of other relevant legislation such as the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA), and the Government Immovable Asset Management Act, 2007 (Act 19 of 2007) (GIAMA), which provide for the National Spatial Development Framework and a uniform framework for the management of immovable assets held by National and Provincial governments.

- *Operationalisation of the National Infrastructure Fund*

As announced in the previous SONA, government has set aside R100 billion to seed the Infrastructure Fund. To this end, a Memorandum of Understanding (MoU) was signed in June 2020 by the Department and the Development Bank of Southern Africa (DBSA) to operationalise the Infrastructure Fund. This Infrastructure Fund was officially operationalised through the signing of a Memorandum of Agreement (MoA) between Infrastructure South Africa (ISA), the DBSA and National Treasury in August 2020.

The MoA provided for the establishment of various governance structures to ensure that the Infrastructure Fund achieves its target in line with the approved Business Plan. Further, the Infrastructure Fund coordinates the financial structuring of these projects to leverage private sector financing with critical stakeholders such as institutional investors, pension funds, commercial banks as well as the Development Finance Institutions (DFIs) and Multilateral Development Banks (MDBs). Consequently, a pipeline of economic and social infrastructure projects that require blended finance have been approved the Infrastructure Investment Committee – the highest decision-making structure.

- *Contributing Towards Job Opportunities*

The Department contributes to optimising job opportunities through coordinating the Expanded Public Works Programme. In the period under review, the programmes achieved 95% of the planned work opportunities (938 688 of 984 490) through the implementation of 12 915 projects covering all the EPWP Sectors across the country. The EPWP achieves far more than just creating work opportunities however. The programme transferred R11.9 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.

Similar to the broader economy, the EPWP was impacted by the COVID-19 pandemic in which some EPWP projects had to be suspended during the level 5 lockdown period. However, during the various lockdown levels, some projects related to health and social matters were scaled-up

to assist the Department of Health. For example, the Department, through the Non-Profit Organisation Programme within the EPWP Non-State Sector, contracted mainly youth to assist the Department of Health at public health facilities through the recruitment of 34 348 participants.

When the stricter lockdown levels were relaxed, certain projects had to operate on rotational basis as social distancing requirements limited the number of people who could be at the workspace at the same time. Furthermore, some projects were delayed to start as they needed to be compliant to the COVID-19 protocols before implementation. Other factors included budget cuts as funds were reallocated to other COVID-19 response projects.

Additionally, the following was achieved:

- Technical support was provided to 246 public bodies in 2020/21, against the target of 200 public bodies. The support to public bodies included assisting with contract alignment in terms of labour-intensive methods and awareness workshops.
- In the 2020/21 financial year, 140 contractors have been provided with mentorship support. The Vuk'uphile Learnership Programme aims to develop emerging contractors in labour-intensive methods. The DPWI also engaged the National Treasury on the structure and conditions of support related to the Vuk'uphile Learnership Programme, which were approved and finalised by the National Treasury on 24 March 2021. The Programme also has a number of commitments from public bodies that intend implementing the Vuk'uphile Learnership Programme in 2021/22.
- The DPWI recruited 1 284 youth through the National Youth Service (NYS) Programme. Furthermore, nine provincial departments, recruited 6 182 youth on the NYS in 2020/21. The National Youth Service (NYS) aims at training youth in artisan trades in the built environment. The NYS programme aims to expand the programme in 2021/22 to attract more youth.
- In a further effort, to promote youth development the DPWI, together with the Department of Higher Education and Training (DHET) and the Agriculture Sector Education and Training Authority partnered to train 400 artisans for the period July 2020 to September 2023. To date, 212 of these artisans have commenced training in the 2020/21 financial year. The trades undertaken include: automotive, motor mechanic, boiler maker, bricklaying, carpentry, chef, diesel mechanic, electrician, fitter, instrumentation, lift mechanic, mechanical fitter, millwright, fitter & tuner, plumber, refrigeration, rigger, welder and hairdresser. Several Training Vocational Education Training Colleges (TVETs) and private companies are participating in this initiative.
- DPWI is also the custodian of the EPWP Learning Programme, which is aimed at enhancing and promoting a common understanding of the EPWP to implementers, policy makers, politicians and new employees to the EPWP. In 2020/21, the EPWP Learning Programme was revised and adapted into virtual platform to ensure that even during the pandemic, when gatherings and physical meetings are discouraged, the Department was still able to conduct capacity building. Two (2) training sessions were conducted in 2020/21 in which a total of 86 officials were trained.
- In 2020/21, a social audit pilot study was undertaken in vulnerable communities from the City of Ekurhuleni Metropolitan Municipality, Steve Tshwete Local Municipality and Nkangala District Municipality. A social audit is a community-led process which allows the active involvement of communities in acquiring information relevant to the audit of a certain project that is meant to benefit the public. Once the social audit pilot study is completed, a Social Audit Framework will be developed for the Programme as a whole aimed at infusing greater

transparency into the EPWP Programme. The development of the Social Audit Framework is a Jobs Summit 2018 commitment and DPWI is consulting relevant constituencies during the development process.

- The process of developing an overarching written EPWP Policy continued, with specific focus on the positioning of Programme, the achievements of the Programme and considering issues that impact the Programme adversely. It is anticipated that the draft EPWP Policy will be submitted to the Economic Sectors, Employment and Infrastructure Development and Social Protection, Community and Human Development Clusters after it has been approved by the Minister within the 2021/22 financial year.
- To ensure collective learning, sharing of information and best practices, and encouraging engagements on key matters concerning policy, strategy and implementation of the EPWP, public and stakeholder engagements were hosted through two webinars in the 2020/21 financial year. The overall theme of the webinars was covered under the title “Repositioning of Public Employment Programmes (PEPs) in the Era of COVID1-9 and Economic Downturn”.

In response to the COVID-19 Pandemic, the Departmental EPWP programme actively contributed to Government’s response to the impact of the COVID-19 pandemic on the South African society. As a member of NATJOINTS, the Department responded to combating the spread of COVID-19 in terms of the Disaster Management Act, No 57 of 2002, as stipulated in the National Joints Committee Containment Work Stream. In response to the above, DPWI identified the EPWP Non-State Sector Non-Profit Organisations Programme, implemented by the Independent Development Trust, on its behalf, as the best response mechanism to support the Department of Health in the delivery of COVID-19 public health services in terms of the Department of Health Public Health Hygiene Strategy. Project implementation started in June 2020 in a staggered approach and ended at the end of November 2020. The project employed a total of 34 348 participants nationally.

- *Letting Out Strategy*

Not all properties under the custodianship of the Department (land included), are utilised by its client departments. Currently, 97% of buildings are occupied by national government departments and entities and 64% of land parcels are occupied. The remaining balance is unoccupied. This renders an opportunity to let out to individuals and institutions for revenue generation purposes to contribute towards reducing fiscal reliance of the PMTE and reduce unnecessary holding costs with regards to security, rates and taxes, as well as municipal services. To commence optimising the portfolio and making better use of these unutilised properties, a letting out strategy has been developed.

1.2.7 Interventions to Address Persistent Underperformance (10 Point-Plan)

The overall performance of the Department during the period under review is 55%. Although some of the underperformance could be attributed to the impact of the pandemic on the real estate and construction sectors, the poor performance is not solely attributable to the 2020/21 financial year, but is primarily a result of the confluence of various governance and systemic weaknesses, as well as deficiencies in the proper management of the life cycle of assets, capacity, and historical operating and funding models. These institutional challenges have impacted on the delivery of the Department’s core delivery functions or the so-called "High-5", namely: Construction Project Management; Real

Estate Management Services; Facilities Management; Prestige and Supply Chain Management, where the bulk of expenditure is incurred.

Over the years, the Department has also gradually lost the necessary expertise to address and resolve technical issues that arise throughout the life of the facilities. The Department has shifted from being a technically competent organisation to a procurement-intensive one, driving up the cost of building and maintaining infrastructure without ensuring quality and value for money.

Exacerbating these challenges as a result of non-delivery in the Department's core functions, are various chronic institutional failures that have continued to persist internally and include:

- The failure to digitise or automate core business areas through an integrated Enterprise Resource Planning (ERP) system to improve efficiencies;
- Poorly defined or no business processes and internal controls along with the absence of a properly institutionalised value chain and business model to overcome organisational fragmentation;
- Inability to adequately and timeously capacitate and resource the Department with the requisite skills mix that can optimally deliver on its mandate and employ solutions with the requisite technical capability, whilst at the same time not renewing contracts, effectively rendering the Department debilitated;
- Lack of an optimal accountability model that defines and governs the relationship between the centre and distributed (regional) offices where the actual service delivery mostly takes place; and
- Inadequate policies and procedures, a lack of adherence to policies and procedures, and a lack of monitoring by management.

The above-mentioned known institutional limitations are aggravated by weaknesses in the ethical foundation of the Department where a lack of governance maturity, accountability and leadership maturity, in essence, result in an inability to effectively lead and advance the organisation to achieve acceptable levels of performance, responsiveness and service delivery.

With the new culture of Consequence Management in the Department however, significant progress has been made where for example, as a consequence of 3 major investigations, the Department has embarked on disciplinary action against 30 senior officials, complimented by court applications to reverse the irregular appointment of a further 12 officials, as well action against various officials with respect to service delivery transgressions.

Although the above has been turning the Department in the right direction, a hard-line management approach alone, although necessary, will not yield the desired result of ultimately creating an ethical and capable DPWI – specifically since it deals with transgressions *post facto*. What is required is the implementation of initiatives to guide, support and reinforce expected standards of behaviour with regards to accountability, responsiveness and compliance.

In addressing the above-mentioned challenges, both ethical and institutional, the Department introduced **10 key interventions** (*10 Point Plan*) during March 2021, that are necessary to create an ethical and capable DPWI, and improve its operations, capacity and the state of its infrastructure to enable its clients, and Government as a whole, to adequately deliver services to the citizens of the country.

These 10 interventions include:

- a. A **Change Management Programme** that seeks to bring about a Capable and Ethical DPWI located in the Constitutional Values and Principles of Public Administration and Batho Pele;
- b. A **Service Delivery Improvement Programme (SDIP)** that is underpinned by Service Standards and Charters with service beneficiaries that is characterised by customer responsiveness and orientation throughout the value chain (Batho Pele);
- c. A **Business Process Management Programme** including the implementation of the Infrastructure Delivery Management System (IDMS) and the Sustainable Infrastructure Development System (SIDS) methodology to address among others, the lack of coordination in the property management and infrastructure delivery business;
- d. An **Enterprise resource planning (ERP) Fast Track Programme** (aligned to the aforementioned business process management programme) to advance automation and the replacement of manual systems and processes;
- e. A review of the **Macro Business and Delivery Model of the DPWI**, and associated revision of the Structural Model of the Department (and consequently the Regional Office and Head Office Models), and associated governance and accountability arrangements;
- f. An **Ethics & Compliance, Infrastructure and Consequence Management Unit** in the Department to guide and enforce expected standards of behaviour;
- g. A **Contract Management and Monitoring Capability** to mitigate contract delivery risk throughout the Department;
- h. An **Organisation Wide Skills Assessment** to determine the current skills mix and the interventions, including an expedited capacitation drive, required to optimise service delivery;
- i. An Organisation-wide maturity within Strategic Planning (the ability to plan for results), Performance Monitoring (monitor and deliver results) and Risk Management (anticipate and avoid/mitigate uncertainties before they occur) in partnership with the National School of Government; and
- j. The successful implementation of the above interventions converges to steer the Department towards a **Clean Audit** in both the Main Vote and the Property Management Trading Entity (PMTE).

The above initiatives are not new plans or projects, but are 10 areas of focus, with various linkages and inter-dependencies, aimed at addressing 10 known areas of chronic institutional failure in order to make the Department “work better” and improve the quality of the services it renders. In addition, 5 priority revival projects have been introduced and are currently underway in the so called ‘High 5 Areas’ mentioned above. The improvement of service delivery is at the front and centre of these initiatives, and alignment and consensus between all role-players, in all areas, are essential for its successful implementation.

1.2.8 Challenges in the delivery of Projects

A survey conducted by the CIDB on the impact of COVID-19 within the constructions sector revealed that 77.3% of the contractors believed that the outbreak would have a negative impact on their business, particularly revenue. The postponement of construction projects was viewed as the most widely expected negative impact. In terms of the overall sector, bankruptcy of construction firms, suspension of projects/potential site closure and massive job losses for construction workers are significant long-term impacts of the pandemic.

The Department delivered a total of 103 projects in the period under review, at a total cost of R3.1 billion of a budgeted R4.7 billion. These projects were implemented mainly within the Correctional Services, Justice and Constitutional Development, South African Police Services, and Prestige portfolios. This translates into 64% expenditure, reflecting under expenditure for the period under review. A reasonable number of these projects are targeted to reach practical completion in the current MTEF period. A total of 103 projects were completed during the 2020/2021 FY, seventy-eight (78) of which were completed within the allocated budget and fifty-six (56) within the approved construction period.

Two main reasons contributing to the underspending are attributed to the COVID-19 pandemic, which saw a temporary closure of all construction sites. This resulted in delays on the re-assumption and completion of projects. Closures experienced were deliberate safety protocol initiatives by Government to reduce the spread of the virus. The second reason relates to the persisting underperformance by contractors and consultants from both financial and physical performance perspectives. Most of the contractors suffered cash-flow challenges, which ordinarily impact physical progress on sites and by default, the expenditure on the projects.

Ideally, poor contractor performance may require termination, but under the pandemic circumstances, this approach proved quite difficult to implement. Terminating a contract would have had adverse implications on the budget and the notion of replacing a service provider would further have compounded the situation as it often takes about 6 to 8 months to appoint a replacement.

The Department has put in various measures to respond to the challenges stated above such as establishing a panel of contractors who will be utilised in an instance where a contractor has been terminated due to poor performance or any other justifiable reason. This will bring efficiency in that a great amount that is normally expended in trying to assist a non-performing contractor, and appointing a replacement contractor, will now be spared. This approach will lessen the impact on construction periods and expenditure on projects. Secondly, monitoring measures on the procurement plan have been enhanced in order to ensure that projects are awarded timeously and the allocated budget is spent accordingly.

1.3 Overview of Financial Results

- **Departmental revenue 2020/21**

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	2020/21			2019/20		
	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	323	316	7	320	305	15
Interest, dividends and rent on land	600	7 553	(6 953)	13 000	25 652	(12 652)
Sale of capital assets	-	-	-	200	139	61
Financial transactions in assets and liabilities	1 300	1 207	92	1 100	971	129
Total Departmental receipts	2 223	9 076	(6 853)	14 620	27 067	(12 447)

The Department collected R9 million as per different categories reflected in Table 1.1. The increase in revenue collection mainly relate to interest to the amount of R7.5 million generated through programmes implemented on behalf of the Department.

- **Budget Allocation 2020/21**

The Department's adjusted appropriation for the year under review was R7.724 billion, which is a decrease of 2% compared to the 2019/20 financial year's adjusted appropriation of R7.907 billion. The decrease in the budget allocation was mainly for current payments and transfers and subsidies and payment for capital assets.

As depicted in Table 1.2, the bulk of the appropriated financial resources (92%) 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	Allocation R`000	Allocation as %
Programme 1: Administration	456 902	6%
Programme 2: Intergovernmental Coordination	58 219	1%
Programme 3: Expanded Public Works programme	2 468 846	32%
Programme 4: Property and Construction Industry Policy and Research	4 676 490	60%
Programme 5: Prestige Policy	63 922	1%
Total	7 724 379	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

	2020/21 R'000	2019/20 R'000
Budget allocation	7 724 379	7 907 045
Actual Expenditure	7 531 034	7 760 214
Actual: Spent Budget %	97.5%	98.1%
Unspent funds	193 345	146 831
Actual: Unspent Budget %	2.5%	1.9%

TABLE 1.4: Expenditure Analysis per Programme

	2020/21				2019/20		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as %	Final Appropriation	Actual Expenditure	Expenditure as %
	R'000	R'000	R'000	%	R'000	R'000	%
Administration	456 902	384 339	72 563	84.1%	511 013	460 670	90.1%
Intergovernmental Coordination	58 219	42 296	15 923	72.6%	56 386	52 448	93.0%
Expanded Public Works Programme	2 468 846	2 412 105	56 741	97.7%	2 680 814	2 638 163	98.4%
Property And Construction Industry Policy and Research	4 676 490	4 643 784	32 706	99.3%	4 538 905	4 523 839	99.7%
Prestige Policy	63 922	48 510	15 412	75.9%	119 927	85 094	71.0%
Totals	7 724 379	7 531 034	193 345	97.5%	7 907 045	7 760 214	98.1%

TABLE 1.5: Spending Per Economic Classification – DPWI

	2020/21				2019/20		
	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	558 560	487 416	71 143	87.3%	557 085	503 535	90.4%
Goods and services	346 013	233 984	112 029	67.6%	451 721	364 744	80.7%
Interest and rent on land	-	-	-	-	107	107	100%
Transfers & subsidies							
Provinces & municipalities	1 582 393	1 580 545	1 848	100.0%	1 598 233	1 598 232	100.0%
Departmental agencies & accounts	4 402 071	4 402 071	-	100.0%	4 486 911	4 486 911	100.0%
Foreign governments & international organisations	29 013	29 013	-	100.0%	24 621	24 621	100.0%
Public corporations & private enterprises	209 301	209 301	-	100.0%	5 000	5 000	100.0%
Non-profit institutions	578 484	578 484	-	100.0%	750 424	750 424	100.0%
Households	7 628	7 628	-	100.0%	9 536	8 995	94.3%
Payment for capital assets							
Machinery & equipment	10 747	2 422	8 325	22.5%	22 784	17 022	74.7%
Software & other intangible assets	-	-	-	-	457	457	100.0%
Payment for financial assets							
	170	170	-	100.0%	166	166	100.0%
Total	7 724 379	7 531 034	193 345	97.5%	7 907 045	7 760 214	98.1%

Departmental spending for the period under review is R7.531 billion which represents 97.5% of the adjusted budget of R7.724 billion. Under spending of R193 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 R72.6 million in Programme 1 relate to:

- Compensation of employees under spending of R27.5 million is mainly due to the delay in filling vacant positions and non-implementation of the projected annual salary adjustment.
- Goods and services under spending of R40.1 million is mainly due to restrictions on normal operations during nation-wide lockdown which affected spending on planned activities relating to travel and subsistence, communication, property payments , operating leases, venues and facilities and training and development.
- Machinery and equipment under spending of R5 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 R15.9 million in Programme 2 relate to:

- Compensation of employees under spending of R5.2 million is mainly due to the delay in filling vacant positions and non-implementation of the projected annual salary adjustment.
- Goods and services under spending of R10.6 million mainly due postponement and cancellation of planned activities resulting from the restrictions during nation-wide lockdown.
- Machinery and equipment under spending of R158 000 is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

○ **Programme 3: Expanded Public Works Programme**

The under spending of R56.7 million in Programme 3 relate to:

- Compensation of employees under spending of R22.9 million is mainly due to the delay in filling vacant positions and non-implementation of the projected annual salary adjustment.
- Goods and services under spending of R31.5 million is mainly due to restrictions on normal operations during nation-wide lockdown which affected spending on planned activities relating to administrative fees, agency and outsourced services, travel and subsistence as well as venues and facilities.
- Transfers and subsidies underspending of R1.8 million due to transfer payments for EPWP Integrated Grant to Provinces and EPWP Social Sector Incentive Grant that were withheld due to non-compliance to the Division of Revenue Act (DoRA) conditions.
- Machinery and equipment under spending of R514 000 is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

○ **Programme 4: Property and Construction Industry Policy and Research**

The under spending of R32.7 million in Programme 4 relate to:

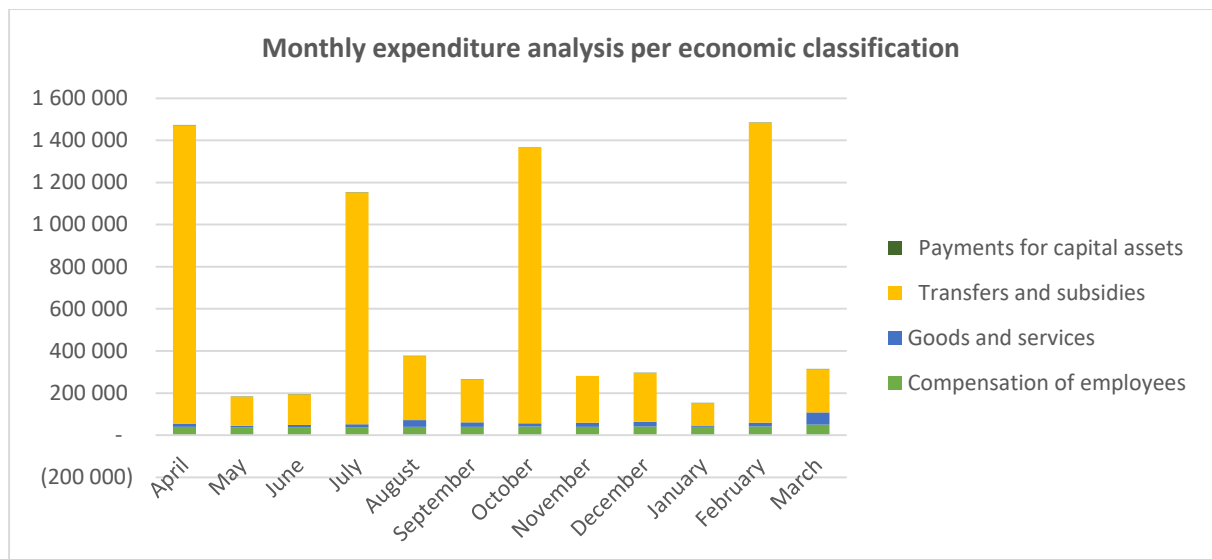
- Compensation of employees under spending of R15.3 million is mainly due to the delay in filling vacant positions and non-implementation of the projected annual salary adjustment.
- Goods and services under spending of R17.2 million mainly due postponement and cancellation of planned activities resulting from the restrictions during nation-wide lockdown.
- Machinery and equipment under spending of R64 000 is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

○ **Programme 5: Prestige Policy**

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

- Goods and services under spending of R12.7 million is mainly due mainly due to nation-wide lockdown regulations affecting planned activities for state functions (National Orders, State visits)
- Machinery and equipment under spending of R2.6 million is due to a delay in the planned acquisition of assets.

● **Spending trends**



The monthly expenditure was in the average region of R628 million with high spending of R1.472 billion and R1.484 billion in April 2020 and February 2021 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 2020/21

Economic classifications	PROGRAMMES					Total R'000
	1 R'000	2 R'000	3 R'000	4 R'000	5 R'000	
Compensation of employees	(5)	-	(147)	-	-	(152)
Goods and services	(20 000)	-	-	-	-	(20 000)
Transfers and subsidies	488	(53)	147	19 759	(189)	20 152
Payments for capital assets	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-
Total	(19 517)	(53)	-	19 759	(189)	-

The following virement of funds were applied:

- Programme 1 has decreased with a net amount of R19.517 million through a decrease of R20 million from goods and services to Programme 4, decrease of R5 000 from compensation of employees and an increase of R488 000 to transfers for households to respectively offset higher than projected expenditure relating to payment for exit packages.
- Programme 2 has decreased with an amount of R53 000 from transfers and subsidies for household through virement of funds to Programme 1.
- Programme 3 has decreased with an amount of R147 000 from compensation of employees to transfers and subsidies for households to offset higher than projected expenditure relating payment for exit packages.
- Programme 4 has increased with a net amount of R19.759 million through an increase of R20 million to transfers and subsidies for public corporations and private enterprises to provide financial support to the Independent Development Trust and a decrease of R241 000 from transfers and subsidies for household to Programme 1. Approval for the adjustment of funds to transfers was granted by the national Treasury.
- Programme 5 has decreased with an amount of R189 000 from transfers and subsidies for household through virement of funds to Programme 1.

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.

1.4 Property Management Trading Entity

- PMTE revenue 2020/21

The table below depicts a comparison of the estimated PMTE revenue compared to the actual receipts:

	2020/21				2019/20			
	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	4 802 987	5 064 584	261 597	105%	5 039 642	4 666 345	-373 297	93%
Accommodation charges – state owned	6 922 694	6 588 809	-333 885	95%	7 566 959	7 337 967	-228 992	97%
Accommodation charges freehold- private	62 987	53 455	-9 532	85%	58 320	49 100	-9 220	84%
Augmentation	4 239 987	4 239 987	0	100%	4 315 736	4 315 736	0	100%
Interest, fines, recoveries and other receipts	60 000	24 880	-35 120	41%	9 592	0	-9 592	0%
Municipal Services Management Fees	287 185	181 113	-106 072	63%	212 220	203 902	-8 318	96%
Construction revenue	0	83 381	83 381	0%	0	264 596	264 596	0%
Cash Received in Advance	0	311 330	311 330	100%	0	0	0	0%
Total	16 375 840	16 547 539	171 698	101%	17 202 469	16 837 646	-364 823	98%
Municipal Services recovered	5 743 699	3 622 268	-2 121 431	63%	5 235 826	4 078 043	-1 157 783	78%
Total revenue	22 119 539	20 169 807	-1 949 732	91%	22 438 295	20 915 689	-1 522 606	93%

The actual receipts for this period amounts to R20.1b which represents 91% of the projected annual receipts. This is mainly due to disputes by the clients and non-recovery of the management fee for shared savings. The other reason was attributable to the unpaid invoices for the State owned accommodation charges by the Department of Correctional Services and the Department of Health.

Budget allocation per programme -PMTE

Programme	R'000	Allocation as %
Administration	1 299 568	6%
Real Estate Investment Services	181 360	1%
Construction Project Management	4 248 179	19%
Real Estate Management Services	12 770 725	58%
Real Estate Information & Registry Services	96 395	0%
Facilities Management Services	3 523 311	16%
Total	22 119 539	100%

Overall expenditure analysis – PMTE

	2020/21	2019/20
	R'000	R'000
Budget allocation	22 119 539	22 438 295
Actual expenditure	18 497 962	20 880 140
Actual: spent budget %	84%	93%
(Over)/ under spending	3 621 577	1 558 155
Actual: budget (over)/ under spend %	16%	7%

Expenditure analysis per programme: PMTE

Programme	2020/21				2019/20			
	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	1 299 568	1 015 191	285 428	78%	934 223	778 041	156 182	83%
Real Estate Investment Services	181 360	177 700	3 660	98%	206 705	183 195	23 510	89%
Construction Project Management	4 248 179	2 980 979	1 267 201	70%	4 977 810	3 578 132	1 399 678	72%
Real Estate Management Services	12 770 725	11 558 965	1 211 760	91%	12 038 772	11 730 197	308 575	97%
Real Estate Information & Registry Services	96 395	59 998	36 397	62%	106 580	62 995	43 585	59%
Facilities Management Services	3 523 311	2 705 128	817 133	77%	4 174 205	4 547 580	-373 375	109%
Total	22 119 539	18 497 962	3 621 577	84%	22 438 295	20 880 140	1 558 155	93%

Spending per economic classification – PMTE

Economic Classification	2020/21				2019/20			
	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	322 418	307 542	14 876	95%	303 262	276 746	26 516	91%
Admin Goods and Services	434 755	298 372	136 383	69%	509 226	454 156	55 070	89%
Maintenance	2 447 925	1 645 995	801 930	67%	3 120 524	3 542 175	-421 651	114%
Municipal Services recovered	5 743 699	4 696 256	1 047 443	82%	5 235 826	4 986 501	249 325	95%
Leasing (Private owned)	4 941 586	4 933 887	7 699	100%	5 098 642	5 081 000	17 642	100%
Property Rates	1 528 318	1 273 334	254 984	83%	1 008 110	1 008 110	0	100%
Compensation of Employees	1 896 057	1 867 317	28 740	98%	2 051 049	1 813 276	237 773	88%
Municipal Services non-recoverable	411 039	411 033	6	100%	499 004	482 792	16 212	97%
Covid 19- Requirements	447 711	335 510	112 201	75%	0	0	0	0%
Construction costs	0	83 381	-83 381	0%	0	264 596	-264 596	0%
Total current payments	18 173 508	15 852 627	2 320 882	87%	17 825 643	17 909 352	-83 709	100%
<i>Capital payments</i>								
Capital recoverable	1 488 987	1 332 750	156 237	90%	2 474 457	2 039 469	434 988	82%
Capital non-recoverable	2 386 563	1 294 647	1 091 916	54%	2 083 445	900 910	1 182 535	43%
Machinery & Equipment	70 480	15 192	55 288	22%	54 750	30 409	24 341	0%
Intangibles	0	0	0	0%	0	0	0	100%
Finance Leases	0	2 746	-2 746	0%	0	0	0	100%
Total capital payments	3 946 030	2 645 335	1 300 695	67%	4 612 652	2 970 788	1 641 864	64%
Total	22 119 539	18 497 962	3 621 577	84%	22 438 295	20 880 140	1 558 155	93%

Details of variances per programme and economic classification are discussed below:

The total expenditure for the period ended March 2021 was R 18.4b which represents 84% of the total budget. This is mainly due to under-expenditure against infrastructure projects, Property Rates and Goods and Services. The expenditure level is below the level of performance of the previous year.

Programme 1: Administration

The under-expenditure on this programme is attributable to the unspent funds which were allocated for the Presidential Employees Stimulus Package as there was a delay in the commencement of recruitment process due to the late approval of the project. National Treasury has extend the programme for 6 months for the implementation in the 2021/22 financial year. The other reason for underspending was the unspent funds which were allocated for the acquisition of laptops. There was a shortage of laptops in the country and suppliers were waiting for equipment to be imported. This had an impact on all Programmes.

Further underspending is due to funding allocated in respect of Covid-19 Projects as funding that was allocated for securing of quarantine/isolation venues was not fully utilised as expected. Most of the operational budget allocated for travelling, fleet services securing of venues and facilities, etc. could not be utilised due to changes that came along as a result of Covid-19.

Programme 2: Real Estate Investment Services

The under-expenditure on this programme is attributable to the procurement processes that were halted due to lockdown and funds which were allocated for the acquisition of laptops could not be spend due to the reasons already mentioned. Further underspending was due to the fact that most of the operational budget allocated for travelling, fleet services securing of venues and facilities, etc. could not be utilised due to changes that came along as a result of Covid-19.

Programme 3: Construction Management Services

The under-expenditure on this programme was attributable to the delay in the execution of projects which was caused by the lockdown due to COVID-19, this resulted in a delay of approximately three months as contractors were not allowed at full capacity to be on site during this period.

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. The other reason for underspending was due to the unspent funds which were allocated for the acquisition of laptops as already mentioned under other programmes.

Most of the operational budget allocated for travelling, fleet services securing of venues and facilities, etc. could not be utilised due to changes that came along as a result of Covid-19 and the fact that project managers thus did not visit sites as often as originally planned.

Programme 4: Real Estate Management Services

The under-expenditure on this programme is attributable to the fact that some of the Property Rates invoices could not be paid before the end of the financial year due the late submission of the invoices and late

response by municipalities to the disputes raised by the Department on incorrect calculations. This programme also experienced underspending of its Machinery and Equipment budget due to the shortage of laptops in the country.

Most of the operational budget allocated for travelling, fleet services securing of venues and facilities, etc. could also not be utilised due to changes that came along as a result of Covid-19.

Programme 5: Real Estate Information & Registry Services

The under-expenditure on this programme was attributable to the allocation of R50m for updating and correcting of immovable asset register which was not fully spend, the identification of the affected State Domestic Facilities per district as well as finalization of the procurement process which took long. Further underspending was due to the laptop shortage and operational needs reducing due to officials working from home.

Programme 6: Facilities Management

The under-expenditure on this programme is attributable to the delay in the execution of the repair projects which was caused by the lockdown due to COVID-19, this resulted in a delay of approximately three months as contractors were not allowed to be on site at full capacity during this period. The maintenance budget was not fully spent because although most properties are functional in nature and did not close down during the Lockdown, only essential maintenance was attended to.

The other reason was the delay in the procurement of the new contracts for Cleaning and gardening where the existing contracts have expired, this was caused by the lapsed tenders due to Covid-19.

Further underspending was due to the laptop shortage and operational needs reducing due to officials working from home.

1.5 Entities reporting to the Minister

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
AGRÉMENT SOUTH AFRICA	Agrément South Africa Act, 2015 (Act No. 11 of 2015)	Transfer payment from grant allocation statutorily made available to the entity by way of a Parliamentary budget vote	South African centre for the assessment and certification of non-standardised construction-related products and systems for which no South African National Standards existed prior to certification
COUNCIL FOR THE BUILT ENVIRONMENT	The CBE executes its mandate, derived from the Council for the Built Environment Act, 2000 (No. 43 of 2000). The scope of the CBE and Professional Councils in the built environment value chain is to coordinate the work of the professional councils that regulate the industry in respect of the conceptualisation, design, building, maintenance and transfer social and economic infrastructure. As such the CBE mandate is also informed by the Acts, mainly of the six built environment professions that report to the Minister of Public Works and Infrastructure.	Transfer payment from grant allocation statutorily made available to the entity by way of a Parliamentary budget vote	<ul style="list-style-type: none"> • Provision of advisory services to Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and such services are derived mainly through research work; • Facilitate inter-governmental co-operation concerning issues relating to the built environment; • Corporate governance assessments in order to ensure the consistent application of policy by the councils for the built environment professions with regard to: <ol style="list-style-type: none"> i. accreditation of higher learning institutions offering courses towards qualification in a built environment discipline; ii. registration of different categories of registered persons; and consistency in the application of key elements of competence testing of registered persons; iii. codes of conduct to be prescribed by the councils for the respective professions; iv. principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
			<p>charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition;</p> <p>v. standards of health, safety and environmental protection within the built environment;</p> <p>vii. recognition of voluntary associations for the built environment professions, by approving the framework for that recognition submitted by the councils for the professions,</p> <ul style="list-style-type: none"> • Broad-based long-term strategy for the transformation of the built environment • Optimum functioning of the CBE through the revision of business process in order to arrive at the appropriate organisational capacity and operational efficiency that will allow to effectively discharge its legislative mandate. • Throughput study on the demand and supply of built environment skills in order to provide an advisory on the development of the skills pipeline for the built environment.
CONSTRUCTION INDUSTRY DEVELOPMENT BOARD	Schedule 3A public entity	Transfer payment from grant allocation statutorily made available to the entity by way of a Parliamentary budget vote	<ul style="list-style-type: none"> • Developing sound corporate governance and promote an ethical environment in achieving the desired outcome of a clean audit. • maintaining the national Register of Contractors, the Contractor Recognition Scheme, the Register of Projects, and the Project Assessment Scheme; and enforce compliance with CIDB regulations • monitoring and evaluation of the construction industry performance to ensure the

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
			<p>achievement of desired outcomes of transformation and development</p> <ul style="list-style-type: none"> • developing, promoting and updating the construction industry research agenda, by establishing a knowledge centre whose insights should enable guidance on the development and design of interventions towards challenges affecting the industry, for example increased black ownership and participation and increased ownership and participation by designated groups, in particular, women and youth. • promote uniform application of procurement and delivery management policies affecting the construction industry throughout all spheres of Government.
INDEPENDENT DEVELOPMENT TRUSU	<p>Deed of Trust IT 669/91</p> <p>Trust Property Control Act, 1988 (Act No. 57 of 1988)</p> <p>Public Finance Management Act , 1999 (Act No.1 of 1999)</p>	Receives supplementary financial support from line Department to make up for operating cost shortfalls	<ul style="list-style-type: none"> • Implementation of public social infrastructure programmes to support provision of health and education infrastructure e.g. refurbishment, replacement, upgrades and construction of new school infrastructure and health facilities • Implementation of public social infrastructure programmes to contribute to economic development, growth and support to SMMEs, women and youth owned enterprises • Implementation public employment initiatives and public social infrastructure programmes which contribute to economic development, growth and support to SMMEs, women, youth owned enterprises and other categories of designated groups (people with disabilities, etc.)

1.6 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 2021

Yours faithfully

Yours faithfully



Mr Imtiaz Fazel
Accounting Officer (Acting)
Date: 30/09/2021

CHAPTER 2: PERFORMANCE INFORMATION



Performance information is key to effective management, including planning, budgeting, and implementation, monitoring and reporting. Performance information also facilitates effective accountability, enabling legislators, members of the public and other interested parties to track progress, identify the scope for improvement and better understand the issues involved

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. 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.

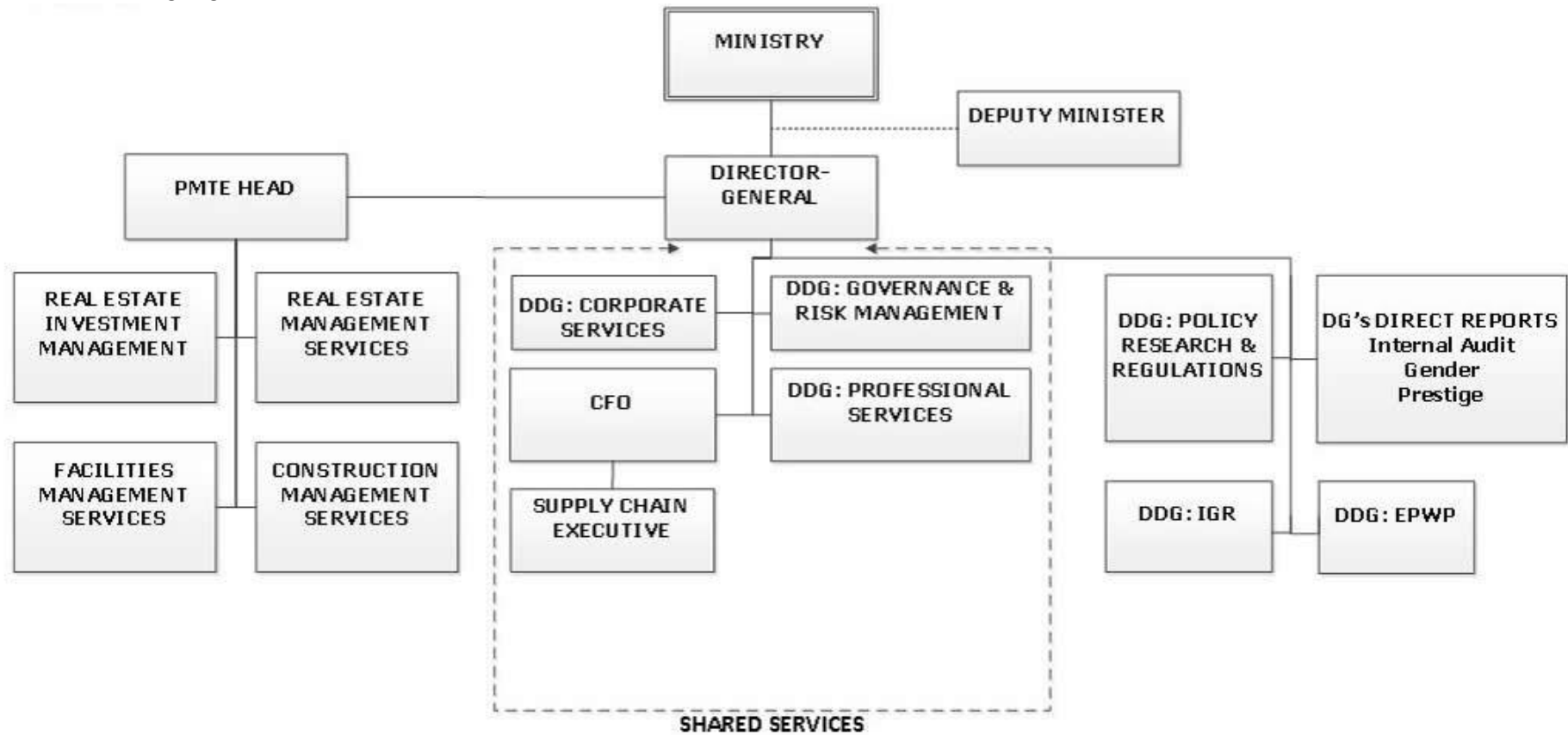
In line with the thematic analysis of a High Performing Organisation and its precondition, i.e. A Resilient, Ethical and Capable DPWI, it is demonstrable that Human Resources play a pivotal role in ensuring that the Department of Public Works and Infrastructure is adequately resourced with the proper skills and efficient capacity to develop, implement and manage systems and processes. Targeted investment in systems and processes is urgently required to support the fourth revolution requirement and to ensure the application in the built and asset planning and management environment. Organisational skill needs must first be met to advance rapid delivery and long-term impacts, addressing skills gaps to meet the organisation's talent needs to:

- Promote business man acumen, with positive attitudes inculcated, collaboration and cooperation fostered
- Ensure change is wired into the delivery of systems, processes and procedures for internal and external proficiency
- With improved IT infrastructure and a new appetite for efficiency through adoption of relevant technology

Further, Strengthened accountability including consequence management across the organisation, and capacity to deliver services/projects efficiently and effectively supporting the vision for the Department to deliver dignified client experiences. In this state, the organisation:

- Promotes and recognises ethical behaviour and supported by improved responsive communication.
- Has transparent management with strengthened and committed leadership.

Figure 2.1 The DPWI Organogram





2.2 key policy developments and legislative changes

For the period under review, the Key policy developments and legislative changes include the Expropriation Bill [B23-2020], Construction Industry Development Board Amendment Bill and Built Environment Professions (BEP) Policy. The purpose of the Expropriation Bill is to repeal the existing Expropriation Act 63 of 1975, provide a common framework in line with the Constitution, 1996 to guide the processes and procedures for expropriation of property by the expropriating authorities for a public purpose or in the public interest subject to compensation. The Bill provides for instances where expropriation with nil compensation may be just and equitable. To date, the Expropriation Bill [B23-2020] was certified as constitutional by the Office of the Chief State Law Advisor. Subsequent to this certification, the Department gazetted the Bill to notify of its intention to introduce it for Parliamentary processes. On 9 September 2020 Cabinet granted its approval for the Expropriation Bill to be submitted to Parliament. The Expropriation Bill was introduced to Parliament on 15 October 2020, and jointly tagged as Section 76 Bill. Going forward, the parliament will drive the public hearings and oral presentations from the provinces. In the process, the Department continues to support parliament with technical expertise in relation to the Bill.

A draft Construction Industry Development Board Amendment Bill was developed. The intention of the amendment is to identify ways in which regulatory function of the CIDB can be enhanced, determining the effectiveness of the Register of Contractors (RoC) and challenges therein, as well as reviewing the procurement policy implementation in facilitating development and transformation of the construction industry. However, the potential risks associated with the new policy proposals to the draft Construction Industry Development Board Amendment Bill is being explored prior to finalisation.

Towards amending legislation governing the 6 Built Environment Professions (BEP), a BEP Policy was developed and submitted to the Minister to approve to gazette for public comment. The amendment of the current regulatory framework of the Built Environment (BE) is intended to address issues of transformation, public protection, integrity of the professions and good governance. The BEPCs must safeguard the highest standards of quality to guarantee safety in the built environment.

2.3 Progress towards Achievement of Institutional Impacts and Outcomes

The 6th Administration priorities of government reflect the reality of the people and sets out a broad framework to respond to the challenges confronting the nation. These priorities serve as pillars to support the National Development Plan 2030 which will be driven by targets set in the Medium-Term Strategic Framework (MTSF). The priorities are stated as follows:

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



7. A better Africa and World.

These seven priorities have given the reconfigured Department of Public Works and Infrastructure the opportunity to refocus toward the achievement of its existing and new infrastructure mandate in the implementation of quality public services for public good. The outcomes of the Department and its Public Entities were all aligned to one or more of the national seven priorities, in order to focus on implementation and targeted infrastructure service delivery that addresses the ever-increasing needs across our Country. The focus as government has to be on **Infrastructure-led Economic Growth**, which will then facilitate the crowding in of the private sector.

The Department has 7 outcomes all of which contribute to some of the 6th Administration priorities. The level of performance per key performance Indicator is depicted below.

2. 4 Institutional Programme Performance Information

The programmes of the Department are explained below.

Outcome 1: Resilient, Ethical and Capable DPWI

Outcome Statement	DPWI is being restructured to be streamlined and outcomes-based, focused on implementation. Reinventing the organisation to be Agile, Ethical, Compliant and Capable, where everyone wants to work, with improved efficiencies achieved through seamless, automated processes and a robust support infrastructure to enable effective service delivery.
-------------------	---

Outcome 2: Integrated Planning AND Coordination

Outcome Statement	Integrated planning and coordination for inclusive economic growth and structural transformation resulting in socio economic returns and development.
-------------------	---

Outcome 3: Productive Assets

Outcome Statement	Optimise DPWI asset portfolio management to positively impact the economy, service delivery and the environment.
-------------------	--

Outcome 4: Sustainable Infrastructure Investment

Outcome Statement	Sustainable infrastructure investment for inclusive economic growth.
-------------------	--

Outcome 5: Transformed Built Environment

Outcome Statement	Contribute towards poverty alleviation and inclusive economic growth through targeted contracting, built environment transformation and skills development and achievement of spatial justice through the strategic use of DPWI public land and building asset portfolio to effect spatial redress.
-------------------	---



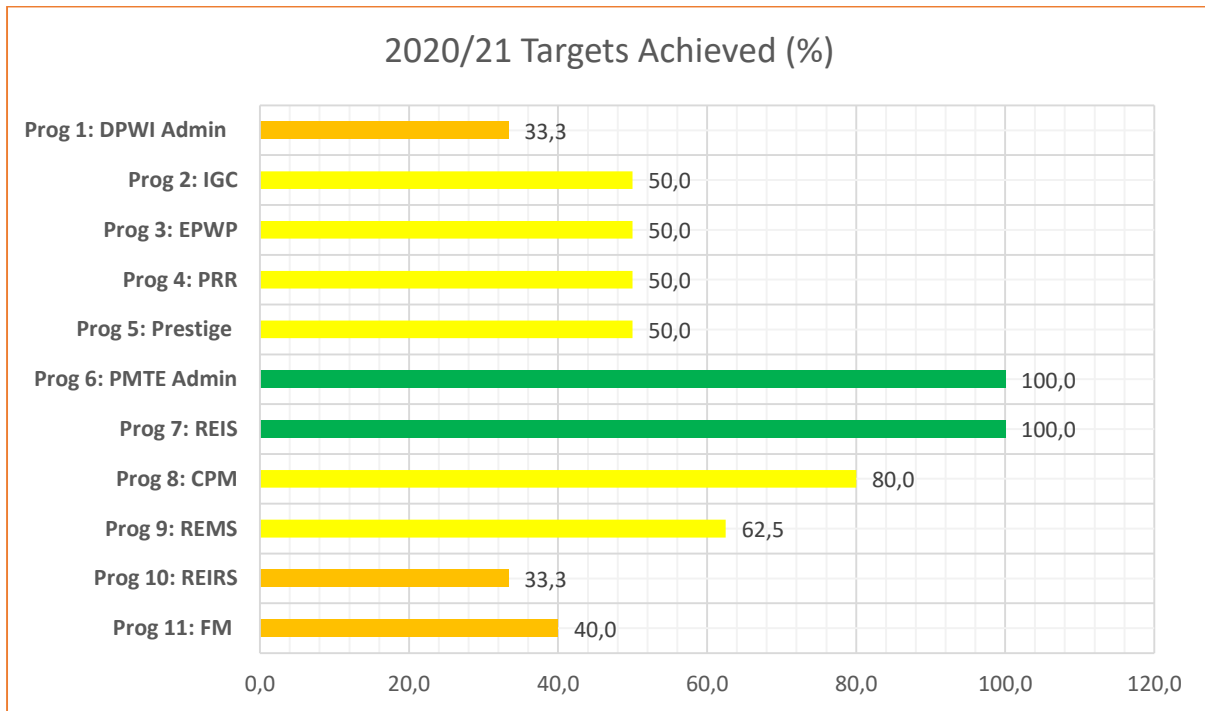
Outcome 6: Optimised Job Opportunities

Outcome Statement	Contribute towards poverty alleviation and unemployment reduction amongst designated groups through the provision of job opportunities.
-------------------	---

Outcome 7: Dignified Client Experience

Outcome Statement	Provide facilities that enable public services to be delivered in a dignified and efficient manner through improved standards and conditions.
-------------------	---

Figure 2.2 Summary of Performance per Programme (target performance)



The summary of the Department’s performance is presented above. The overall performance of the Department in the period under review is 55%. This reflects an average performing Department. Programmes 1, 10 and 11 performed poorly and strategies are in place to improve in the coming financial year.



2.4.1 Outcomes, outputs, output indicators, targets and actual achievements

Programme: Programme 1: Administration								
Purpose: Provide strategic leadership management and support services to the Department								
Sub-Programme: Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for Deviation
Resilient, Capable and Capable DPWI	Good governance	Ethics and fraud perception rating	New Indicator	New Indicator	41-60%	17,8% Good progress, 67,8 in progress and 14,2% interventions required	Ethics and governance Survey conducted	Low response to the survey The next survey will employ a different strategy to include anonymity and progress bars
	Good governance	Compliance rate	New Indicator	New Indicator	61-80%	No compliance rate to be determined, Compliance	(61-80%)	Function does not have capacity to administer the programme and in the



Programme: Programme 1: Administration								
Purpose: Provide strategic leadership management and support services to the Department								
Sub-Programme: Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for Deviation
						Policy drafted (version 2) Compliance Universe development in progress		process of filling the position
	Performance measurement	Percentage Performance Information Level	New Indicator	New Indicator	61%-80%	55%	-	Performance at the lower band of the performance level. Reasons are as detail by every programme for the level of performance



Programme: Programme 1: Administration								
Purpose: Provide strategic leadership management and support services to the Department								
Sub-Programme: Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for Deviation
Resilient, Ethical and Capable DPWI	Spent of allocated budget	Percentage Financial Performance Level	99.2%	99.5%	100%	97.5%	(2.5%)	Under spending of compensation of employees due to non-implementation of the salary adjustment and delay in filling of funded vacant positions Under spending of goods and services due to national lockdown and low spending



Programme: Programme 1: Administration								
Purpose: Provide strategic leadership management and support services to the Department								
Sub-Programme: Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for Deviation
								on outsourced services, contractors and travel and subsistence
	Vacancy rate	Percentage vacancy rate	New Indicator	New Indicator	12%	10% as at end of 31 March 2021 against the DPSA norm of 10% and DPWI target of 12%	2%	Over achievement due to the positive impact of the implementation of the recruitment plan
	Designated groups empowerment	Designated groups in SMS level in	New Indicator	New Indicator	Women: 40%	Women: 38.46% (towards 50%)	Deficit of Women by 3.85%	Stringent advertising process



Programme: Programme 1: Administration								
Purpose: Provide strategic leadership management and support services to the Department								
Sub-Programme: Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for Deviation
	and opportunities	the Department (Women and (PWD)			PWD: 2%	national target and 40% departmental target) PWD: 1.04% (towards the 2% national and departmental target) as at 31 March 2021	Deficit of PWD by 48%	introduced by DPSA due to COVID 19 lockdown. Availability of panels. Adequate availability of ZOOM slots for shortlisting and interviews virtual recruitment and selection process. Limited applications received from Persons with



Programme: Programme 1: Administration								
Purpose: Provide strategic leadership management and support services to the Department								
Sub-Programme: Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for Deviation
								Disabilities and inadequate responses, if none at all.
	ICT architecture to enable modernization of systems	Percentage business process automation	New Indicator	New Indicator	100%	100% Business Process Automated. Solution is being piloted with ICT and HR. Staggered Rollout plan completed	-	-
	ICT architecture to enable	Number of business	New Indicator	New Indicator	1 digital enterprise architecture	No digital enterprise architecture	(1) digital enterprise architecture	Tender was advertised on two separate occasions but



Programme: Programme 1: Administration								
Purpose: Provide strategic leadership management and support services to the Department								
Sub-Programme: Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for Deviation
	modernization of systems	solutions for digitisation				Capable and qualifying Service Provider to implement the ERP system for DPWI not sourced.		cancelled due 1) service providers that responded did not meet SCM criteria, 2) material irregularity in tender process and 3) change in ERP rollout strategy



Programme: Programme 2: Intergovernmental Coordination

Purpose: Provide sound sectorial intergovernmental relations and strategic partnership

Sub-Programme: Intergovernmental Relations and Coordination Public Entities under NDPWI

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
Integrated planning and coordination	National Infrastructure Plan	Number of infrastructure implementation plan reviews	New Indicator	New Indicator	1	Consultation with Provincial and District Municipalities were undertaken to review the draft NIP. Review of the NIPs is subject to Cabinet approval through the auspices of ISA	-	-
	Sector Performance	Sector performance Reviews	New Indicator	New Indicator	2	No performance review done during the	(2)	Implementation of the Sector Plan will take place during the



Programme: Programme 2: Intergovernmental Coordination								
Purpose: Provide sound sectorial intergovernmental relations and strategic partnership								
Sub-Programme: Intergovernmental Relations and Coordination Public Entities under NDPWI								
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
						period under review Sector Plan completed and presented in March 2021 to MINMEC for implementation in the 2021/22 FY. Sector reviews will be conducted on the implementation of this plan.		2021/22 financial year



Programme: Programme 2: Intergovernmental Coordination								
Purpose: Provide sound sectorial intergovernmental relations and strategic partnership								
Sub-Programme: Intergovernmental Relations and Coordination Public Entities under NDPWI								
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
Transformed Built Environment	Reduced Built Environment Skills Gap	Number of beneficiaries participating in the DPWI skills pipeline interventions programme 1 395	1 100	1 212	1 395	1 009	(386)	Adoption of new schools into the Programmes and the TVET Work Programme Beneficiaries that were targeted to be enrolled for 2020/21 Integrated Learning (WIL) financial year cycle was hindered by the Covid 19 Restrictions.



Programme: Programme 2: Intergovernmental Coordination

Purpose: Provide sound sectorial intergovernmental relations and strategic partnership

Sub-Programme: Intergovernmental Relations and Coordination Public Entities under NDPWI

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
	Reduced Built Environment Skills Gap	Percentage of the implementation of Provincial Department of Public Works capacity building programmes aligned to skills pipeline strategy	New Indicator	New Indicator	50%	78%	28%	DPWI developed a Blue Print which guided Provincial Public Works on alignment to the Skills Pipeline Strategy which accelerated the process. The Public Works Capacity Building Forum served as a tool to monitor, provide support and oversight to



Programme: Programme 2: Intergovernmental Coordination								
Purpose: Provide sound sectorial intergovernmental relations and strategic partnership								
Sub-Programme: Intergovernmental Relations and Coordination Public Entities under NDPWI								
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
								the implementation.
	Reduced Built Environment Skills Gap	Number of work opportunities created through capacitation	New Indicator	New Indicator	1 560	1 886	326	Number of beneficiaries appointed exceeded to augment the shortfall in the budget. Budget projections were for 6 months and Treasury responded a month later so contracts had to be adjusted to 5



Programme: Programme 2: Intergovernmental Coordination								
Purpose: Provide sound sectorial intergovernmental relations and strategic partnership								
Sub-Programme: Intergovernmental Relations and Coordination Public Entities under NDPWI								
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
								months hence the shortfall



Programme: Programme 3: Expanded Public Works Programme

Purpose: Coordinate the implementation of the Expanded Public Works Programme which aims to create work opportunities for marginalised and unemployed people in South Africa

Sub-Programme: Infrastructure, Operations, Monitoring and Evaluation, Partnership Support and Sustainable Livelihoods, Convergence and Compliance

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
Optimized job opportunities	Work opportunities reported	Number of Work Opportunities Reported in the EPWP-RS by the Public Bodies	997 286	994 699	984 490	938 688	Under-performance by 45 802 work opportunities	Delays in data collection and reporting by public bodies on the EPWP Reporting System due to the impact of the COVID-19 pandemic and the regulations to limit the spread of the virus. Delays in implementation of projects by public bodies. Some of the delays were due to a need for



Programme: Programme 3: Expanded Public Works Programme

Purpose: Coordinate the implementation of the Expanded Public Works Programme which aims to create work opportunities for marginalised and unemployed people in South Africa

Sub-Programme: Infrastructure, Operations, Monitoring and Evaluation, Partnership Support and Sustainable Livelihoods, Convergence and Compliance

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
								<p>additional requirements on projects due to COVID-19 safety requirements.</p> <p>The deficit of 1.7% against the cumulative EPWP Phase IV target will be made up in 2021/22 through engagement with public bodies to encourage implementation of additional projects and programmes.</p>



Programme: Programme 3: Expanded Public Works Programme

Purpose: Coordinate the implementation of the Expanded Public Works Programme which aims to create work opportunities for marginalised and unemployed people in South Africa

Sub-Programme: Infrastructure, Operations, Monitoring and Evaluation, Partnership Support and Sustainable Livelihoods, Convergence and Compliance

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
		Percentage EPWP participation amongst designated groups (Women, Youth and People With Disabilities) reported on the EPWP RS by the Public Bodies	68% women 43% youth 1% PWD	68.33% Women 41.94% Youth 0.96% PWD	60% Women, 55% Youth and 2% PWD	69% Women 42% Youth 0.98% PWD	Surplus of women participation of 8% Deficit of youth participation of 13% Deficit of PWD participation of 1%	Most of the programmes undertaken during the lockdown were social sector programmes, due to the caring nature leading to a high percentage of women participation, yet relatively low on youth participation. This indicator was impacted by the type of programmes implemented due to



Programme: Programme 3: Expanded Public Works Programme Purpose: Coordinate the implementation of the Expanded Public Works Programme which aims to create work opportunities for marginalised and unemployed people in South Africa								
Sub-Programme: Infrastructure, Operations, Monitoring and Evaluation, Partnership Support and Sustainable Livelihoods, Convergence and Compliance								
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
								lockdown conditions. Engagements will be held with public bodies and implementers to ensure compliance with demographic requirements during recruitment in fair and transparent processes.



Programme: Programme 4: Construction and Property Industry Policy and Research

Purpose: Promote the growth and transformation of construction and property industries. Promote a Standardised approach and best practice in the construction and immovable asset management in the public sector

Sub-Programme: Infrastructure Development Coordination

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
Transformed Built Environment	Infrastructure Legislative Programme	Expropriation Bill introduced in Parliament	Expropriation on Bill (B 4D-2015) referred back to Parliament	Draft Expropriation Bill submitted to Minister for parliamentary	N/A	The Expropriation Bill[B23-2020] has been introducing to parliament for parliamentary process	N/A	N/A
		Public Works General Laws and Repeal Bill Developed	New Indicator	New Indicator	1	10% achievement towards Actual target. Consultation with key stakeholders was done on	(1)	The General Laws and Repeal Bill was taken out of the Legislative program for 2020, as a result of the reprioritization of legislative



Programme: Programme 4: Construction and Property Industry Policy and Research

Purpose: Promote the growth and transformation of construction and property industries. Promote a Standardised approach and best practice in the construction and immovable asset management in the public sector

Sub-Programme: Infrastructure Development Coordination

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
						the SALRC Report. Engagement with DPME on SEIAS requirements.		program by the Leader of Government Business.
Sustainable infrastructure investment	Cities refurbished as smart cities	Number of cities identified for redesign and refurbishment as smart cities			N/A			
		Number of new cities			N/A			



Programme: Programme 4: Construction and Property Industry Policy and Research

Purpose: Promote the growth and transformation of construction and property industries. Promote a Standardised approach and best practice in the construction and immovable asset management in the public sector

Sub-Programme: Infrastructure Development Coordination

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
		planned and developed by 2024						



Programme: Programme 5: Prestige								
Purpose: provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities of the state functions								
Sub-Programme: Prestige accommodation and state functions								
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
Dignified client experience	Norms and standards	Number of prestige policies approved	No prestige policy approved	No prestige policy approved	2	1	(1)	The development of a policy required the assistance of a special skill. The person who was assisting was on contract appointment and it came to an end before finalising on the policy.
	Infrastructure delivery	Number of planned state events supported with movable structure	8 planned state events	8 planned state events	4	1	(3)	Of the 3 events <ul style="list-style-type: none"> 1 took place (Cabinet <i>Lekgotla</i>) took place but not administered



Programme: Programme 5: Prestige								
Purpose: provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities of the state functions								
Sub-Programme: Prestige accommodation and state functions								
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
								<i>by the Department</i> <ul style="list-style-type: none"> The other event (Cabinet <i>Lekgotla</i>) took place virtually <p>The National orders event was cancelled</p>
		Percentage of movable asset provided within 60 working days after approval by	79% of movable asset provided within 60 working days after	No request received	60% of movable asset provided within 60 days after approval by	83.3%	23.3%	Movable assets were provided from the Departmental storerooms and not necessarily procured as part of



Programme: Programme 5: Prestige								
Purpose: provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities of the state functions								
Sub-Programme: Prestige accommodation and state functions								
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
		prestige clients	approval by prestige		prestige clients			cost saving initiatives.
		Signed infrastructure work lists	1 infrastructure work list signed	5 infrastructure work lists signed	1 infrastructure work list	2 infrastructure work list signed	1	The other work list was concluded in response to an emergency request



Programme: Programme 6: PMTE Administration

Purpose: Provide leadership, strategic management, governance and administrative support to the Property Management Trading Entity (PMTE)

Sub-Programme:

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
A resilient, Ethical and Capable DPWI	Spent of the allocated budget	Percentage financial performance level	New Indicator	99.5%	100%	100%	-	-



Programme: Programme 7: Real Estate Investment Services

Purpose: To optimize unitization and maximize the value of the state property portfolio

Sub-Programme:

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
Integrated Planning and Coordination	Ha released from DPWI portfolio for development of infrastructure programmes	Ha released from DPWI portfolio for development of infrastructure programmes and socio-economic objectives	New Indicator	New Indicator	34 995 hectares	32 143, 8356 hectares (92%)	2 852 hectares (8%)	Release of land follows a particular process and accurate documents are required from the requester. The 8% non-achieved relates to insufficient documents and information to allow for the release of land to be processed.
	C-AMP approved	Approved C-AMP submitted to the NT	New Indicator	1 C-AMP submitted to the NT	1 C-AMP	1 C-AMP submitted to National Treasury	-	-



Programme 8: Construction Project Management

Purpose: To provide efficient and effect delivery of accommodation needs for DPWI and user Departments through construction

Sub-Programme: Construction Project Planning and Management

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Integrated Planning and Coordination	Accessible Building	Number of design solution completed for identified user departments	New Indicator	New Indicator	1	1	-	-
		Number of projects completed within agreed construction period	30	78	74	56	(18)	The continued national lockdown, Contractors could not access the construction sites, as a result number of projects were seriously behind schedule, Challenges in obtaining construction permits, SMME and local community strikes, defective work by contractors, poor contract administration,



Programme 8: Construction Project Management

Purpose: To provide efficient and effect delivery of accommodation needs for DPWI and user Departments through construction

Sub-Programme: Construction Project Planning and Management

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
								Variation Order, Inclement weather & shortage of construction materials.
Productive Assets	Completed Project Spend	Number of projects completed within approved budget	89	125	74	78	4	Some projects were originally planned for completion in the last financial year (2019/20) and they only got completed in 2020/21 financial year
		Number of infrastructure sites	107	116	81	88	7	Some sites were originally planned for handover in the last financial year



Programme 8: Construction Project Management

Purpose: To provide efficient and effect delivery of accommodation needs for DPWI and user Departments through construction

Sub-Programme: Construction Project Planning and Management

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
		handed over for construction						(2019/20) and they only got handed over in 2020/21 financial year
Sustainable infrastructure Investment	Completed Projects	Number of infrastructure projects completed	109	145	84	103	19	Some projects were originally planned for completion in the last financial year and they only got completed in 2020/21 Financial Year



Programme 9: Real Estate Management Services

Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery objectives

Sub-Programme: Management of freehold property, and Land Administration and Management

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Productive Assets	Lease portfolio size	Number of private leases reduced within the security cluster	12 private leases reduced within the security cluster	0	5	0	(5)	SAPS was identified as the User Department within the security cluster to be accommodated in a new facility. Currently they are spread across the Pretoria. Migration to the new facility is dependent on the finalisation of the refurbishments to ensure that the facility is habitable. The refurbishments are underway in phases. Once completed, a significant number of



Programme 9: Real Estate Management Services

Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery objectives

Sub-Programme: Management of freehold property, and Land Administration and Management

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
								leases will be reduced.
	Rand value savings on the identified portfolio of assets	Savings realized on identified function specific private leases	New Indicator	New Indicator	R5m	R1 595 025,94	R3 404 974,06	No new leases for the financial year, the savings were realised from the existing leases.
	Rand value Revenue Generated	Percentage change in revenue generation through letting of State-owned properties (excluding harbour properties)	21%	0	4%	0	(4%)	The Department has embarked on a new strategy for letting out State-owned properties to align to the interest shown by the business sector and general public on state owned properties. The



Programme 9: Real Estate Management Services

Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery objectives

Sub-Programme: Management of freehold property, and Land Administration and Management

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
								implementation of the strategy will see revenue being generated in the coming financial years.
	Number of unutilized vacant state owned properties let out	Number of unutilized vacant state owned properties let out	95	105	70	63	7	The Department has embarked on a new strategy for letting out State-owned properties to align to the interest shown by the business sector and general public on state owned properties.



Programme 9: Real Estate Management Services

Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery objectives

Sub-Programme: Management of freehold property, and Land Administration and Management

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Transformed Built Environment	Empowered designated groups (women, Youth and PWD)	Percentage of new leases awarded to black owned companies	New Indicator	New Indicator	5%	57%	52%	The majority of the awards went to black owned companies as a result of a positive response to new leases
Dignified Client Experience	Customer centric organisations	Percentage of new private leases procured with a maintenance plan	New Indicator	New Indicator	100%	100%	-	-
	Signed lease agreements	Number of business Opportunities that will contribute job creation	New indicator	New Indicator	8	9	1	Positive market response



Programme 9: Real Estate Management Services

Purpose: To timeously provide and manage suitable accommodation in support of user needs to meet the service delivery objectives

Sub-Programme: Management of freehold property, and Land Administration and Management

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Productive Assets								
	Revenue increased through letting out of vacant surplus State Owned coastal properties	Percentage rental change through the letting out of small harbours and state coastal properties	5.3%	20%	10%	12.55%	2.55%	9 new lease agreements coupled with the renegotiations of existing leases allowed for an increase in revenue generation that was slightly higher than anticipated



Programme: Programme 10: Real Estate Information Registry Services

Purpose: To develop and manage a complete GRAP compliant Immovable Asset register which support Property Management Trading Entity (PMTE) business requirements and service delivery objectives of the State

Sub-Programme: Asset Registry Services and Conveyancing

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
Integrated Planning and Coordination	Compliance verifications	Number of provincial asset registers assessed for compliance	9 provincial asset registers assessed for compliance	9 provincial asset registers assessed for compliance	9	9	-	-
Productive Assets		Number of immovable assets physically verified to validate existence and assess conditions	9 626 immovable assets physically verified to validate existence and assess conditions	21 401 immovable assets physically verified to validate existence and assess conditions	18 475	12 035	6 440	Physically verification was initially done through contract employment (additional to the establishment) which came to an end during the implementation of the programme. Work resumed after the renewal of contracts at a later stage to expedite the implementation of the programme.



Programme: Programme 10: Real Estate Information Registry Services

Purpose: To develop and manage a complete GRAP compliant Immovable Asset register which support Property Management Trading Entity (PMTE) business requirements and service delivery objectives of the State

Sub-Programme: Asset Registry Services and Conveyancing

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
								Additionally, during the Nation-wide lockdown in response Covid-19, physical verification could not take place owing to access restrictions in some government facilities
Productive Assets	Land parcels vested	Number of land parcels vested (confirmation of ownership)	359 land parcels vested (confirmation of ownership)	528 land parcels vested (confirmation of ownership)	600	241	359	Vesting certificates were not issued in Q1 due to the hard lockdown. Applications recommended for vesting have not yet been finalised



Programme: Programme 11: Facilities Management

Purpose: To ensure that immovable asset used by government department and the public are optimally utilized and maintained in a safe, secure, healthy and economic environment whilst contributing to job creation, skills development and poverty alleviation

Sub-Programme: Scheduled maintenance and unscheduled maintenance

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
Productive Assets	Conditions of buildings and critical components	Number of conditions assessments conducted on identified/prioritized properties	New indicator	New indicator	200	118	82	Conditional assessment of facilities and critical components requires a particular technical skill which is limited in the department. To compensate for this, support was sourced in the last quarter through the Presidential Stimulus Package and HPC to assist with this programme
		Number of critical components assessed to determine	New indicator	New indicator	200	209	9	Due to OHSA concerns in relation to lifts in the Johannesburg region, there was prioritisation to assess the condition and develop a strategy for the portfolio. The availability of a



Programme: Programme 11: Facilities Management

Purpose: To ensure that immovable asset used by government department and the public are optimally utilized and maintained in a safe, secure, healthy and economic environment whilst contributing to job creation, skills development and poverty alleviation

Sub-Programme: Scheduled maintenance and unscheduled maintenance

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
		conditions of components(lifts and boilers)						professional resource assisted in reprioritisation of the target due to challenges faced in the first quarter.
		Number of critical components assessed to determine the conditions of components(HVAC, GENSET and water system)	New indicator	New indicator	200	53	147	Conditional assessment of facilities and critical components requires a particular technical skill which is limited in the department. To compensate for this, support was sourced in the last quarter through the Presidential Stimulus Package and HPC to assist with this programme



Programme: Programme 11: Facilities Management

Purpose: To ensure that immovable asset used by government department and the public are optimally utilized and maintained in a safe, secure, healthy and economic environment whilst contributing to job creation, skills development and poverty alleviation

Sub-Programme: Scheduled maintenance and unscheduled maintenance

Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement 2020/21	Reasons for deviations
Dignified client experience	Maintained facilities	Percentage change in level of reactive maintenance	New indicator	New indicator	10%	14%	4%	The focus on preventative maintenance, required the use of term contracts. These contracts assisted in expediting the implementation of the programme.
Optimized job opportunities	Work opportunities created	Number of work opportunities created in maintenance, cleaning and hygiene services	New indicator	New indicator	2000	629	(1371)	FM was identified as one of the programmes with a potential to create work opportunities to respond to Covid-19 initiatives. As of the second quarter, sufficient funding had not been made available thereby affecting the full implementation of the programme.



- **Strategy to overcome areas of under performance**

The performance of the Department for the period under review is average. A number of challenges were experienced ranging from poor planning, absence/lack of an integrated value chain, procurement processes, project management to management of service providers or contractors. Some of the areas for improvement are discussed below.

- **Systems and Business Processes**

The level of performance is also affected by outdated systems and processes. The Department has already embarked on the development of an Enterprise resource planning (ERP) system. The system integrates varied Departmental systems and facilitates error-free transactions and production, thereby enhancing the Department's efficiency. Delays have been experienced in the development of this system. At some stage the Department also embarked on a full scale development of business processes particularly in the PMTE area. The 'as is' was completed. It is prudent that the Department in all functions implements the 'to be' business processes and complete the development of the ERP system.

The Department needs to roll out the IDMS and refined in relation to the SIDS methodology and integrated business processes as part of enhancing efficiencies within the core infrastructure delivery and property management functions of the Department. The Department's Operating Model and its associated processes had been developed in full alignment and compliance with the IDMS and SIPDM (now FIDPM) and represent an Integrated End-to-End view of the core operations of the DPWI which informed the revision of processes, procedures, technology, and roles and responsibilities. Although resembling the IDMS in appearance, the Operating Model is unique to the Department with the addition of Property Management and interrelated enablers such as the Immovable Asset Register, Supply Chain Management (SCM), Generally Recognised Accounting Practice (GRAP) compliant Financial Reporting and Accounting.

- **Letting Out Strategy**

Since there is an oversupply of state owned property portfolio, not all properties (land included), are utilised by national government departments. Currently, 97% of buildings are occupied by national government departments and entities and 64% of the land is occupied. The remaining balance is unoccupied. This renders an opportunity to let out to individuals and institutions. A letting out strategy has been approved for implementation.

- **Capacity and Skilled Workforce**

An organisation cannot function efficiently if it lacks the required skills and capacity. There needs to be a review of the current organisational structure to align to the core functions and the



delivery model of the Department in Built Environment, Real Estate, Project Management, Project Assurance and Quantity Surveyors. Where positions exist and are deemed critical, need to be filled urgently. This requires a concerted effort between the line function, Corporate Services and Finance to prioritise such positions.

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

For the financial year under review, the Standardised Outputs and Output Indicators are not applicable owing to the fact that not all provincial department reached an agreement on the set key performance outputs.

- **Reporting on the Institutional Response to the COVID-19 Pandemic**

The Department actively contributed to government's response to the impact of the COVID-19 pandemic on the South African society. The Department, as a member of the National Joint Operational and Intelligence Structure, responded to combating the spread of COVID-19 in terms of the Disaster Management Act, No 57 of 2002, as stipulated in the National Joints Committee Containment Work Stream. In response to the above, DPWI identified the EPWP Non-State Sector Non-Profit Organisations Programme, implemented by the Independent Development Trust, on its behalf, as the best response mechanism to support the Department of Health in the delivery of COVID-19 public health services in terms of the Department of Health Public Health Hygiene Strategy. Project implementation started in June 2020 in a staggered approach and ended at the end of November 2020. The project employed a total of 34 348 participants nationally.

- **Expanded Public Works Programme (EPWP)**

The Department experienced the following challenges in relation to EPWP:

- Delays in implementation of projects by public bodies
- Disruption of the implementation due to COVID-19 lockdowns and the need for additional personal protection equipment (PPE) and social distancing requirements.
- Poor technical capacity in public bodies to implement projects.
- Poor and under-reporting of work opportunities by public bodies.

The following measures have been put in place to address the challenges mentioned above:

- Provision of technical support to public bodies to support the implementation of projects.
- Provision of support to public bodies to help with the reporting of projects.
- Establishing an "in-house" capacity in the public bodies.
- Training of officials in public bodies to increase their knowledge of the programme and technical capacity to implement the programme. The DPWI is collaborating with the



Department of Transport, the Department of Cooperative Governance and the Department of Human Settlements to ensure the enforcement of the stipulations of the applicable grants that relate to the use of labour-intensive methods.

- Ensuring accountability of public bodies in terms of record-keeping and reporting through the development of Customised indicators and a practice note.

Table 2.1: Details of the COVID-19 Response Project

Budget Programme	Intervention	Geographic location	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention	Budget spent per intervention	Contribution to the Outputs in the APP	Immediate outcomes
EPWP Non State Sector Non-Profit Organisations Programme	delivery of COVID-19 public health services in terms of the Department of Health Public Health Hygiene Strategy	Across all 44 districts nationally	34 348	23 380 Females 30 431 Youth 323 People with disability	R 344 million	R205 791 695	34 000 work opportunities reported	R 122.6 million in wages as a social protection measure was provided to EPWP participants in 34 348 work opportunities

2.8 Linking performance with budgets

Table 2.2 DPWI Expenditure

	2020/21				2019/20		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as %	Final Appropriation	Actual Expenditure	Expenditure as %
	R'000	R'000	R'000	%	R'000	R'000	%
Administration	456 902	384 341	72 561	84.1%	511 013	460 670	90.1%
Intergovernmental Coordination	58 219	42 297	15 922	72.6%	56 386	52 448	93.0%
Expanded Public Works Programme	2 468 846	2 412 105	56 741	97.7%	2 680 814	2 638 163	98.4%
Property And Construction Industry Policy and Research	4 676 490	4 645 770	30 720	99.3%	4 538 905	4 523 839	99.7%
Prestige Policy	63 922	48 511	15 411	75.9%	119 927	85 094	71.0%



Totals	7 724 379	7 533 024	191 355	97.5%	7 907 045	7 760 214	98.1%
--------	-----------	-----------	---------	-------	-----------	-----------	-------

Departmental spending for the period under review is R7.533 billion which represents 97.5% of the adjusted budget of R7.724 billion. Under spending of R191 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:

o **Programme 1: Administration**

The under spending of R72.6 million in Programme 1 relate to:

- Compensation of employees under spending of R27.5 million is mainly due to the delay in filling vacant positions and non-implementation of the projected annual salary adjustment.
- Goods and services under spending of R40.1 million is mainly due to restrictions on normal operations during nation-wide lockdown which affected spending on planned activities relating to travel and subsistence, communication, property payments , operating leases, venues and facilities and training and development.
- Machinery and equipment under spending of R5 million is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

o **Programme 2: Intergovernmental Coordination**

The under spending of R15.9 million in Programme 2 relate to:

- Compensation of employees under spending of R5.2 million is mainly due to the delay in filling vacant positions and non-implementation of the projected annual salary adjustment.
- Goods and services under spending of R10.6 million mainly due postponement and cancellation of planned activities resulting from the restrictions during nation-wide lockdown.
- Machinery and equipment under spending of R158 000 is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

o **Programme 3: Expanded Public Works Programme**

The under spending of R56.7 million in Programme 3 relate to:



- Compensation of employees under spending of R22.9 million is mainly due to the delay in filling vacant positions and non-implementation of the projected annual salary adjustment.
- Goods and services under spending of R31.5 million is mainly due to restrictions on normal operations during nation-wide lockdown which affected spending on planned activities relating to administrative fees, agency and outsourced services, travel and subsistence as well as venues and facilities.
- Transfers and subsidies underspending of R1.8 million due to transfer payments for EPWP Integrated Grant to Provinces and EPWP Social Sector Incentive Grant that were withheld due to non-compliance to the Division of Revenue Act (DoRA) conditions.
- Machinery and equipment under spending of R514 000 is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

o **Programme 4: Property and Construction Industry Policy and Research**

The under spending of R32.7 million in Programme 4 relate to:

- Compensation of employees under spending of R15.3 million is mainly due to the delay in filling vacant positions and non-implementation of the projected annual salary adjustment.
- Goods and services under spending of R17.2 million mainly due postponement and cancellation of planned activities resulting from the restrictions during nation-wide lockdown.
- Machinery and equipment under spending of R64 000 is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

o **Programme 5: Prestige Policy**

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

- Goods and services under spending of R12.7 million is mainly due mainly due to nation-wide lockdown regulations affecting planned activities for state functions (National Orders, State visits)
- Machinery and equipment under spending of R2.6 million is due to a delay in the planned acquisition of assets.



2.9 Transfer Payments

Table 2.3 2.9.1 Transfer payments to Public Entities

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Agrément South Africa	<ul style="list-style-type: none"> • supporting the construction industry by facilitating the introduction, application and utilisation of ASA certified non-standardised innovative products • Development of modular solutions for Government facilities, in partnership with the DPWI; alignment of the ASA eco-labelling scheme and green rating tool projects 	R29 027 000	R33 971 389	<ul style="list-style-type: none"> • Technical certificates of “fitness for purpose” of successfully assessed non-standardised construction products and systems for which no South African national standard or codes of practice exists. • Formulating and updating of performance criteria used as guidelines in the technical assessments process. • Dissemination of information on appropriate innovative construction technologies and infrastructure to promote acceptance amongst the construction fraternity. • Service to consumers and user interests by providing assurance of fitness-for-purpose and value for money of innovative, non-standardised construction technology as well as on-going quality assurance. • Working with the construction sector to facilitate the introduction of cost-effective technology and non-standardised construction technology. • Dissemination of correct, objective and relevant information to all concerned in respect of the technical, socio-economic and regulatory aspects of innovative technology and non-standardised construction technology. • Providing support to policy makers at all levels and minimise the risk associated with the use of innovations.



Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
				<ul style="list-style-type: none"> • Providing support on the application of the National Building Regulations. • Actively maintaining international links with peer organisations and support to the South African construction industry in its export activities by facilitating the approval of South African innovative construction products in foreign countries. • Facilitating the acceptance of innovative products within the context of the government's new priorities and policies.
Council for the Built Environment	<ul style="list-style-type: none"> • throughput report on the Built Environment skills pipeline • development of long-term Built Environment Transformation Strategy • development of the research agenda through analysis of policies affecting the development of the built environment industry. 	R48 813 000	R50 052 000	<ul style="list-style-type: none"> • The study developed a database for the past 5 years (from 2014 to 2018) to map the supply of BE professionals, from school level, tertiary level, candidacy level, to professional level, thus determining the current supply of BE professionals. • The gender imbalance begins at tertiary level with female representation reducing from 56% at matric level to 26% at tertiary level. • On average, for the period under review, the number of professional in the built environment has only been increasing at a low rate of 3% per annum. • On average the 'built environment professional-to-population was approximately 1 built environment professional to 1300 people, in comparison to an international benchmark of 1 built environment professional to 400 people. • Transformation Strategy was developed, more work will be incorporated to align with the baseline information to be collated in 2021/22



Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
				<ul style="list-style-type: none"> Research Agenda was developed in collaboration with Tertiary Institutions
Construction Industry Development Board	<ul style="list-style-type: none"> Developing sound corporate governance to promote an ethical environment, as well as streamlining processes in order to manage partnerships and alliances with industry stakeholders to achieve CIDB's strategic intent. develop, promote and update the construction industry research agenda by establishing a knowledge centre through which industry and clients can access knowledge and experience on innovation and best practice maintenance of the national Register of Contractors, as well as operating and maintaining the Contractor Recognition Scheme, the Register of Projects and the Project Assessment Scheme 	R72 443 000	R164 770 279	<ul style="list-style-type: none"> Fraud awareness workshop was conducted staff in September 2020. 98.28% of system uptime was achieved. 94% of expenditure was spent on BBBEE compliant suppliers. 93% of invoices were paid within 30 days. Stakeholder forum was held with Minister. Two research report was issued on transformation and development. Registration criteria was reviewed. 2476 non – registered projects were identified against Register of Projects. Industry monitoring reports on transformation and development was produced. Public sector reports were analysed and recommendation issued. Export promotion mission was facilitated in SADC region. Business Advisory Framework was developed. 25 TVET Colleges participated in WorldSkills SA. NCDP framework was reviewed and approved for implementation 288 of Grade2-6 contractors were offered contract development support. 562 of learners were offered experiential learning opportunities. 90 of client departments were capacitated on IDMS. 96 of Grade1-9 contractors registered within 21 working days for compliant applications.



Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Independent Development Trust	<ul style="list-style-type: none"> • Implementation of public social infrastructure programmes to support provision of health and education infrastructure e.g. refurbishment, replacement, upgrades and construction of new school infrastructure and health facilities • Implementation of public social infrastructure programmes to contribute to economic development, growth and support to SMMEs, women and youth owned enterprises • Implementation public employment initiatives and public social infrastructure programmes which contribute to economic development, growth and support to SMMEs, women, youth owned enterprises and other categories of designated groups (people with disabilities, etc.) 	<p style="text-align: center;">R148 501 000</p> <p>Total grant of R148.5m was used to fund the IDT operational expenses for the year. The operational expenditure for the organisation amounts to R210.2m (interim figure). The balance of this expenditure was financed by the collection of management fees charged for programme management services to client departments.</p>	<p style="text-align: center;">R148 501 000</p>	<ul style="list-style-type: none"> • Eleven (11) new facilities were completed during the period under review against a target of Seventeen (17) facilities. • Twenty-two (22) facilities were either upgraded, renovated or rehabilitated • A total of 51 324 work opportunities were created against a target of 35 937 • A total of 52 designated contractors remain on the database of contractors recruited to participate in the Contractor Development Programme (CDP) • The total value of programme spend stood at R 2.113 billion against a target of R 2.121 billion expenditure on confirmed business.



Table 2.4 Expenditure analysis per programme: PMTE

Programme	2020/21				2019/20			
	R'000	R'000	R'000		R'000	R'000	R'000	
Administration	1 299 568	1 015 191	285 428	78%	934 223	778 041	156 182	83%
Real Estate Investment Services	181 360	177 700	3 660	98%	206 705	183 195	23 510	89%
Construction Project Management	4 248 179	2 980 979	1 267 201	70%	4 977 810	3 578 132	1 399 678	72%
Real Estate Management Services	12 770 725	11 558 965	1 211 760	91%	12 038 772	11 730 197	308 575	97%
Real Estate Information & Registry Services	96 395	59 998	36 397	62%	106 580	62 995	43 585	59%
Facilities Management Services	3 523 311	2 705 128	817 133	77%	4 174 205	4 547 580	-373 375	109%
Total	22 119 539	18 497 962	3 621 577	84%	22 438 295	20 880 140	1 558 155	93%



Table 2.5 Spending per economic classification – PMTE

Economic Classification	2020/21				2019/20			
	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	322 418	307 542	14 876	95%	303 262	276 746	26 516	91%
Admin Goods and Services	434 755	298 372	136 383	69%	509 226	454 156	55 070	89%
Maintenance	2 447 925	1 645 995	801 930	67%	3 120 524	3 542 175	-421 651	114%
Municipal Services recovered	5 743 699	4 696 256	1 047 443	82%	5 235 826	4 986 501	249 325	95%
Leasing (Private owned)	4 941 586	4 933 887	7 699	100%	5 098 642	5 081 000	17 642	100%
Property Rates	1 528 318	1 273 334	254 984	83%	1 008 110	1 008 110	0	100%
Compensation of Employees	1 896 057	1 867 317	28 740	98%	2 051 049	1 813 276	237 773	88%
Municipal Services non-recoverable	411 039	411 033	6	100%	499 004	482 792	16 212	97%
Covid 19- Requirements	447 711	335 510	112 201	75%	0	0	0	0%
Construction costs	0	83 381	-83 381	0%	0	264 596	-264 596	0%
Total current payments	18 173 508	15 852 627	2 320 882	87%	17 825 643	17 909 352	-83 709	100%
<i>Capital payments</i>								
Capital recoverable	1 488 987	1 332 750	156 237	90%	2 474 457	2 039 469	434 988	82%
Capital non-recoverable	2 386 563	1 294 647	1 091 916	54%	2 083 445	900 910	1 182 535	43%
Machinery & Equipment	70 480	15 192	55 288	22%	54 750	30 409	24 341	0%
Intangibles	0	0	0	0%	0	0	0	100%
Finance Leases	0	2 746	-2 746	0%	0	0	0	100%
Total capital payments	3 946 030	2 645 335	1 300 695	67%	4 612 652	2 970 788	1 641 864	64%
Total	22 119 539	18 497 962	3 621 577	84%	22 438 295	20 880 140	1 558 155	93%



Details of variances per programme and economic classification are discussed below:

The total expenditure for the period ended March 2021 was R 18.4b which represents 84% of the total budget. This is mainly due to under-expenditure against infrastructure projects, Property Rates and Goods and Services. The expenditure level is below the level of performance of the previous year.

Programme 1: Administration

The under-expenditure on this programme is attributable to the unspent funds which were allocated for the Presidential Employees Stimulus Package as there was a delay in the commencement of recruitment process due to the late approval of the project. National Treasury has extend the programme for 6 months for the implementation in the 2021/22 financial year. The other reason for underspending was the unspent funds which were allocated for the acquisition of laptops. There was a shortage of laptops in the country and suppliers were waiting for equipment to be imported. This had an impact on all Programmes.

Further underspending is due to funding allocated in respect of Covid-19 Projects as funding that was allocated for securing of quarantine/isolation venues was not fully utilised as expected. Most of the operational budget allocated for travelling, fleet services securing of venues and facilities, etc. could not be utilised due to changes that came along as a result of Covid-19.

Programme 2: Real Estate Investment Services

The under-expenditure on this programme is attributable to the procurement processes that were halted due to lockdown and funds which were allocated for the acquisition of laptops could not be spend due to the reasons already mentioned. Further underspending was due to the fact that most of the operational budget allocated for travelling, fleet services securing of venues and facilities, etc. could not be utilised due to changes that came along as a result of Covid-19.

Programme 3: Construction Management Services

The under-expenditure on this programme was attributable to the delay in the execution of projects which was caused by the lockdown due to COVID-19, this resulted in a delay of approximately three months as contractors were not allowed at full capacity to be on site during this period.

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. The other reason for underspending was due to the unspent funds which were allocated for the acquisition of laptops as already mentioned under other programmes.



Most of the operational budget allocated for travelling, fleet services securing of venues and facilities, etc. could not be utilised due to changes that came along as a result of Covid-19 and the fact that project managers thus did not visit sites as often as originally planned.

Programme 4: Real Estate Management Services

The under-expenditure on this programme is attributable to the fact that some of the Property Rates invoices could not be paid before the end of the financial year due the late submission of the invoices and late response by municipalities to the disputes raised by the Department on incorrect calculations. This programme also experienced underspending of its Machinery and Equipment budget due to the shortage of laptops in the country.

Most of the operational budget allocated for travelling, fleet services securing of venues and facilities, etc. could also not be utilised due to changes that came along as a result of Covid-19.

Programme 5: Real Estate Information & Registry Services

The under-expenditure on this programme was attributable to the allocation of R50m for updating and correcting of immovable asset register which was not fully spend, the identification of the affected State Domestic Facilities per district as well as finalization of the procurement process which took long. Further underspending was due to the laptop shortage and operational needs reducing due to officials working from home.

Programme 6: Facilities Management

The under-expenditure on this programme is attributable to the delay in the execution of the repair projects which was caused by the lockdown due to COVID-19, this resulted in a delay of approximately three months as contractors were not allowed to be on site at full capacity during this period. The maintenance budget was not fully spent because although most properties are functional in nature and did not close down during the Lockdown, only essential maintenance was attended to.

The other reason was the delay in the procurement of the new contracts for Cleaning and gardening where the existing contracts have expired, this was caused by the lapsed tenders due to Covid-19.

Further underspending was due to the laptop shortage and operational needs reducing due to officials working from home.



2.9.2 Conditional Grants

- **EPWP Integrated Grant Performance**

By the 31st of March 2020, a total of R419 million for the EPWP Integrated Grant for Provinces was transferred to eligible public bodies, which was 99.6% of the allocation. The variance of R1.5 million was withheld due to non-compliance. The Provincial Departments reported expenditure of R389 million, which was 93% of the allocation.

Table 2.6 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	To incentivise 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: <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, and • 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 FTE's created is 63 687
Amount per amended DORA	R421 million
Amount transferred	R419 million
Reasons if amount as per DORA not transferred	R1.5 million was not transferred to one department in Gauteng due failure to spend the transferred first tranche amount.
Amount spent by the provincial Departments	R389 million
Reasons for the funds unspent by the entity	The unspent funds is as a result of delays in implementation of projects and challenges in implementation due to COVID 19.
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.

By the 31st of March 2020, a total of R748 million was transferred to municipalities in respect of the EPWP Integrated Grant for Municipalities, which was 100% of the allocation. The municipalities reported expenditure to the amount of R 598 million.

Table 2.7 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	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: <ul style="list-style-type: none"> • road maintenance and the maintenance of buildings,



	<ul style="list-style-type: none"> • 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, • parks and beautification, • sustainable land-based livelihoods, • social services programmes, and • 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 FTE's created is 41 786
Amount per amended DORA	R748 million
Amount transferred	R748 million
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Municipalities	R598 million
Reasons for the funds unspent by the entity	The delays in implementation of projects due to COVID-19 and also the implementation of 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 99.9% disbursement of the grant. The allocation was R 413.583 million and the amount disbursed was R 413.237 million. The variance of R346 thousand was withheld due to non-compliance. The total expenditure of R393 million was reported by public bodies, which was 95% of the allocation.

Table 2.8 Social Sector EPWP Incentive Grant for Provinces

Social Sector EPWP Incentive Grant for Provinces (Public Works vote 11)	The grant has been transferred to provincial 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"> • 9 590 full time equivalents (FTEs) funded through this grant • A minimum of 11 028 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"> • 15 889 FTE's created • 20 751 people were employed



	<ul style="list-style-type: none"> • Average duration of 183 person days for work were achieved • 1 845 households received services • 27 347 beneficiaries received the services
Amount per amended DORA	R 413.583 million
Amount transferred	R 413.237 million
Reasons if amount as per DORA not transferred	R346 thousand was not transferred to the department in Northern Cape due to underspending of transferred allocation.
Amount spent by the provincial Departments	R392.967 million
Reasons for the funds unspent by the entity	The unspent funds is as a result of delays in implementation of projects and challenges in implementation due to COVID 19.
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 conducted public body visits, as part of monitoring.

2.10 Capital Investment

In the period under review, the Department spent a total R 3, 1 billion in implementing construction projects. Against a total budget allocation of R 4, 7 billion, this represents about 64% budget spent on projects. For Repair and Maintenance projects, R1.5 billion was spent with the remaining R1.6 billion spent on capital projects. A significant share of expenditure was spent on project from the four (4) main client portfolios/departments, namely Correctional Services, Justice and Constitutional Development, South African Police Services, and Prestige.

A total of 103 project were completed during the 2020/2021 FY. Seventy eight (78) of these were completed within the allocated budget and fifty six (56) within the approved construction period.

Table 2.9 Condition of State-owned Buildings

Department	Condition of State-owned Buildings										Total
	Very Good C5		Good C4		Fair C3		Poor C2		Very Poor C1		
	No.	%	No.	%	No.	%	No.	%	No.	%	
Correctional Services	38	6,5%	2833	9%	9658	22,0%	554	9,8%	100	5,5%	13183
Defence	4	0,7%	20354	67%	4931	11,2%	857	15,2%	400	21,9%	26546
Justice	47	8,1%	544	2%	1897	4,3%	238	4,2%	57	3,1%	2783
Other User Depts.	189	32,4%	2791	9%	12740	29,0%	2091	37,1%	582	31,9%	18393
SAPS	305	52,3%	3644	12%	13465	30,7%	1597	28,3%	323	17,7%	19334
Unutilised	0	0%	0	0%	1210	2,8%	303	5,4%	362	19,8%	1875



Grand Total	583	100%	30166	100%	43901	100%	5640	100%	1824	100%	82114
--------------------	-----	------	-------	------	-------	------	------	------	------	------	-------

The Department however, continues to have a significant number of immovable assets in very poor to poor condition. Although maintenance projects have been scheduled for these and other assets in the portfolio, these projects are currently unfunded and contribute to continued dilapidation of the portfolio. Moving forward, the strategy remains to categorize all assets according to condition for them to be prioritized and included in funded Maintenance Programme on an annual basis.



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 every 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 main features of governance practices in the Department are discussed below.

The Department adopted an outcomes approach to planning. This chapter focuses largely on outcomes 1: **Resilient, Ethical and Capable DPWI**. The Department has reorganised various functions that come with its new infrastructure mandate. The goal is to reinvent the Department to be Agile, Ethical, Compliant and Capable, where everyone wants to work, with improved efficiencies achieved through seamless automated processes and a robust support infrastructure to enable effective service delivery. Oversight of functions and management of governance arrangements has been key in the period under review.

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 in place. The Risk Management Policy is reviewed every three years, and the strategy is reviewed annually in line with changes in environment to reflect the current stance on risk management. The Risk Management Strategy was presented to the relevant structures (Risk Management Committee, Executive Committee) for inputs and adoption and subsequently approved by the Accounting Officer for implementation during the 2020/21 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 where changes have arisen in the Department's operations, respective business units are consulted with regard to the emerging risks. The risk registers are then updated with such emerging risks which are also monitored on a quarterly basis. The two layers of risk registers have been finalised as follows:

- The final Strategic Risk Registers for the 2020/21 financial year was approved and the implementation monitored on a quarterly basis. Eighteen (18) strategic risks for 2020/21 F/Y were identified and residually (5) are high and (12) are medium and (1) was rated as a low risk.
- Operational risks for 2020/21 financial year were also reviewed and monitored for implementation on a quarterly basis.



These risks registers are also presented and discussed at the Risk Management Committee (RMC). The RMC is chaired by an independent Chairperson appointed by the accounting Officer and sits quarterly. Discussion and resolutions taken at RMC are presented to the EXCO meetings for further discussions and decision making and subsequently progress on risk management status is also tabled at the Audit Committee. The Audit Committee is responsible for oversight of the Department's control, governance and risk management and provides an independent and objective view of the Department's risk management effectiveness. The Audit Committee monitors the implementation of risk management processes and advise management on how 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 adopted an outcomes approach in planning for the 2020-25 MTSF period. This approach integrates the elements of risk identification during the planning stage. The department has been intensely involved in the review of both Strategic and Operational risks through a Strategic Risk Workshop held with the management of the Department. Business units were engaged to ensure the alignment of these processes is done as this will assist the Department to take into consideration the 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. further, 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.

3.3 Fraud and Corruption

The Department has an approved Fraud Prevention Strategy, The Strategy outlines a high level plan on how the Department will go about implementing its 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.



- There are mechanisms in place to report fraud and corruption and how these operate, for example, whistle blowing. Further, officials are encouraged to make confidential disclosure about suspect fraud and corruption. Below are some of the mechanisms in place:
- 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 had known but fail to report, will be guilty of a crime.

Reporting Mechanisms

The Department is committed to the highest possible standards of openness, probity and accountability. In line with this commitment the Department expect 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.

Further, 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.

- **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.
- **Closed reporting: Anonymous - 0800 701 701 (National Anti-Corruption Hotline).**

Reporting of cases and action taken

The Department's internal investigating unit maintains an allegation register of all cases reported to the Unit for investigation and in order to promote and maintain accountability the Unit reports all cases to the Audit Committee on quarterly basis.

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.

The Department since 2015/16 has conducted over 176 investigations on a series of allegations of fraud and corruption. As a result of these investigations, 215 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 finalised proceedings, sanctions against officials range from dismissals, final written warnings, suspensions without pay, resignations before finalization of disciplinary hearings etc. A total of 34 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 Minimizing 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 compliance 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.
- Members that serve in the Bid Specification Committee and Bid Evaluation Committee are not permitted to serve in the Bid Adjudication Committee that adjudicates and awards tenders. This to ensure segregation of duties.

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. 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. 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 in 2016.

The Code of Conduct is a guideline to employees on what is expected of them from an ethical point of view both their individual conduct 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 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 theft, fraud and corruption, which in turn has a negative effect on the Department because it hampers service delivery and compromised the integrity of the Department.

The Department adheres to the Code of Conduct in that 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 for employees to acknowledge receipt through their supervisors/ managers.

Presentations of the Code of Conduct are done during the induction of newly appointed employees in order to establish and maintain an ethical culture in the Department.



The Department follows the disciplinary processes contained in both the Disciplinary Code and Procedure for the Public Service and for SMS members to deal with any breach of the Code of Conduct for the Public Service.

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.

In terms of the Disciplinary Code and Procedures for the Public Service and for SMS members, any contravention of the Code of Conduct for the Public Service is an act of misconduct, therefore employees are subjected to disciplinary processes in that regard.

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 to address the non-compliant issues raised on the report. For any non-compliance found on any construction site, they 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 incident 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 as well as facilitating the process of spiking all unutilized sidings.

Condition Survey and Evaluation of some of the Departmental 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 significant amounts 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 Departmental railway sidings situated in different regions such as Western Cape, Limpopo and Gauteng was undertaken. The purpose of condition assessment was to establish the amount of the tracks which have 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:

- 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.
- Consider the removal of all remaining railway tracks and sell them to interested parties who are going to re-use them, instead of the tracks being stolen. This will enable the Department to generate income of which those funds can be used towards maintenance of the active sidings.
- The best option for the department to consider has been determined and informed by the outcome and the recommendations made from the condition survey.
- In the area of inspections on state owned and leased facilities as well as construction sites we were not able to meet our set targets, due to covid-19 restrictions. The restrictions that were imposed by such restrictions was that we were not allowed to access clients facilities in trying to minimize the spread of the virus.



In response to the SARS Covid-19, the following mandatory documents were developed or reviewed

- Establishment of the National Steering Committee to ensure compliance with the regulations and guidelines.
- Appointment of the Compliance Officer by the Director General
- Development of Departmental Occupational Health and Safety protocols
- Conducted hazard identification and risk assessment
- Reviewed the departmental Occupational Health and Safety Policy
- Submitting an approved safety policy and Risk assessment to the Department of Employment and Labour for approval.
- Developed Departmental employee Covid-19 self-screening form, manual and electronic form.
- Appointed regional Covid-19 Compliance Employees
- Organized and coordinated training for nominated Health and Safety Representatives and 180 official were trained nationally.
- Undertook a departmental office space compliance Audit.
- Regular covid-19 meetings were held nationally and at a regional level
- All employees were issued with relevant PPE
- Employees are regularly updated on Covid-19 related issues and updates, via communications.
- Continuously monitoring emerging risks and putting additional controls in place to minimize to spread of the virus at the workplace.
- Installation of Acrylic screens in all reception areas and shared offices
- All employees above 60 years and those with uncontrolled comorbidities are working from home.
- Employees are working on rotational bases to ensure compliance.
- All reported cases were attend to and all affected areas were decontaminated
- All affected employees were offered counselling
- Out of 6649 staff compliment only 5.5% were infected with the virus and 13 fatalities were reported since the beginning of the pandemic.
- All cases were reported to the executive authority and the relevant stakeholders

Challenges

- Part of the challenges faced was that some of the officials are working from home due to age and others due to comorbidities, hence some of the regions were badly affected.
- With the limited resources that the regions are having they still had to attend to covid-19 related issue and monitor compliance as some of the officer were appointed as Compliance Employees.



3.7 Portfolio Committees

The Department appeared before the committee in the period under review. These meetings took place virtually.

3.8 SCOPA Resolutions

There were no SCOPA meetings in the period under review.

3.9 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 2021, 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 Entity”.

The attendance of meetings by the Committee members was as follows:

Name of member	Qualifications	Date appointed	Number of meetings attended
Mr AN Mhlongo (Chairman)	CA (SA), ACMA, GCMA, ATC, B.Com (Hons), B.Com.	01/12/2019	8/8
Ms AMM Badimo	MBA, M.Sc., B.Sc. Hons (CS), B.Sc.(CS), CISM, Cert.IT.Audit, CGEIT, CISA, CRISC, COBIT.5, PMP, CBE, ITIL	01/12/2019	8/8
Mr P Heeger	Pr CPM, Pr TECH(ENG), Pr TECH (ARCH), MSAICE (JSD)	01/12/2019	8/8
Mr E Kerst	Pr Eng., FSAICE, AffM.ASCE, MSc Eng., BSc Eng.	01/12/2019	8/8
Ms SFS Makhathini	CA(SA), B.Compt (Hons), CTA, B.Com	01/12/2019	8/8
Mr SM Mamotheti	MBA, CIA, CCSA ,B.Compt, PGD., HDip Tax,	01/12/2019	8/8
Ms MM Phiri	CA(SA), B.Compt (Hons), B.Com	01/12/2019	8/8
Ms N Sonjani	CA (SA),CTA, B.Compt,	01/12/2019	8/8

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

- Overpayments made to landlords in terms of private leased properties continued in the current year, despite the management's various attempts to eradicate the control weaknesses. The processes put into place to verify payment amounts have not yet made a significant difference since overpayments are still there.
- Some of the key positions at senior management remain vacant, which include among others, the Heads of key programmes such as DDG: Supply Chain Management, DDG: Facilities, DDG: EPWP and DDG: PMO.
- Implementation of audit action plans has not occurred in some 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 following areas of concern are still requiring attention within the ICT environment:- 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.
- Review and monitoring of compliance with applicable laws and regulations was ineffective, which resulted in material non-compliance findings on expenditure, procurement and contract management.
- 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:

- Management of private leases;



- Facilities Management;
- Construction Project Management;
- EPWP Programme;
- Supply Chain Management;
- Human Resources Management;
- Information and Communication Technology (ICT);
- Archibus Project Implementation;
- Immovable Asset Register;
- Governance; and
- Contract Management

The Internal Audit Unit provided value adding recommendations to management with regards to the Entity'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. Despite an improvement of the bank overdraft by R1.7 billion (decreased from R2.6 billion in 2020 to R0.9 billion) on 31 March 2021, significant concerns remain with respect to the following:-

- Inability to collect some of the overdue debtors;
- Prepayments to the implementing agencies;
- Misalignments (timing differences) between recoveries from client Departments and payments for municipality services;
- Lease overpayments;
- Inefficient processes within the Entity (e.g. construction delays, budget overruns);
- Below market related rentals; and
- Underperformance of the property portfolio due to underutilization and inability to optimise surplus property assets.

PMTE has developed strategies to address the above-mentioned challenges but the benefits are only likely to be realised in the future years.

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 Entity 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 function'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 function 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.

Enterprise Risk Management

The Committee is also responsible for the oversight of the Entity's risk management activities. A strategic and operational risk assessment for the year under review was conducted. The Committee has reviewed the risk registers and risk mitigation action plans on a quarterly basis and has made recommendations where appropriate. Improvements are still required with regard to the embedment of the risk management in the daily activities of the entity to ensure effective enterprise wide risk management. .

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 Entity ;
- Review the disclosure in the financial reports of the Entity and the context in which statements on the financial health of the Entity are made; and
- Review all material information presented together with management accounts.

The reports were discussed with the Entity's officials.

Evaluation of Financial Statements

The Committee reviewed the Annual Financial Statements prepared by the entity 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 2020/2021 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 2019/20 Financial Year.



The Committee concurs and accepts the 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 Entity, thereby addressing the current internal control environment of the entity.

Signed on behalf of the Committee by:

A handwritten signature in black ink, appearing to be 'AN Mhlongo', written over a horizontal line.

Mr AN Mhlongo CA (SA), ACMA, GCMA
Chairman of the Audit Committee
Date: 31 August 2021



CHAPTER 4: HUMAN RESOURCE MANAGEMENT

A. Human Resource Information: Main Vote





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 (DPWI)

The impact of COVID 19 affected the recruitment processes. Changing how we work virtually overnight meant either slowing or even freezing some of the recruitment activities. As we lean into our new reality, the recruitment process will continue to change to comply with the new Protocols.

The Department employed 730 individuals out of the 856 posts, inclusive of 88 additional employees to the organizational structure. Personnel expenditure as a percentage of total expenditure stood at 99.3% in the period under review. A healthy staff turnover of 7,70 % was maintained during the current reporting period.

Additional descriptive statistics are provided in the Tables below.

Two duly authorized 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 seven (7) times in the period under review. This is mainly because of the role of the Chamber in examining the impact of the COVID -19 pandemic on the employees of the department during the financial year under review.

4.3 Workforce Planning

The Department has an approved HR Plan for the MTEF period 2019-2021. 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 behaviors, 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 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
- Managed human resource benefits;
- Facilitated and monitored the implementation of employment equity;
- Ensured that an effective PERSAL management infrastructure is in place and maintained;
- Played a crucial role in the COVID 19 Steering Committee for the department.
- Facilitated code of conduct, labour relations' guidelines and practices;
- Facilitated labour relations services;
- Managed employee grievances;
- Managed labour disputes;
- Managed collective bargaining;

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

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.)
DPW:ADMINISTRATION	384 341	254 676	66,30	563	452
DPW:EXP&ED PUBLIC WORK PROGRAMME	2 412 105	160 066	6,60	527	304
DPW:INTERGOVERNMENTLE COORDINTION	42 291	33 206	78,50	977	34
DPW:PRESTIGE POLICY	48 511	29 143	60,10	788	37
DPW:PROPERT&CONST IND POL & REG	4 645 770	10 326	0,20	616	17
Total as on Financial Systems (BAS)	7 533 024	487 417	6,50	578	844

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)	28 989,00	6,00	247 769,00	117,
Highly skilled production (Levels 6-8)	78 094,00	16,10	446 251,00	175
Highly skilled supervision (Levels 9-12)	237 714,00	48,90	883 695,00	269
Senior management (Levels >= 13)	105 506,00	21,70	1 271 157,00	83
Contract (Levels 1-2)	618,00	0,10	32 526,00	19
Contract (Levels 3-5)	2 320,00	0,50	89 231,00	26
Contract (Levels 6-8)	1 164,00	0,20	388 000,00	3
Contract (Levels 9-12)	8 952,00	1,80	688 615,00	13
Contract (Levels >= 13)	15 298,00	3,10	1 092 714,00	14
Contract Other	1 142,00	0,20	114 200,00	10
Periodical Remuneration	2 754,00	0,60	24 372,00	113
Abnormal Appointment	7,00	0,00	7 000,00	1
TOTAL	482 558,00	99,30	5 284 915,00	843

* NB Compensation of Employees including transfer cost is. R482 558 000 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 **843** (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)
DPW: ADMINISTRATION	210 818,00	82,40	3 717,00	1,50	7 743,00	3,00	9 931,00	3,90	255 773,00
DPW: EXPANDED PUBLIC WORKS PROGRAMME	134 889,00	83,30	0,00	0,00	5 751,00	3,60	3 853,00	2,40	161 977,00
DPW:INTERGOVERNMENTAL COORDINATION	28 275,00	85,20	19,00	0,10	1 109,00	3,30	567,00	1,70	33 203,00
DPW:PRESTIGE POLICY	20 037,00	82,80	510,00	2,10	529,00	2,20	866,00	3,60	24 202,00
DPW: PROP & CONS INDUS POLICY REG	9 085,00	83,80	0,00	0,00	632,00	5,80	183,00	1,70	10 846,00
TOTAL	403 104,00	82,90	4 245,00	0,90	15 764,00	3,20	15 401,00	3,20	486 001,00

* **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)	19 047,00	65,70	1 762,00	6,10	1 879,00	6,50	3 843,00	13,20	29 006,00
Highly skilled production (Levels 6-8)	60 611,00	77,40	1 701,00	2,20	2 756,00	3,50	5 201,00	6,60	78 263,00
Highly skilled supervision (Levels 9-12)	202 626,00	84,40	735,00	0,30	5 785,00	2,40	5 401,00	2,20	240 214,00
Senior management (Levels 13)	89 963,00	84,70	0,00	0,00	5 235,00	4,90	956,00	0,90	106 189,00
Contract (Levels 1-2)	618,00	98,60	0,00	0,00	0,00	0,00	0,00	0,00	627,00
Contract (Levels 3-5)	2 319,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00	2 320,00
Contract (Levels 6-8)	1 116,00	95,90	48,00	4,10	0,00	0,00	0,00	0,00	1 164,00
Contract (Levels 9-12)	8 347,00	93,10	0,00	0,00	109,00	1,20	0,00	0,00	8 967,00
Contract (Levels >= 13)	14 561,00	95,10	0,00	0,00	0,00	0,00	0,00	0,00	15 312,00
Contract Other	1 136,00	98,80	0,00	0,00	0,00	0,00	0,00	0,00	1 150,00
Periodical Remuneration	2 754,00	99,10	0,00	0,00	0,00	0,00	0,00	0,00	2 780,00
Abnormal Appointment	7,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00	7,00
TOTAL	403 104,00	82,90	4 245,00	0,90	15 764,00	3,20	15 401,00	3,20	486 001,00

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
DPW:ADMINISTRATION	492	445	47	9,60	78
DPW:EXPANDED PUBLIC WORKS PROGRAMME	222	199	23	10,40	2
DPW:INTERGOVERNMENTAL COORDINATN	41	34	7	17,10	5
DPW:PRESTIGE POLICY	40	37	3	7,50	0
DPW:PROP & CONS INDUS POLICY REG	61	15	46	75,40	3
TOTAL	856	730	126	14,70	88

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)	125	117	8	6,40	0
Highly Skilled Production (Levels 6-8)t	195	175	20	10,30	0
Highly Skilled Supervision (Levels 9-12)	323	269	54	16,70	2
Senior Management (Levels 13-16)	127	83	44	34,60	4
Contract, Other	11	11	0	0,00	10
Contract (Level 1-2)	19	19	0	0,00	19
Contract (Levels 3-5)	26	26	0	0,00	25
Contract (Levels 6-8)	3	3	0	0,00	3
Contract (Levels 9-12)	13	13	0	0,00	12
Contract (Levels 13-16)	14	14	0	0,00	13
TOTAL	856	730	126	14,70	88

“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	139	97	42	30,20	17

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

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)	125	0	0,00	0	0,00	0	0,00
Highly Skilled Production (Levels 6-8)	195	1	0,50	0	0,00	0	0,00
Highly Skilled Supervision (Levels 9-12)	323	48	14,90	0	0,00	32	9,90
Senior Management Service Band A	78	16	20,50	0	0,00	0	0,00
Senior Management Service Band B	35	7	20,00	0	0,00	0	0,00
Senior Management Service Band C	10	9	90,00	0	0,00	0	0,00
Senior Management Service Band D	4	1	25,00	0	0,00	0	0,00
Contract (Levels 1-2)	11	0	0,00	0	0,00	0	0,00
Contract (Levels 3-5)	19	0	0,00	0	0,00	0	0,00
Contract (Levels 6-8)	26	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	13	0	0,00	0	0,00	0	0,00
Contract Band B	10	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	856	82	9,60	0	0,00	32	3,70

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.

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
Male		0	0	0	0
Total		0	0	0	0
Employees with a Disability		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
Male		0	0	0	0
Total		0	0	0	0
Employees with a Disability		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 2020)	Appointments	Terminations	Turnover Rate %
Skilled (Levels 3-5)		118	2	1,70
Highly Skilled Production (Levels 6-8)		172	5	3,50
Highly Skilled Supervision (Levels 9-12)		274	3	1,83
Senior Management Service Band A		54	1	1,90
Senior Management Service Band B		22	1	4,55
Senior Management Service Band C		3	0	0,00
Senior Management Service Band D		3	0	0,00
Contract, Other		31	7	30
Contract (Levels 1-2)		0	19	0
Contract (Levels 3-5)		3	23	0
Contract (Levels 6-8)		3	0	0,00
Contract (Levels 9-12)		10	11	8
Contract Band A		6	6	2
Contract Band B		1	0	0
Contract Band D		3	1	1
TOTAL		703	79	56

Table 4.4.2 Annual turnover rates by critical occupation

Occupation	Employment at Beginning of Period (April 2020)	Appointments	Terminations	Turnover Rate %
Senior Managers	92	9	5	5,40

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 Terminations	Percentage of Total Employment at the end of the period
Death	5	8,90	0,70
Resignation	7	12,50	1,00
Expiry of contract	37	66,10	5,10
Dismissal-misconduct	3	5,40	0,40



Retirement	4	7,10	0,50
TOTAL	56	100,00	7,70

Resignation consists of permanent and contract employees who resigned during 2020/2021 financial year.

Table 4.4.4 Promotions by critical occupation

Occupation	Employment at Beginning of Period (April 2020)	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	92	1	1,10	2	2,20

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 2020)	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)	172	3	1,75	122	70,90
Highly Skilled Supervision (Levels 9-12)	274	1	0,40	198	72,30
Senior Management (Levels 13-16)	82	1	1,20	1	1,20
Contract, Other	31	0	0,00	1	3,20
Contract (Levels 3-5)	3	0	0,00	0	0,00
Contract (Levels 6-8)	3	0	0,00	0	0,00
Contract (Levels 9-12)	10	0	0,00	1	10,00
Contract (Levels 13-16)	10	0	0,00	0	0,00
TOTAL	703	5	0,70	425	60,50

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	2	39	2	0	1	96
Professionals	51	2	1	2	92	1	0	3	152
Technicians and Associate Professionals	73	2	0	1	101	5	1	3	186



Clerks	59	1	0	1	122	0	3	6	192
Service Shop and Market Sales Workers	52	0	0	0	42	0	0	0	94
Craft and Related Trade Workers	1	0	1	0	0	0	0	0	2
Labourers and Related Workers	3	0	0	0	5	0	0	0	8
TOTAL	289	6	3	6	401	8	4	13	730
Employees with disabilities	1	0	0	1	3	0	0	0	5

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 2021

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	3	0	0	0	6
Senior Management	41	0	1	1	31	2	0	1	77
Professionally qualified and experienced specialists and mid-management	117	3	2	2	135	3	2	5	269
Skilled technical and academically qualified workers, junior management, supervisors, foremen	44	2	0	0	118	2	2	7	175
Semi-skilled and discretionary decision making	54	0	0	0	62	1	0	0	117
Contract, Not Available	5	0	0	0	6	0	0	0	11
Contract (Top Management)	1	0	0	1	1	0	0	0	3
Contract (Senior Management)	6	1	0	1	3	0	0	0	11
Contract (Professionally Qualified)	5	0	0	1	7	0	0	0	13
Contract (Skilled Technical)	1	0	0	0	2	0	0	0	3
Contract (Semi-Skilled)	5	0	0	0	21	0	0	0	26
Contract (Unskilled)	7	0	0	0	12	0	0	0	19
TOTAL	289	6	3	6	401	8	4	13	730

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	
Senior Management	0	0	0	0	2	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	0	0	0	2	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen	0	0	0	0	4	1	0	0	5



Semi-skilled and discretionary decision making	0	0	0	0	2	0	0	0	2
Not Available	0	0	0	0	7	0	0	0	7
Contract (Top Management)	0	0	0	1	0	0	0	0	1
Contract (Senior Management)	3	0	0	1	2	0	0	0	6
Contract (Professionally qualified)	6	0	0	1	4	0	0	0	11
Contract (Semi-skilled)	5	0	0	0	18	0	0	0	23
Contract (Unskilled)	7	0	0	0	12	0	0	0	19
Total	22	0	0	3	53	1	0	0	79
Employees with disability	0	0	0	0	1	0	0	0	1

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

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	2	0	0	1	2	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen	3	0	0	1	2	0	0	0	6
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	0	2
Not Available	7	0	0	0	23	0	0	0	30
Contract (Top Management)	0	0	0	0	0	0	0	1	1
Contract (Senior Management)	2	0	0	0	0	0	0	0	2
Contract (Professionally qualified)	5	0	0	1	2	0	0	0	8
Total	22	0	0	3	30	0	0	1	56



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	
02 Senior Management, Permanent	0	0	0	0	2	0	0	0	2
03 Professionally qualified and experienced specialists and mid-management, Permanent	90	3	1	1	101	0	2	1	199
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	34	0	0	0	87	1	0	3	125
05 Semi-skilled and discretionary decision making, Permanent	48	0	0	0	53	1	0	0	102
07 Not Available, Permanent	0	0	0	0	1	0	0	0	1
10 Contract (Professionally qualified), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	172	3	1	1	245	2	2	4	430
Employees with disability	1	0	0	0	2	0	0	0	3

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	2	0	0	0	1	0	0	0	3
Suspension From Work Without Payment	2	0	0	0	0	0	0	0	2
Written Warning	3	0	0	0	2	0	0	0	5
TOTAL	7	0	0	0	3	0	0	0	10



Table 4.5.7 Skills development

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	4	0	0	1	8	1	0	0	14
Professionals	7	0	0	0	27	0	0	0	34
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0
Clerks	12	1	0	0	14	0	0	0	27
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	1	0	0	0	1
TOTAL	23	1	1	1	49	1	0	0	75

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	197	398	49,50	2 324,92	11 802,00
African, Male	117	288	40,60	1 271,96	10 871,00
Asian, Female	3	4	75,00	68,31	22 768,00
Asian, Male	1	3	33,30	23,29	23 289,00
Coloured, Female	2	8	25,00	12,22	6 108,00
Coloured, Male	0	6	0,00	0,00	0,00
Total Blacks, Female	202	410	49,30	2 405,44	11 908,00
Total Blacks, Male	118	297	39,70	1 295,25	10 977,00
White, Female	10	13	76,90	203,52	20 352,00
White, Male	0	5	0,00	0,00	0,00
Employees with a disability	2	5	40,00	32,40	16 199,00
TOTAL	332	730	45,50	3 936,60	11 857,00

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)	93	117	79,50	299,31	3 218,00
Highly Skilled Production (Levels 6-8)	109	175	62,30	1 100,97	10 101,00
Highly Skilled Supervision (Levels 9-12)	127	269	47,20	2 476,86	19 503,00
Other	0	11	0,00	0,00	0,00
Contract (Levels 1-2)	0	19	0,00	0,00	0,00
Contract (Levels 3-5)	0	26	0,00	0,00	0,00
Contract (Levels 6-8)	0	3	0,00	0,00	0,00
Contract (Levels 9-12)	3	13	23,10	59,47	19 823,00
TOTAL	332	633	52,40	3 936,60	11 857,00

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')
Senior Managers	0	97	1	12,60	12 603,00

No SMS received Performance Bonus for 2018/2019 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	0	65	0,00	0,00	0,00	0,00	72 059,23
Band B	0	23	0,00	0,00	0,00	0,00	32 061,32
Band C	0	3	0,00	0,00	0,00	0,00	4 682,69
Band D	0	6	0,00	0,00	0,00	0,00	12 698,06
TOTAL	0	97	0,00	0,00	0,00	0,00	121 501,29

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 2020		31 March 2021		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Skilled (Levels 3-5)	0	0,00	0	0,00	0	0,00
Highly skilled supervision (Levels 9-12)	1	33,30	1	33,30	0	0,00
Senior management (Levels 13-16)	2	66,70	2	66,70	0	0,00
TOTAL	3	100,00	3	100,00	0	0,00



Table 4.7.2 Foreign workers by major occupation

Major Occupation	1 April 2020		31 March 2021		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Administrative office workers	1	33,30	1	33,30	0	0,00
Information technology personnel	0	0,00	0	0,00	0	0,00
Professionals and managers	2	66,70	2	66,70	0	0,00
TOTAL	3	100,00	3	100,00	0	0,00

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 6-8)	5	80,00	2	0,70	3	7,00	4
Contract (Levels 9-12)	10	70,00	3	1,00	3	30,00	7
Contract (Levels 13-16)	14	85,70	1	0,30	14	65,00	12
Contract, Other	26	38,50	10	3,30	3	9,00	10
Skilled (Levels 3-5)	258	77,10	58	19,30	4	185,00	199
Highly skilled production (Levels 6-8)	376	79,50	79	26,30	5	583,00	299
Highly skilled supervision (Levels 9-12)	598	82,60	113	37,70	5	1 934,00	494
Senior management (Levels 13-16)	202	90,60	34	11,30	6	968,00	183
TOTAL	1 489	81,10	300	100,00	5	3 781,00	1 208

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)	27	100,00	1	50,00	27	34,00	27
Highly skilled supervision (Levels 9-12)	30	100,00	1	50,00	30	118,00	30
TOTAL	57	100,00	2	100,00	29	152,00	57

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 6-8)	51	17	3
Contract (Levels 9-12)	76	11	7
Contract (Levels 13-16)	109	9	12
Contract, Other	151	5	29
Skilled (Levels 3-5)	1 461	13	115
Highly skilled production (Levels 6-8)	2 880	17	173
Highly skilled supervision (Levels 9-12)	4 962	18	269
Senior management (Levels 13-16)	1 408	19	76
TOTAL	11 098	16	684

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
Skilled (Levels 3-5)	0	0	23	0	23	1
Highly skilled production (Levels 6-8)	0	0	31	0	616	20
Highly skilled supervision (Levels 9-12)	4	4	32	1	1 269	40
Senior management (Levels 13-16)	0	0	41	0	948	23
TOTAL	4	4	35	1	2 978	85

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)	639,00	15	42 600,00
Annual - Gratuity: Death/Retirement/Medical Retirement(Work	342,00	5	68 400,00
Capped - Gratuity: Death/Retirement/Medical Retirement(Work	365,00	3	121 667,00
TOTAL	1 346,00	23	58 521,74



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
Construction Workers	Line item included in tender documentation enforcing HIV and AIDS Policy & Programme implementation on DPWI projects.

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 and 11 Wellness 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		The Department in collaboration with GEMS conducts Quarterly on site HIV Counselling and Testing and Health Screenings. With the onset of the ongoing COVID 19, HIV testing declined.



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 the Department of Public Service and Administration 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	3	30,00	3
SUSPENSIONS FROM WORK WITHOUT PAY	2	20,00	2
WRITTEN WARNINGS	5	50,00	5
TOTAL	10	100,00	10

Table 4.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage of Total (%)	Total
THEFT/UNLAWFUL REMOVAL OF STATE PROPERTY	2	20,00	2
ABSENT FROM WORK WITHOUT REASON OR PERMISSION	1	10,00	1
PREJUDICED THE ADMINISTRATION DISCIPLINE AND EFFICIENCY OF THE DEPARTMENT	4	40,00	4
NEGLIGENCE / DERELICTION OF DUTIES	1	10,00	1
FAILURE TO CARRY-OUT LAWFUL INSTRUCTIONS/INSUBORDINATION	2	20,00	2
TOTAL	10	100,00	10

Table 4.10.4 Grievances logged

Number of grievances addressed	Number	% of Total	Total
Not resolved	0	0	0
Resolved	8	100,00	8
TOTAL	8	100,00	8



Table 4.10.5 Disputes logged

Number of disputes addressed	Number	% of total
Upheld	3	30,00
Dismissed	5	70,00
Total	8	

Table 4.10.6 Strike actions

Strike Actions	
None	0

Table 4.10.7 Precautionary suspensions

Number of Employees placed on precautionary suspension	Number of employees whose suspension exceeded 30 days	Cost (R'000) of suspensions
	1	1 319 022,00
TOTAL:	1	1 319 022,00

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	120	0	120
Legislators, senior officials and managers	Male	100	0	100
Professionals	Female	101	0	101
Professionals	Male	80	0	80
Technicians and associate professionals	Female	60	0	60,
Technicians and associate professional	Male	70	0	70
Clerks	Female	120	0	120
Clerks	Male	101	0	101
Service and sales workers	Female	24	0	24
Service and sales workers	Male	90	0	90
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	425	0	425
Gender sub totals	Male	441	0	441
TOTAL		866	0	866

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	3	6	9
Legislators, senior officials and managers	Male	2	3	5
Professionals	Female	7	20	27
Professionals	Male	1	6	7
Technicians and associate professionals	Female	0	0	0
Technicians and associate professional	Male	0	0	0
Clerks	Female	5	9	14
Clerks	Male	2	11	13
Service and sales workers	Female	0	0	0
Service and sales workers	Male	0	0	0
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	15	35	50
Gender sub totals	Male	5	20	25
TOTAL		20	55	75

Table 4.12.1 Injury on duty

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



B. Human Resource Information: PMTE

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

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
Administration	1 015 191	468 198	46,12	582	805
Construction Project Management	2 946 463	355 748	12,07	691	515
Facilities Management Services	3 283 181	675 039	20,56	217	3 108
Real Estate Information And Registry Services	59 999	56 182	93,64	502	112
Real Estate Investment Services	177 700	171 788	96,67	740	232
Real Estate Management Services	6 755 257	140 362	2,08	546	257
Total	14 237 791	1 867 317	13,12	371	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
Lower skilled (Levels 1 -2)	326,00	0,00	36 222,00	9
Skilled (Levels 3-5)	441 226,00	23,70	223 632,00	1 973
Highly skilled production (Levels 6-8)	460 058,00	24,70	426 770,00	1 078
Highly skilled supervision (Levels 9-12)	591 646,00	31,80	833 304,00	710
Senior management (Levels >= 13)	92 931,00	5,00	1 255 824,00	74
Other	562,00	0,00	562 000,00	1
Contract (Levels 3-5)	22 844,00	1,20	177 085,00	129
Contract (Levels 6-8)	20 544,00	1,10	410 880,00	50
Contract (Levels 9-12)	133 999,00	7,20	644 226,00	208
Contract (Levels >= 13)	8 367,00	0,40	1 673 400,00	5
Contract Other	58 761,00	3,20	34 832,00	1 687
Periodical Remuneration	15 980,00	0,90	28 793,00	555
Abnormal Remuneration	2 137,00	0,10	37 491,00	57



TOTAL	1 849 380,00	99,30	282 953,00	6 536
--------------	---------------------	--------------	-------------------	--------------

Note: Compensation of Employees including transfer cost is R1 849 380 000. 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	385 019,00	83,00	3 668,00	0,80	12 778,00	2,80	23 159,00	5,00	463 700,00
Construction Project Management	317 386,00	87,90	221,00	0,10	5 486,00	1,50	6 177,00	1,70	361 149,00
Facilities Management Services	497 490,00	74,20	13 021,00	1,90	35 229,00	5,30	59 724,00	8,90	670 338,00
Real Estate Information And Registry Services	49 842,00	89,60	7,00	0,00	736,00	1,30	966,00	1,70	55 628,00
Real Estate Investment Services	143 374,00	83,90	60,00	0,00	3 931,00	2,30	5 498,00	3,20	170 976,00
Real Estate Management Services	114 480,00	81,60	1 562,00	1,10	3 823,00	2,70	6 688,00	4,80	140 280,00
Total	1 507 591,00	81,00	18 540,00	1,00	61 983,00	3,30	102 212,00	5,50	1 862 101,00

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)
Lower Skilled (Levels 1-2)	241,00	73,90	27,00	8,30	26,00	8,00	0,00	0,00	326,00
Skilled (Levels 3-5)	308 143,00	69,70	9 889,00	2,20	30 349,00	6,90	52 417,00	11,90	441 870,00
Highly skilled production (Levels 6-8)	358 213,00	77,50	6 265,00	1,40	7 016,00	3,70	32 801,00	7,10	461 987,00
Highly skilled supervision (Levels 9-12)	499 542,00	83,20	2 042,00	0,30	11 705,00	1,90	15 980,00	2,70	600 481,00
Senior management (Levels 13-16)	81 044,00	86,70	0,00	0,00	2 832,00	3,00	958,00	1,00	93 491,00
Other	443,00	78,80	5,00	0,90	17,00	3,00	44,00	7,80	562,00
Contract (Levels 3-5)	22 690,00	99,20	83,00	0,40	0,00	0,00	0,00	0,00	22 882,00
Contract (Levels 6-8)	20 129,00	97,90	72,00	0,40	0,00	0,00	0,00	0,00	20 567,00
Contract (Levels 9-12)	132 227,00	98,30	131,00	0,10	38,00	0,00	11,00	0,00	134 491,00
Contract (Levels 13-16)	8 156,00	97,00	0,00	0,00	0,00	0,00	0,00	0,00	8 406,00
Other Contracts	58 666,00	99,60	26,00	0,00	0,00	0,00	0,00	0,00	58 888,00
Periodical Appointments	15 980,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00	15 980,00
Abnormal Appointments	2 118,00	99,00	0,00	0,00	0,00	0,00	0,00	0,00	2 139,00
TOTAL	1 507 591,00	81,00	18 540,00	1,00	61 983,00	3,30	102 212,00	5,50	1 862 071,00

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	2 577	2 429	148	5,70	1 633
Construction Project Management	604	521	83	13,70	213
Facilities Management Services	2 715	2 387	328	12,10	150
Real Estate Information And Registry Services	110	102	8	7,30	51
Real Estate Investment Services	272	232	40	14,70	7
Real Estate Management Services	298	253	45	15,10	11
Total	6 576	5 924	652	9,90	2 065

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)	189	9	180	95,20	0
Skilled (Levels 3-5)	2 071	1 973	98	4,70	2
Highly Skilled Production (Levels 6-8)t	1 225	1 078	147	12,00	4
Highly Skilled Supervision (Levels 9-12)	890	710	180	20,20	2
Senior Management (Levels 13-16)	121	74	47	38,80	1
Contract, Other	1 688	1 688	0	0,00	1 668
Contract (Levels 3-5)	129	129	0	0,00	129
Contract (Levels 6-8)	50	50	0	0,00	50
Contract (Levels 9-12)	208	208	0	0,00	204
Contract (Levels 13-16)	5	5	0	0,00	5
TOTAL	6 576	5 924	652	9,90	2 065

“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
Architects Town And Traffic Planners	85	79	6	7,10	49
Civil Engineering Technicians	33	29	4	12,10	21
Engineers And Related Professionals	120	112	8	6,70	54
Quantity Surveyors & Related Professionals	15	15	0	0,00	1

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 Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower Skilled (Levels 1-2)	189	0	0,00	0	0,00	0	0,00
Skilled (Levels 3-5)	2 071	0	0,00	0	0,00	0	0,00
Highly Skilled Production (Levels 6-8)	1 225	0	0,00	0	0,00	0	0,00
Highly Skilled Supervision (Levels 9-12)	890	14	1,60	0	0,00	0	0,00
Senior Management Service Band A	85	2	2,40	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	6	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	1 688	0	0,00	0	0,00	0	0,00
Contract (Levels 3-5)	129	0	0,00	0	0,00	0	0,00
Contract (Levels 6-8)	50	0	0,00	0	0,00	0	0,00
Contract (Levels 9-12)	208	0	0,00	0	0,00	0	0,00
Contract Band A	3	0	0,00	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	6 575	16	0,20	0	0,00	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 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

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 2020)	Appointments	Terminations	Turnover Rate %
Lower Skilled (Levels 1-2)	0	9	0	0,00
Skilled (Levels 3-5)	1 996	101	106	5,30
Highly Skilled Production (Levels 6-8)	1 082	45	40	3,70
Highly Skilled Supervision (Levels 9-12)	718	21	44	6,10
Senior Management Service Band A	54	0	4	7,40
Senior Management Service Band B	21	0	0	0,00
Senior Management Service Band C	3	0	0	0,00
Contract, Other	219	1 724	196	89,50
Contract (Levels 3-5)	44	131	77	175,00



Contract (Levels 6-8)	45	83	79	175,60
Contract (Levels 9-12)	175	167	135	77,10
Contract Band A	6	1	3	50,00
Contract Band B	1	0	0	0,00
Contract Band C	1	3	2	200,00
TOTAL	4 365	2 285	686	15,70

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 2020)	Appointments	Terminations	Turnover Rate %
Architects Town And Traffic Planners	62	39	21	33,90
Civil Engineering Technicians	21	23	16	76,20
Engineers And Related Professionals	136	25	25	18,40
Quantity Surveyors & Related Professionals	15	1	1	6,70

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 Terminations	Percentage of Total Employment
Death	40	5,80	0,70
Resignation	129	18,80	2,20
Expiry of contract	398	58,00	6,70
Discharged due to ill health	4	0,60	0,10
Dismissal-misconduct,	4	0,60	0,10
Retirement	111	16,20	1,90
TOTAL	686	100,00	11,60

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 2020)	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
Architects Town And Traffic Planners	62	0	0	21	33,90
Civil Engineering Technicians	21	0	0	3	14,30
Engineers And Related Professionals	136	0	0	51	37,50
Quantity Surveyors & Related Professionals	15	0	0	5	33,30

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 2020)	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)	1 996	12	0,60	1 352	67,70
Highly Skilled Production (Levels 6-8)	1 082	18	1,70	524	48,40
Highly Skilled Supervision (Levels 9-12)	718	18	2,50	334	46,50
Senior Management (Levels 13-16)	78	0	0,00	0	0,00
Contract, Other	219	0	0,00	29	13,20
Contract (Levels 3-5)	44	0	0,00	3	6,80
Contract (Levels 6-8)	45	0	0,00	1	2,20
Contract (Levels 9-12)	175	0	0,00	7	4,00
Contract (Levels 13-16)	8	0	0,00	0	0,00
TOTAL	4 365	48	1,10	2 250	51,50

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	41	1	2	5	22	1	4	2	78
Professionals	222	18	23	56	180	10	6	15	530
Technicians And Associate Professionals	272	17	4	21	351	23	3	52	743
Clerks	290	18	6	15	458	18	8	50	863
Service Shop And Market Sales Workers	586	9	1	1	710	2	1	0	1 310
Craft And Related Trade Workers	138	48	6	27	58	1	0	0	278
Plant And Machine Operators And Assemblers	164	3	2	0	191	1	0	0	361
Labourers And Related Workers	565	124	5	6	982	77	1	1	1 761
Total	2 278	238	49	131	2 952	133	23	120	5 924
Employees with disabilities	24	7	1	9	13	2	0	8	64

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	38	1	2	4	20	1	3	2	71
Professionally qualified and experienced specialists and mid-management	329	23	22	57	224	15	4	36	710
Skilled technical and academically qualified workers, junior management, supervisors, foremen	327	49	5	39	544	26	8	80	1 078
Semi-skilled and discretionary decision making	699	153	8	9	1 015	87	1	1	1 973
Unskilled and defined decision making	3	0	0	0	6	0	0	0	9
Contract, Unavailable	720	7	0	3	954	2	1	1	1 688
Contract (Top Management)	1	0	0	0	0	0	0	0	1
Contract (Senior Management)	2	0	0	1	1	0	0	0	4
Contract (Professionally qualified)	93	2	12	18	76	2	5	0	208
Contract (Skilled technical)	13	2	0	0	35	0	0	0	50
Contract (Semi-skilled)	52	1	0	0	76	0	0	0	129
Total	2 278	238	49	131	2 952	133	23	120	5 924

Table 4.5.3 Recruitment

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management	10	1	1	0	9	0	0	0	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen	13	1	3	0	27	1	0	0	45
Semi-skilled and discretionary decision making	31	0	0	0	65	5	0	0	101
Unskilled and defined decision making	3	0	0	0	6	0	0	0	9
Not Available, Permanent	735	10	0	4	967	6	1	1	1 724
Contract (Top Management), Permanent	3	0	0	0	0	0	0	0	3
Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1



Contract (Professionally qualified), Permanent	81	2	12	17	54	1	0	0	167
Contract (Skilled technical), Permanent	20	2	0	0	61	0	0	0	83
Contract (Semi-skilled), Permanent	50	1	0	0	80	0	0	0	131
TOTAL	946	17	16	21	1 270	13	1	1	2 285
Employees with disability	3	1	0	1	0	0	0	0	5

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	
Professionally qualified and experienced specialists and mid-management	158	10	10	24	126	6	1	17	352
Skilled technical and academically qualified workers, junior management, supervisors, foremen	178	16	1	8	300	11	6	22	542
Semi-skilled and discretionary decision making	443	86	5	2	761	65	1	1	1 364
Contract, Not available	16	0	0	0	12	1	0	0	29
Contract (Professionally qualified)	0	0	0	0	6	0	1	0	7
Contract (Skilled technical)	1	0	0	0	0	0	0	0	1
Contract (Semi-skilled)	0	0	0	0	3	0	0	0	3
TOTAL	796	112	16	34	1 208	83	9	40	2 298
Employees with disability	6	3	0	1	12	2	0	3	27

Table 4.5.5 Terminations

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	2	0	1	0	1	0	0	0	4
Professionally qualified and experienced specialists and mid-management	10	2	3	16	11	1	0	1	44
Skilled technical and academically qualified workers, junior management, supervisors, foremen	15	8	1	3	8	1	0	4	40
Semi-skilled and discretionary decision making	41	12	0	0	46	6	0	1	106
Contract, Not available	94	4	1	1	92	4	0	0	196



Contract (Top Management)	2	0	0	0	0	0	0	0	2
Contract (Senior Management)	1	0	0	0	2	0	0	0	3
Contract (Professionally qualified)	70	3	11	8	43	0	0	0	135
Contract (Skilled technical)	23	1	0	0	54	0	0	1	79
Contract (Semi-skilled)	30	1	0	0	45	1	0	0	77
TOTAL	288	31	17	28	302	13	-	7	686
Employees with disabilities	4	0	0	2	1	0	0	0	7

Table 4.5.6 Disciplinary action

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	3	0	0	1	1	0	0	0	5
Suspension From Work Without Pay	4	0	0	0	0	0	0	0	4
Final Written Warning	3	1	0	1	7	0	0	0	12
Written Warning	8	1	0	1	7	0	0	0	17
Verbal Warning	1	0	0	0	0	0	0	0	1
Cases Withdrawn/ Not Guilty	2	0	1	0	1	0	0	0	4
Cases Not Pursued/Retirement/Resignations/Death	2	0	0	0	1	0	0	1	4
TOTAL	24	1	1	3	16	1	0	1	47

Table 4.5.7 Skills development

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	6	0	0	1	3	0	0	0	10
Professionals	30	2	2	1	24	0	1	2	62
Technicians and Associate Professionals	8	0	0	0	8	2	0	0	18
Clerks	62	2	0	4	106	8	0	4	186
Service and Sales Workers	4	0	0	1	3	0	0	1	9
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	24	1	0	0	10	0	0	0	35
Plant and Machine Operators and Assemblers	3	0	0	0	6	0	0	0	9
Elementary Occupations	7	0	1	0	7	0	0	0	15
Employees with disabilities	3	0	0	0	2	1	0	0	6
TOTAL	144	5	3	7	167	10	1	7	344

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	735	2 939	25,00	5 328,85	7 250,00
African, Male	515	2 254	22,80	3 917,12	7 606,00
Asian, Female	1	23	4,30	8,45	8 451,00
Asian, Male	4	48	8,30	81,01	20 254,00
Coloured, Female	69	131	52,70	524,72	7 605,00
Coloured, Male	104	231	45,00	761,81	7 325,00
Total Blacks, Female	805	3 093	26,00	5 862,02	7 282,00
Total Blacks, Male	623	2 533	24,60	4 759,94	7 640,00
White, Female	57	112	50,90	1 050,70	18 433,00
White, Male	33	122	27,00	524,01	15 879,00
Employees with a disability	16	64	25,00	140,68	8 793,00
TOTAL	2962	5 924	25,90	12 337,35	8 043,00

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')
Lower Skilled (Levels 1-2)	0	9	0,00	0,00	0,00
Skilled (Levels 3-5)	964	1 973	48,90	4 538,00	4 707,00
Highly skilled production (Levels 6-8)	387	1 078	35,90	4 215,25	10 892,00
Highly skilled supervision (Levels 9-12)	182	710	25,60	3 581,88	19 681,00
Other	0	1 688	0,00	0,00	0,00
Contract (Levels 3-5)	1	129	0,80	2,23	2 226,00
Contract (Levels 6-8)	0	50	0,00	0,00	0,00
Contract (Levels 9-12)	0	208	0,00	0,00	0,00
TOTAL	1 534	5 845	26,20	12 337,35	8 043,00

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	15	79	19,00	347,00	23 133,00
Civil Engineering Technicians	1	29	3,40	29,64	29 637,00
Engineers and Related Professionals	13	138	9,40	280,40	21 569,00
Quantity Surveyors & Related Prof Not Class Elsewhere	6	15	40,00	110,65	18 442,00

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	0	53	0,00	0,00	65 562,80
Band B	0	22	0,00	0,00	30 506,74
Band C	0	4	0,00	0,00	5 827,53
TOTAL	0	79	0,00	0,00	101 897,07

This table reflect payment of performance bonuses of SMS during 2020/20201financial year. No SMS was paid performance bonus

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 2020		31 March 2021		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Lower skilled (Levels 1-2)	0	0,00	0	0,00	0	0,00
Highly skilled supervision (Levels 9-12)	36	97,30	37	94,90	1	50,00
Other	0	0,00	1	2,60	1	50,00
Skilled (Levels 3-5)	1	2,70	1	2,60	0	0,00
Senior management (Levels 13-16)	0	0,00	0	0,00	0	0,00
TOTAL	37	100,00	39	100,00	2	100,00

22 Cuban Professionals employed as Technical Advisors.

Table 4.7.2 Foreign workers by major occupation

Major Occupation	1 April 2020		31 March 2021		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Administrative office workers	1	2,70	3	7,70	2	100,00
Elementary occupations	1	2,70	1	2,60	-	0,00
National security and custodian personnel	0	0,00	2	5,10	2	100,00
Professionals and managers	35	94,60	33	84,60	-2	- 100,00
TOTAL	37	100,00	39	100,00	2	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)	1	0,00	1	0,00	1	0,00	1
Contract (Levels 3-5)	36	30,60	15	0,70	2	28,00	36
Contract (Levels 6-8)	50	70,00	17	0,80	3	71,00	50
Contract (Levels 9-12)	160	75,60	48	2,40	3	409,00	160
Contract (Levels 13-16)	5	40,00	2	0,10	3	23,00	5
Contract Other	86	59,30	44	2,20	2	30,00	86
Skilled (Levels 3-5)	5 543	83,10	930	46,00	6	3 976,00	5 543
Highly skilled production (Levels 6-8)	2 767	77,60	595	29,40	5	4 283,00	2 767
Highly skilled supervision (Levels 9-12)	1 621	80,60	339	16,80	5	5 160,00	1 621
Senior management (Levels 13-16)	187	80,70	32	1,60	6	876,00	187
TOTAL	10 456	80,60	2 023	100,00	5	14 856,00	10 456

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
Skilled (Levels 3-5)	573	100,00	11	57,90	52	472,00	573
Highly skilled production (Levels 6-8)	129	100,00	4	21,10	32	205,00	129
Highly skilled supervision (Levels 9-12)	557	100,00	4	21,10	139	1 711,00	557
TOTAL	1 259	100,00	19	100,00	66	2 388,00	1 259

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

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Contract (Levels 3-5)	780	7	110
Contract (Levels 6-8)	444	7	61
Contract (Levels 9-12)	1 492	10	149
Contract (Levels 13-16)	28	7	4
Contract Other	1 351	5	282
Lower Skilled (Levels 1-2)	23	25	5
Skilled (Levels 3-5)	29 832	16	1 888
Highly skilled production (Levels 6-8)	18 184	17	1 094
Highly skilled supervision (Levels 9-12)	12 627	18	718
Senior management (Levels 13-16)	1 422	19	76
TOTAL	66 183	15	4 387



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
Contract (Levels 3-5)	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0
Contract Other	0	0	0	0	0
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	71	8	52	9	23 117
Highly skilled production (Levels 6-8)	23	3	33	7	8 000
Highly skilled supervision (Levels 9-12)	4	2	44	2	7 322
Senior management (Levels 13-16)	0	0	21	0	446
Total	98	5	45	18	38 885

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)	2 066,00	71	29 099,00
ANNUAL - DISCOUNTING: CONTRACT EXPIRY (WORK DAYS)	103,00	3	34 333,00
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	4 460,00	117	38 120,00
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	7 508,00	82	91 561,00
TOTAL	14 137,00		

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 Policy & Programme implementation on DPWI projects.



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 and 11 Wellness 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		The department in collaboration with GEMS conducts Quarterly on site HIV Counselling and Testing and Health Screenings. With the onset of the ongoing COVID 19, HIV testing declined.
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 the Department of Public Service and Administration 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	5	10,60	5
SUSPENSION FROM WORK WITHOUT PAYMENT	4	8,51	4
FINAL WRITTEN WARNING	12	25,53	12
WRITTEN WARNING	17	36,17	17
VERBAL WARNING	1	2,12	1
CASES WITHDRAWN/ NOT GUILTY	4	8,51	4
CASES NOT PURSUED/ RETIRED / RESIGNITIONS/DEATH	4	8,51	4
TOTAL	47	100,00	47

Table 4.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage of Total (%)	Total
Bribes or commit fraud, corruption and nepotism	2	4,25	2
Absent from work without reason or permission	6	12,76	6
Non-compliance with SCM/procurement procedures	1	2,12	1
Misuse, abuse or unauthorized use of state vehicle or property	3	12,34	3
Negligence / dereliction of duties	14	29,78	14
Displayed disrespectful, disgraceful and unacceptable behavior	3	6,38	3
Failure to carry-out lawful instructions/insubordination	10	21,27	10
Prejudiced the administration discipline and efficiency of the department	3	6,38	3
Operating money lending society scheme	4	8,51	4
Performed remunerative work outside the public service without permission	1	2,12	1
TOTAL	47	100	47

Table 4.10.4 Grievances logged

Number of grievances addressed	Number	% of Total	Total
Not resolved	0	0,00	0
Resolved	25	100,00	25
TOTAL	25		25

Table 4.10.5 Disputes logged

Number of disputes addressed	Number	% of total
Upheld	7	75,00
Dismissed	5	25,00
Total	12	100,00



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	
Number of Employees placed on precautionary suspension	Cost
1	32 872,65

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	230	4	234
Legislators, senior officials and managers	Male	287	3	290
Professionals	Female	137	25	162
Professionals	Male	241	12	253
Technicians and associate professionals	Female	142	0	142
Technicians and associate professionals	Male	143	0	143
Clerks	Female	300	0	300
Clerks	Male	256	0	256
Service and sales workers	Female	240	0	240
Service and sales workers	Male	249	0	249
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	120	0	120
Craft and related trades workers	Male	133	0	133
Plant and machine operators and assemblers	Female	0	0	0
Plant and machine operators and assemblers	Male	0	0	0
Elementary occupations	Female	167	0	167
Elementary occupations	Male	163	0	163
Gender sub totals	Female	1 336	29	1 365
Gender sub totals	Male	1 472	15	1 487
TOTAL		2 808	44	2 852

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	1	2	3
Legislators, senior officials and managers	Male	3	4	7
Professionals	Female	5	22	27
Professionals	Male	7	28	35
Technicians and associate professionals	Female	2	8	10
Technicians and associate professionals	Male	1	7	8
Clerks	Female	39	79	118
Clerks	Male	23	45	68
Service and sales workers	Female	0	4	4
Service and sales workers	Male	0	5	5
Skilled agriculture and fishery workers	Female	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0
Craft and related trades workers	Female	3	7	10
Craft and related trades workers	Male	11	14	25
Plant and machine operators and assemblers	Female	0	6	6
Plant and machine operators and assemblers	Male	0	3	3
Elementary occupations	Female	0	7	7
Elementary occupations	Male	0	8	8
Gender sub totals	Female	50	135	185
Gender sub totals	Male	45	114	159
TOTAL		95	249	344

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 basic medical attention only	5	83,3
Temporary Total Disablement	1	16,7
Permanent Disablement	0	0,00
Fatal	0	0,00
Total	6	100,00



CHAPTER 5: FINANCIAL INFORMATION





Report of the auditor-general to Parliament on vote no. 13: 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 213 to 215 which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works and Infrastructure as at 31 March 2021 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standards (MCS) prescribed by National Treasury (NT) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 09 of 2021 (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 my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 33 to the financial statements, the corresponding figures for the 31 March 2020 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2021.



Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 89 to 99 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by NT and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act 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.



15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
16. 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 programmes presented in the department's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 03 - Expanded Public Works Programme	59 - 62
Programme 08 – Construction Project Management	71 - 73

17. 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.
18. The material findings in respect of the reliability of the selected programmes are as follows:

Programme 3 – Expanded Public Works Programme

Various indicators

19. The achievements below were reported in the annual performance report for the listed indicators. However, some supporting evidence provided materially differed from the reported achievements, 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 the Public Bodies	938 688 work opportunities reported in the EPWP-RS by public bodies (cumulative)
Percentage EPWP participation among designated groups (women, youth and people with disabilities) reported on the EPWP-RS by public bodies	69% Women 42% Youth 0,98% People with disabilities

Programme 8 - Construction Project Management

Number of infrastructure projects completed

- 20. The achievement of 103 infrastructure projects completed was reported against planned annual target of 84 infrastructure projects completed in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement.

Other matter

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

Achievement of planned targets

- 22. Refer to the annual performance report on page(s) 46 to 83 for information on the achievement of planned targets for the year and management explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 14 to 20 of this report.

Adjustment of material misstatements

- 23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of



Programme 8- Construction Project Management. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

24. 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.
25. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure Management

26. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R 5 253 000.00, as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by salaries paid to the officials that were appointed irregularly per the public services commission investigation report.
27. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.

Annual financial Statement and Annual Report

28. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (a) of the PFMA. Material misstatements on provisions for impairment and contingent liabilities identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

Consequence Management

29. Disciplinary steps were not taken against the officials who had incurred and permitted fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA.



30. The losses resulting from fruitless and wasteful expenditure were not recovered from the liable persons, as required by treasury regulation 9.1.4.

Other information

31. 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.
32. 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 on it.
33. 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.
34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

35. 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 on the annual performance report and the findings on compliance with legislation included in this report.



36. Management established a formal code of conduct that addressed appropriate ethical and moral behaviour; however, the Director-General is currently on suspension and undergoing disciplinary processes. Instances of non-compliances that resulted in material irregularities are being investigated, as indicated under the *other reports* section of this report.
37. The accounting officer did not implement all the appropriate actions (investigate, identify responsible officials and implement disciplinary processes against the officials as well recover the financial loss) committed in response to the material irregularity notification on state event expenditure that exceeded the contract amount.
38. The department developed a plan to address internal and external audit findings, but the appropriate level of management did not monitor adherence to the plan, in a timely manner. Consequently, material adjustments on the annual financial statements were made while material findings on performance information, as well as compliance with laws and regulations were identified and reported.
39. Consequence management in line with the recommendations of completed investigation reports were not implemented in certain instances. In addition, other investigations that were reported to be in progress in the prior year have been closed without clear indication of the outcomes and recommendations to enable consequence management where necessary.

Material irregularities

40. 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 identified during the audit

41. The material irregularities identified are as follows:

Expenditure on state events exceeded contract amount

42. The prices that were charged on the invoices for three state events that occurred from 6 July 2018 to 7 November 2018 were different from the prices that were quoted on the pricing schedule that was submitted by the supplier during the tender process and the



non-compliance resulted into material financial loss of R825 832. The non-compliance was identified with TR 8.1.1 as the internal procedures and internal control measures did not identify or prevent the irregular payments mentioned above.

43. The Accounting Officer was notified of the MI on 03 September 2020 and the appropriate actions committed in response to the notification (Investigate the expenditure into state events, quantify the full quantum of the likely financial loss, identify responsible officials and initiate the process to recover the financial loss) have not been implemented within reasonable time based on the evidence of progress made per the communication received from the accounting officer dated 07 May 2021.
44. I recommend that the accounting officer should take the following actions to address the material irregularity, which should be implemented by 3 February 2022:
 - The irregular expenditure should be investigated and the financial loss incurred quantified in accordance with the applicable instruction note(s) issued by the National Treasury dealing with irregular expenditure.
 - Appropriate action should be taken to recover the financial loss suffered by the department from the supplier.
 - Effective and appropriate disciplinary steps should commence against any official that the investigation found to be responsible, as required by section 38(1)(h) of the PFMA and in accordance with treasury regulation 9.1.3.
45. I will follow up on the implementation of the recommendations after the due date.

Price and quantity variances pertaining to the funeral related expenditure

46. The prices that were charged on invoices for some state funerals that occurred between May 2018 and December 2018 were different from the prices that were quoted on the pricing schedule that was submitted by the supplier during the tender process. In other instances the, the invoice that was submitted by the supplier for payment purposes, included items that were not initially quoted on as the pricing schedule, which was submitted by the supplier during the tender process. In addition, the quantities on the invoices in some instances differed from the quantities agreed to on the quotation, with no evidence of the additional items being requested by the department. This resulted in a financial loss of R9 121 374. The non-compliance was identified with TR 8.1.1, as the internal procedures and internal control measures did not identify or prevent the irregular payments mentioned above.
47. The Accounting Officer was notified of the MI on 02 September 2020 and the appropriate actions committed in response to the notification are being implemented based on the



evidence of progress made per the communication received from the accounting officer dated 7 May 2021.

48. When the department received the audit finding at the end of 2017/18 audit cycle, it immediately commissioned an investigation into the matter. The investigation was finalised and a report was submitted to the Department on 29 March 2019.
49. The executive authority of DPWI, acting accounting officer and the executive authority in the office of The Presidency are taking disciplinary actions against the officials found responsible. However, the disciplinary processes are taking longer due to court cases levelled by the implicated officials against the departments. The accounting officer opened a criminal case with the South African Police Service (SAPS) on CAS 792/3/2020 against the service provider and notified the supplier of the intention to prohibit the supplier from doing business with the state. A request was subsequently received from the service provider wherein they requested a three month extension to submit their representations. This request is now being addressed by the Restriction Committee, who will advise the Accounting Officer accordingly.
50. An investigation by the Special Investigating Unit (SIU) on the matter commenced in 2021, with the plan to institute civil claim against the supplier based on the outcome of the investigation and the contract with the supplier was terminated in the prior year. I will follow up on the investigation and the implementation of the planned actions during my next audit.

Other reports

51. 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.
52. An investigation into 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.
53. Fieldwork into the allegation of irregular payments for the period 2020/21 made to a service



provider rendering transport services at Parliamentary village. This investigation was in progress at the date of this auditor's report.

Auditor General

Pretoria

31 August 2021



**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 programme 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 [board of directors, which constitutes the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Department 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



- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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



Table of Contents

Appropriation Statement	167
Notes to the Appropriation Statement	210
Statement of Financial Performance	213
Statement of Financial Position	214
Statement of Changes in Net Assets	215
Cash Flow Statement	216
Notes to the Annual Financial Statements (including Accounting policies)	217
Annexures	272

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per programme									
2020/21								2019/20	
	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	476 419	-	(19 517)	456 902	384 339	72 563	84,1%	511 013	460 670
2. Intergovernmental Coordination	58 272	-	(53)	58 219	42 296	15 923	72,6%	56 386	52 448
3. Expanded Public Works Programme	2 468 846	-	-	2 468 846	2 412 105	56 741	97,7%	2 680 814	2 638 163
4. Property and Construction Industry Policy and Research	4 656 731	-	19 759	4 676 490	4 643 784	32 706	99,3%	4 538 905	4 523 839
5. Prestige Policy	64 111	-	(189)	63 922	48 510	15 412	75,9%	119 927	85 094
Total	7 724 379	-	-	7 724 379	7 531 034	193 345	97,5%	7 907 045	7 760 214
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				9 076				27 067	
Actual amounts per statement of financial performance (total revenue)				7 733 455				7 934 112	
Actual amounts per statement of financial performance (total expenditure)					7 531 034				7 760 214

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21							2019/20	
	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	924 895	(170)	(20 152)	904 572	721 400	183 172	79,8%	1 008 913	868 386
Compensation of employees	558 712	(1)	(152)	558 559	487 416	71 143	87,3%	557 085	503 535
Salaries and wages	492 456	(5 212)	(152)	487 092	428 196	58 896	87,9%	488 436	445 332
Social contributions	66 256	5 211	-	71 467	59 220	12 247	82,9%	68 649	58 203
Goods and services	366 183	(170)	(20 000)	346 013	233 984	112 029	67,6%	451 721	364 744
Administrative fees	52 528	1 206	-	53 734	36 296	17 438	67,5%	48 463	46 758
Advertising	3 141	1 040	-	4 181	2 971	1 210	71,1%	4 084	3 167
Minor assets	6 032	-	-	6 032	161	5 871	2,7%	8 445	3 500
Audit costs: External	10 000	-	-	10 000	8 630	1 370	86,3%	12 830	10 564
Bursaries: Employees	1 200	-	-	1 200	155	1 045	12,9%	455	455
Catering: Departmental activities	4 634	-	-	4 634	821	3 813	17,7%	5 591	4 436
Communication	22 001	(1 829)	(1 800)	18 372	13 944	4 428	75,9%	12 344	8 636
Computer services	36 889	116	-	37 005	35 990	1 015	97,3%	39 747	39 215
Consultants: Business and advisory services	29 110	2 771	(1 800)	30 081	17 333	12 748	57,6%	33 756	26 562

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21							2019/20	
	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
Legal services	16 514	-	(7 700)	8 814	7 037	1 777	79,8%	34 535	34 534
Contractors	6 721	(1 806)	-	4 915	2 613	2 302	53,2%	42 192	19 703
Agency and support / outsourced services	54 061	1 997	-	56 058	45 720	10 338	81,6%	74 040	52 895
Entertainment	384	-	-	384	45	339	11,7%	360	180
Fleet services	3 350	(6)	-	3 344	986	2 358	29,5%	3 569	2 471
Consumable supplies	2 854	1 725	-	4 579	2 813	1 766	61,4%	6 236	4 992
Consumable: Stationery, printing and office supplies	7 193	(385)	(1 100)	5 708	1 718	3 990	30,1%	6 034	4 045
Operating leases	35 870	28	(2 400)	33 498	27 606	5 892	82,4%	31 779	27 708
Property payments	21 610	-	-	21 610	15 107	6 503	69,9%	19 578	19 342
Transport provided: Departmental activity	-	-	-	-	-	-	-	106	-
Travel and subsistence	32 378	(5 659)	(5 200)	21 519	8 487	13 032	39,4%	47 318	40 915
Training and development	3 625	-	-	3 625	429	3 196	11,8%	4 052	3 801
Operating payments	7 674	1 161	-	8 835	4 800	4 035	54,3%	8 798	5 492
Venues and facilities	7 850	(714)	-	7 136	116	7 020	1,6%	6 883	4 960
Rental and hiring	564	185	-	749	206	543	27,5%	526	413
Interest and rent on land	-	-	-	-	-	-	-	107	107
Interest	-	-	-	-	-	-	-	107	107
Transfers and subsidies	6 788 737	1	20 152	6 808 890	6 807 042	1 848	100,0%	6 874 725	6 874 183
Provinces and municipalities	1 582 390	3	-	1 582 393	1 580 545	1 848	99,9%	1 598 233	1 598 232

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
2020/21								2019/20	
	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
Provinces	834 345	-	-	834 345	832 499	1 846	99,8%	868 181	868 181
Provincial Revenue Funds	834 345	-	-	834 345	832 499	1 846	99,8%	868 181	868 181
Municipalities	748 045	3	-	748 048	748 046	2	100,0%	730 052	730 051
Municipal bank accounts	748 045	3	-	748 048	748 046	2	100,0%	730 052	730 051
Departmental agencies and accounts	4 402 071	-	-	4 402 071	4 402 071	-	100,0%	4 486 911	4 486 911
Departmental agencies (non-business entities)	4 402 071	-	-	4 402 071	4 402 071	-	100,0%	4 486 911	4 486 911
Foreign governments and international organisations	29 013	-	-	29 013	29 013	-	100,0%	24 621	24 620
Public corporations and private enterprises	189 301	-	20 000	209 301	209 301	-	100,0%	5 000	5 000
Public corporations	189 301	-	20 000	209 301	209 301	-	100,0%	5 000	5 000
Other transfers to public corporations	189 301	-	20 000	209 301	209 301	-	100,0%	5 000	5 000
Non-profit institutions	578 484	-	-	578 484	578 484	-	100,0%	750 424	750 424
Households	7 478	(2)	152	7 628	7 628	-	100,0%	9 536	8 996
Social benefits	1 908	(228)	(283)	1 397	1 397	-	100,0%	4 270	3 968
Other transfers to households	5 570	226	435	6 231	6 231	-	100,0%	5 266	5 028
Payments for capital assets	10 747	-	-	10 747	2 422	8 325	22,5%	23 241	17 479
Machinery and equipment	10 747	-	-	10 747	2 422	8 325	22,5%	22 784	17 022
Other machinery and equipment	10 747	-	-	10 747	2 422	8 325	22,5%	22 784	17 022
Software and other intangible assets	-	-	-	-	-	-	-	457	457
Payments for financial assets	-	170	-	170	170	-	100,0%	166	166
Total	7 724 379	-	-	7 724 379	7 531 034	193 345	97,5%	7 907 045	7 760 214

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
2020/21								2019/20	
	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									
2020/21								2019/20	
	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	40 401	-	(2 000)	38 401	27 674	10 727	72,1%	44 046	35 009
2. Management	107 081	(123)	(6 100)	100 858	82 382	18 476	81,7%	109 552	91 283
3. Corporate Services	232 199	123	(9 017)	223 305	198 326	24 979	88,8%	261 754	249 564
4. Finance and Supply Chain Management	49 038	-	-	49 038	37 478	11 560	76,4%	53 214	43 942
5. Office Accommodation	47 700	-	(2 400)	45 300	38 479	6 821	84,9%	42 447	40 872
Total for sub programmes	476 419	-	(19 517)	456 902	384 339	72 563	84,1%	511 013	460 670
Economic classification									
Current payments	469 093	(152)	(20 005)	448 935	381 376	67 559	85,0%	500 605	451 979
Compensation of employees	282 175	(1)	(5)	282 169	254 675	27 494	90,3%	294 323	263 020

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21							2019/20	
	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	249 635	(4 386)	(5)	245 244	222 949	22 295	90,9%	258 450	232 919
Social contributions	32 540	4 385	-	36 925	31 726	5 199	85,9%	35 873	30 101
Goods and services	186 918	(152)	(20 000)	166 766	126 701	40 065	76,0%	206 282	188 959
Administrative fees	3 725	1 200	-	4 925	4 213	712	85,5%	1 727	1 252
Advertising	1 882	-	-	1 882	1 255	627	66,7%	1 709	1 412
Minor assets	1 083	-	-	1 083	58	1 025	5,4%	779	526
Audit costs: External	10 000	-	-	10 000	8 630	1 370	86,3%	12 830	10 564
Bursaries: Employees	1 200	-	-	1 200	155	1 045	12,9%	455	455
Catering: Departmental activities	1 556	-	-	1 556	677	879	43,5%	2 358	2 139
Communication(G&S)	18 732	(1 971)	(1 800)	14 961	12 535	2 426	83,8%	10 276	7 153
Computer services	36 882	116	-	36 998	35 990	1 008	97,3%	39 667	39 173
Consultants: Business and advisory services	11 687	-	(1 800)	9 887	7 637	2 250	77,2%	17 522	17 187
Legal services	16 514	-	(7 700)	8 814	7 037	1 777	79,8%	34 528	34 527
Contractors	344	14	-	358	14	344	3,9%	781	514
Agency and support / outsourced services	1 193	-	-	1 193	-	1 193	-	701	81

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21							2019/20	
	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
Entertainment	263	-	-	263	33	230	12,5%	208	113
Fleet services	2 156	(6)	-	2 150	588	1 562	27,3%	2 226	1 490
Consumable supplies	1 043	592	-	1 635	1 255	380	76,8%	2 188	2 020
Consumable: Stationery, printing and office supplies	4 049	(2)	(1 100)	2 947	902	2 045	30,6%	3 102	2 319
Operating leases	31 926	(95)	(2 400)	29 431	25 606	3 825	87,0%	28 186	25 243
Property payments	21 610	-	-	21 610	15 107	6 503	69,9%	19 273	19 274
Travel and subsistence	11 654	-	(5 200)	6 454	3 489	2 965	54,1%	19 206	16 999
Training and development	2 749	-	-	2 749	429	2 320	15,6%	3 761	3 761
Operating payments	4 018	-	-	4 018	1 091	2 927	27,2%	2 834	2 083
Venues and facilities	2 574	-	-	2 574	-	2 574	(0%)	1 870	674
Rental and hiring	78	-	-	78	-	78	-	95	-
Transfers and subsidies	1 197	1	488	1 686	1 684	2	99,9%	3 168	3 167
Provinces and municipalities	6	-	-	6	4	2	66,7%	6	5
Municipalities	6	-	-	6	4	2	66,7%	6	5
Municipal bank accounts	6	-	-	6	4	2	66,7%	6	5
Households	1 191	1	488	1 680	1 680	-	100,0%	3 162	3 162

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21							2019/20	
	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	1 191	(215)	-	976	976	-	100,0%	3 074	3 074
Other transfers to households	-	216	488	704	704	-	100,0%	88	88
Payments for capital assets	6 129	-	-	6 129	1 127	5 002	18,4%	7 136	5 420
Machinery and equipment	6 129	-	-	6 129	1 127	5 002	18,4%	6 679	4 963
Other machinery and equipment	6 129	-	-	6 129	1 127	5 002	18,4%	6 679	4 963
Intangible assets	-	-	-	-	-	-	-	457	457
Payments for financial assets	-	152	-	152	152	-	100,0%	104	104
Total	476 419	-	-19 517	456 902	384 339	72 563	84,1%	511 013	460 670

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub Programme 1.1: Ministry									
2020/21								2019/20	
Economic classification	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
Current payments	39 871	(1)	(2 000)	37 870	27 412	10 458	72,4%	41 534	32 596
Compensation of employees	24 743	(1)	-	24 742	23 613	1 129	95,4%	24 104	22 791
Goods and services	15 128	-	(2 000)	13 128	3 799	9 329	28,9%	17 430	9 805
Transfers and subsidies	90	1	-	91	89	2	97,8%	1 924	1 923
Provinces and municipalities	6	-	-	6	4	2	66,7%	6	5
Households	84	1	-	85	85	-	100,0%	1 918	1 918
Payments for capital assets	440	-	-	440	173	267	39,3%	550	452
Machinery and equipment	440	-	-	440	173	267	39,3%	550	452
Payment for financial assets	-	-	-	-	-	-	-	38	38
Total	40 401	-	(2 000)	38 401	27 674	10 727	72,1%	44 046	35 009

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub programme 1.2: Management									
2020/21								2019/20	
Economic classification	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
Current payments	106 469	(2)	(6 100)	100 367	82 021	18 346	81,7%	108 910	90 912
Compensation of employees	84 168	-	-	84 168	72 661	11 507	86,3%	87 317	71 880
Goods and services	22 301	(2)	(6 100)	16 199	9 360	6 839	57,8%	21 593	19 032
Transfers and subsidies	362	(123)	-	239	239	-	100,0%	76	76
Households	362	(123)	-	239	239	-	100,0%	76	76
Payments for capital assets	250	-	-	250	120	130	48,0%	550	279
Machinery and equipment	250	-	-	250	120	130	48,0%	550	279
Payment for financial assets	-	2	-	2	2	-	100,0%	16	16
Total	107 081	(123)	(6 100)	100 858	82 382	18 476	81,7%	109 552	91 283

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub programme 1.3: Corporate Services									
2020/21								2019/20	
Economic classification	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
Current payments	227 800	(2)	(9 505)	218 293	196 466	21 827	90,0%	255 227	244 375
Compensation of employees	140 695	-	(5)	140 690	131 372	9 318	93,4%	150 671	140 370
Goods and services	87 105	(2)	(9 500)	77 603	65 094	12 509	83,9%	104 556	104 005
Transfers and subsidies	536	123	488	1 147	1 147	-	100,0%	969	969
Households	536	123	488	1 147	1 147	-	100,0%	969	969
Payments for capital assets	3 863	-	-	3 863	711	3 152	18,4%	5 536	4 198
Machinery and equipment	3 863	-	-	3 863	711	3 152	18,4%	5 079	3 741
Software and other intangible assets	-	-	-	-	-	-	-	457	457
Payment for financial assets	-	2	-	2	2	-	100,0%	22	22
Total	232 199	123	(9 017)	223 305	198 326	24 979	88,8%	261 754	249 564

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub programme 1.4: Finance and Supply Chain Management									
2020/21								2019/20	
	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	47 253	(148)	-	47 105	36 998	10 107	78,5%	52 487	43 224
Compensation of employees	32 569	-	-	32 569	27 029	5 540	83,0%	32 231	27 979
Goods and services	14 684	(148)	-	14 536	9 969	4 567	68,6%	20 256	15 245
Transfers and subsidies	209	-	-	209	209	-	100,0%	199	199
Households	209	-	-	209	209	-	100,0%	199	199
Payments for capital assets	1 576	-	-	1 576	123	1 453	7,8%	500	491
Machinery and equipment	1 576	-	-	1 576	123	1 453	7,8%	500	491
Payment for financial assets	-	148	-	148	148	-	100,0%	28	28
Total	49 038	-	-	49 038	37 478	11 560	76,4%	53 214	43 942

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub programme 1.5: Office Accommodation									
2019/20								2018/19	
Economic classification	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
Current payments	47 700	-	(2 400)	45 300	38 479	6 821	84,9%	42 447	40 872
Goods and services	47 700	-	(2 400)	45 300	38 479	6 821	84,9%	42 447	40 872
Total	47 700	-	(2 400)	45 300	38 479	6 821	84,9%	42 447	40 872

Programme 2: Intergovernmental Coordination									
2020/21								2019/20	
	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	5 159	444	-	5 603	3 512	2 091	62,7%	6 689	5 690
2. Intergovernmental Relations and Coordination	25 658	(82)	-	25 576	20 484	5 092	80,1%	23 975	22 254
3. Professional Services	27 455	(362)	(53)	27 040	18 300	8 740	67,7%	25 722	24 504
Total for sub programmes	58 272	-	(53)	58 219	42 296	15 923	72,6%	56 386	52 448

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2: Intergovernmental Coordination									
2020/21								2019/20	
	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	52 419	-	-	52 419	36 654	15 765	69,9%	50 225	46 928
Compensation of employees	38 423	-	-	38 423	33 206	5 217	86,4%	36 051	35 814
Salaries and wages	33 302	-	-	33 302	29 827	3 475	89,6%	30 417	30 412
Social contributions	5 121	-	-	5 121	3 379	1 742	66,0%	5 634	5 402
Goods and services	13 996	-	-	13 996	3 448	10 548	24,6%	14 067	11 007
Administrative fees	560	-	-	560	45	515	8,0%	477	371
Advertising	181	-	-	181	10	171	5,5%	252	192
Minor assets	357	-	-	357	16	341	4,5%	464	260
Catering: Departmental activities	1 054	-	-	1 054	28	1 026	2,7%	1 270	1 028
Communication (G&S)	180	91	-	271	210	61	77,5%	201	149
Computer services	7	-	-	7	-	7	-	38	-
Consultants: Business and advisory services	863	(7)	-	856	-	856	-	535	479
Contractors	630	-	-	630	-	630	-	328	312
Agency and support / outsourced services	-	-	-	-	-	-	-	42	14

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2: Intergovernmental Coordination									
2020/21								2019/20	
	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
Entertainment	32	-	-	32	2	30	6,3%	82	22
Fleet services	282	-	-	282	22	260	7,8%	294	125
Consumable supplies	232	1 018	-	1 250	1 193	57	95,4%	421	232
Consumable: Stationery, printing and office supplies	817	(391)	-	426	94	332	22,1%	752	520
Operating leases	997	-	-	997	169	828	17,0%	603	171
Property payments	-	-	-	-	-	-	-	55	55
Travel and subsistence	4 671	(1 072)	-	3 599	1 055	2 544	29,3%	4 585	4 023
Operating payments	322	361	-	683	490	193	71,7%	600	225
Venues and facilities	2 396	-	-	2 396	114	2 282	4,8%	2 655	2 416
Rental and hiring	415	-	-	415	-	415	-	413	413
Interest and rent on land	-	-	-	-	-	-	-	107	107
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	107	107
Transfers and subsidies	5 643	-	(53)	5 590	5 590	-	100,0%	5 443	5 204
Households	5 643	-	(53)	5 590	5 590	-	100,0%	5 443	5 204
Social benefits	73	(10)	-	63	63	-	100,0%	265	264

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2: Intergovernmental Coordination									
2020/21								2019/20	
	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
Other transfers to households	5 570	10	(53)	5 527	5 527	-	100,0%	5 178	4 940
Payments for capital assets	210	-	-	210	52	158	24,8%	713	311
Machinery and equipment	210	-	-	210	52	158	24,8%	713	311
Other machinery and equipment	210	-	-	210	52	158	24,8%	713	311
Payments for financial assets	-	-	-	-	-	-	-	5	5
Total	58 272	-	(53)	58 219	42 296	15 923	72,6%	56 386	52 448

Sub programme 2.1: Monitoring, Evaluation and Reporting									
2020/21								2019/20	
	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	5 117	-	-	5 117	3 026	2 091	59,1%	6 350	5 559
Current payments	4 031	-	-	4 031	3 000	1 031	74,4%	5 320	5 315
Compensation of employees	4 031	-	-	4 031	3 000	1 031	74,4%	5 320	5 315
Goods and services	1 086	-	-	1 086	26	1 060	2,4%	923	137
Interest and rent on land	-	-	-	-	-	-	-	107	107

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Transfers and subsidies	33	421	-	454	454	-	100,0%	51	51
Households	33	421	-	454	454	-	100,0%	51	51
Payments for capital assets	9	23	-	32	32	-	100,0%	288	80
Machinery and equipment	9	23	-	32	32	-	100,0%	288	80
Total	5 159	444	-	5 603	3 512	2 091	62,7%	6 689	5 690

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub programme 2.2: Intergovernmental Relations and Coordination									
2020/21								2019/20	
Economic classification	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
Current payments	25 507	-	-	25 507	20 415	5 092	80,0%	23 811	22 216
Compensation of employees	21 692	-	-	21 692	19 254	2 438	88,8%	19 491	19 491
Goods and services	3 815	-	-	3 815	1 161	2 654	30,4%	4 320	2 725
Transfers and subsidies	40	23	-	63	63	-	100,0%	12	11
Households	40	23	-	63	63	-	100,0%	12	11
Payments for capital assets	111	(105)	-	6	6	-	100,0%	150	25
Machinery and equipment	111	(105)	-	6	6	-	100,0%	150	25
Payments for financial assets	-	-	-	-	-	-	-	2	2
Total	25 658	(82)	-	25 576	20 484	5 092	80,1%	23 975	22 254

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub programme 2.3: Professional Services									
2020/21								2019/20	
	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	21 795	-	-	21 795	13 213	8 582	60,6%	20 064	19 153
Compensation of employee	12 700	-	-	12 700	10 952	1 748	86,2%	11 240	11 008
Goods and services	9 095	-	-	9 095	2 261	6 834	24,9%	8 824	8 145
Transfers and subsidies	5 570	(444)	(53)	5 073	5 073	-	100,0%	5 380	5 142
Households	5 570	(444)	(53)	5 073	5 073	-	100,0%	5 380	5 142
Payments for capital assets	90	82	-	172	14	158	8,1%	275	206
Machinery and equipment	90	82	-	172	14	158	8,1%	275	206
Payment for financial assets	-	-	-	-	-	-	-	3	3
Total	27 455	(362)	(53)	27 040	18 300	8 740	67,7%	25 722	24 504

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3: Expanded Public Works Programme									
2020/21								2019/20	
	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	46 323	57	-	46 380	39 377	7 003	84,9%	55 176	32 512
EPW Programme: Infrastructure	1 265 986	-	-	1 265 986	1 251 763	14 223	98,9%	1 277 408	1 273 326
EPW Programme: Operations	1 073 123	-	-	1 073 123	1 050 893	22 230	97,9%	1 265 593	1 255 863
EPW Programme: Partnership Support	77 077	(264)	-	76 813	64 361	12 452	83,8%	76 045	71 226
EPW Programme: Public Employment Coordinating Commission	6 337	207	-	6 544	5 711	833	87,3%	6 592	5 236
Total for sub programmes	2 468 846	-	-	2 468 846	2 412 105	56 741	97,7%	2 680 814	2 638 163
Economic classification									
Current payments	306 495	(15)	(147)	306 333	251 952	54 381	82,2%	329 719	288 401
Compensation of employees	183 141	-	(147)	182 994	160 066	22 928	87,5%	174 913	159 688
Salaries and wages	160 950	(489)	(147)	160 314	140 644	19 670	87,7%	153 590	141 739
Social contributions	22 191	489	-	22 680	19 422	3 258	85,6%	21 323	17 949
Goods and services	123 354	(15)	-	123 339	91 886	31 453	74,5%	154 806	128 713
Administrative fees	47 193	-	-	47 193	32 022	15 171	67,9%	45 219	45 065
Advertising	784	711	-	1 495	1 333	162	89,2%	1 669	1 563

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3: Expanded Public Works Programme									
2020/21								2019/20	
	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
Minor assets	395	-	-	395	5	390	1,3%	288	44
Catering: Departmental activities	1 700	-	-	1 700	115	1 585	6,8%	1 476	1 154
Communication (G&S)	1 266	51	-	1 317	883	434	67,0%	1 123	762
Consultants: Business and advisory services	5 838	2 177	-	8 015	7 710	305	96,2%	11 132	8 511
Contractors	32	104	-	136	122	14	89,7%	74	69
Agency and support / outsourced services	49 580	1 997	-	51 577	43 480	8 097	84,3%	68 566	49 748
Entertainment	65	-	-	65	10	55	15,4%	46	35
Fleet services	331	-	-	331	116	215	35,0%	284	269
Consumable supplies	137	115	-	252	162	90	64,3%	1 262	1 184
Consumable: Stationery, printing and office supplies	1 426	8	-	1 434	681	753	47,5%	1 288	999
Operating leases	681	123	-	804	668	136	83,1%	791	759
Transport provided: Departmental activity	-	-	-	-	-	-	-	106	-
Travel and subsistence	9 379	(4 587)	-	4 792	3 559	1 233	74,3%	17 541	15 843

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3: Expanded Public Works Programme									
	2020/21							2019/20	
	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
Training and development	876	-	-	876	-	876	-	291	40
Operating payments	1 213	-	-	1 213	1 018	195	83,9%	1 784	951
Venues and facilities	2 408	(714)	-	1 694	2	1 692	0,1%	1 866	1 717
Rental and hiring	50	-	-	50	-	50	-	-	-
Transfers and subsidies	2 161 063	-	147	2 161 210	2 159 364	1 846	99,9%	2 349 136	2 348 866
Provinces and municipalities	1 582 384	-	-	1 582 384	1 580 538	1 846	99,9%	1 598 227	1 598 227
Provinces	834 345	-	-	834 345	832 499	1 846	99,8%	868 181	868 181
Provincial Revenue Funds	834 345	-	-	834 345	832 499	1 846	99,8%	868 181	868 181
Municipalities	748 039	-	-	748 039	748 039	-	100,0%	730 046	730 046
Municipal bank accounts	748 039	-	-	748 039	748 039	-	100,0%	730 046	730 046
Non-profit institutions	578 484	-	-	578 484	578 484	-	100,0%	750 424	750 424
Households	195	-	147	342	342	-	100,0%	485	215
Social benefits	195	-	147	342	342	-	100,0%	485	215
Payments for capital assets	1 288	-	-	1 288	774	514	60,1%	1 909	846
Machinery and equipment	1 288	-	-	1 288	774	514	60,1%	1 909	846

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3: Expanded Public Works Programme									
2020/21								2019/20	
	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
Other machinery and equipment	1 288	-	-	1 288	774	514	60,1%	1 909	846
Payment for financial assets	-	15	-	15	15	-	100,0%	50	50
Total	2 468 846	-	-	2 468 846	2 412 105	56 741	97,7%	2 680 814	2 638 163

Sub programme 3.1: Expanded Public Works Programme: Monitoring and Evaluation									
2020/21								2019/20	
	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	45 885	(10)	(25)	45 850	38 847	7 003	84,7%	54 474	32 133
Compensation of employees	26 344	-	(25)	26 319	20 490	5 829	77,9%	26 198	23 297
Goods and services	19 541	(10)	-	19 531	18 357	1 174	94,0%	28 276	8 836
Transfers and subsidies	93	-	25	118	118	-	100,0%	388	215
Households	93	-	25	118	118	-	100,0%	388	215
Payments for capital assets	345	57	-	402	402	-	100,0%	313	163

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Machinery and equipment	345	57	-	402	402	-	100,0%	313	163
Payment for financial assets	-	10	-	10	10	-	100,0%	1	1
Total	46 323	57	-	46 380	39 377	7 003	84,9%	55 176	32 512

Sub programme 3.2: Expanded Public Works Programme: Infrastructure

	2020/21							2019/20	
	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	96 935	-	(110)	96 825	84 258	12 567	87,0%	109 270	105 803
Compensation of employees	53 559	-	(110)	53 449	48 595	4 854	90,9%	52 058	48 591
Goods and services	43 376	-	-	43 376	35 663	7 713	82,2%	57 212	57 212
Transfers and subsidies	1 168 850	-	110	1 168 960	1 167 460	1 500	99,9%	1 167 434	1 167 434
Provinces and municipalities	1 168 801	-	-	1 168 801	1 167 301	1 500	99,9%	1 167 434	1 167 434
Household	49	-	110	159	159	-	100,0%	-	-
Payments for capital assets	201	-	-	201	45	156	22,4%	664	49
Machinery and equipment	201	-	-	201	45	156	22,4%	664	49
Payment for financial assets	-	-	-	-	-	-	-	40	40
Total	1 265 986	-	-	1 265 986	1 251 763	14 223	98,9%	1 277 408	1 273 326

Sub Programme 3.3: Expanded Public Works Programme: Operations

	2020/21							2019/20	
--	---------	--	--	--	--	--	--	---------	--

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

	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	80 901	(2)	-	80 899	59 165	21 734	73,1%	84 120	74 626
Compensation of employees	29 980	-	-	29 980	26 232	3 748	87,5%	30 336	26 690
Goods and services	50 921	(2)	-	50 919	32 933	17 986	64,7%	53 784	47 936
Transfers and subsidies	992 067	-	-	992 067	991 721	346	100,0%	1 181 217	1 181 217
Provinces and municipalities	413 583	-	-	413 583	413 237	346	99,9%	430 793	430 793
Non-profit institutions	578 484	-	-	578 484	578 484	-	100,0%	750 424	750 424
Payments for capital assets	155	-	-	155	5	150	3,2%	256	20
Machinery and equipment	155	-	-	155	5	150	3,2%	256	20
Payment for financial assets	-	2	-	2	2	-	100,0%	-	-
Total	1 073 123	-	-	1 073 123	1 050 893	22 230	97,9%	1 265 593	1 255 863

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub Programme 3.4: Expanded Public Works Programme: Partnership Support									
2020/21								2019/20	
	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	76 537	(210)	(12)	76 315	64 052	12 263	83,9%	75 373	70 651
Compensation of employees	67 873	(207)	(12)	67 654	59 157	8 497	87,4%	61 646	56 924
Goods and services	8 664	(3)	-	8 661	4 895	3 766	56,5%	13 727	13 727
Transfers and subsidies	53	-	12	65	65	-	100,0%	97	-
Households	53	-	12	65	65	-	100,0%	97	-
Payments for capital assets	487	(57)	-	430	241	189	56,0%	566	566
Machinery and equipment	487	(57)	-	430	241	189	56,0%	566	566
Payment for financial assets	-	3	-	3	3	-	100,0%	9	9
Total	77 077	(264)	-	76 813	64 361	12 452	83,8%	76 045	71 226

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub Programme 3.5: Expanded Public Works Programme: Public Employment Coordinating Commission									
2020/21								2019/20	
	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	6 237	207	-	6 444	5 630	814	87,4%	6 482	5 188
Compensation of employees	5 385	207	-	5 592	5 592	-	100,8%	4 675	4 186
Goods and services	852	-	-	852	38	814	4,5%	1 807	1 002
Payments for capital assets	100	-	-	100	81	19	81,0%	110	48
Machinery and equipment	100	-	-	100	81	19	81,0%	110	48
Total	6 337	207	-	6 544	5 711	833	87,3%	6 592	5 236

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 4: Property and Construction Industry Policy and Research									
2020/21								2019/20	
	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	40 250	-	(119)	40 131	34 000	6 131	84,7%	50 462	40 291
Property Policy Development Programme	13 267	-	(122)	13 145	8 860	4 285	67,4%	13 572	8 678
Construction Industry Development Board	72 443	-	-	72 443	72 443	-	100,0%	76 160	76 160
Council for the Built Environment	48 813	-	-	48 813	48 813	-	100,0%	52 796	52 796
Independent Development Trust	128 501	-	20 000	148 501	148 501	-	100,0%	5 000	5 000
Construction Education and Training Authority	595	-	-	595	595	-	100,0%	558	558
Property Management Trading Entity	4 239 987	-	-	4 239 987	4 239 987	-	100,0%	4 315 736	4 315 736
Assistance to Organisations for the Preservation of National Memorials	29 013	-	-	29 013	29 013	-	100,0%	24 621	24 620
Infrastructure Development Coordination	83 862	-	-	83 862	61 572	22 290	73,4%	-	-
Total for sub programmes	4 656 731	-	19 759	4 676 490	4 643 784	32 706	99,3%	4 538 905	4 523 839

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 4: Property and Construction Industry Policy and Research									
2020/21								2019/20	
	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	47 221	-	-	47 221	14 579	32 642	30,9%	32 428	17 552
Compensation of employees	25 705	-	-	25 705	10 326	15 379	40,2%	18 937	13 396
Salaries and wages	22 576	-	-	22 576	9 245	13 331	41,0%	16 661	12 188
Social contributions	3 129	-	-	3 129	1 081	2 048	34,5%	2 276	1 208
Goods and services	21 516	-	-	21 516	4 253	17 263	19,8%	13 491	4 156
Administrative fees	50	6	-	56	7	49	12,5%	40	18
Advertising	240	329	-	569	373	196	65,6%	403	-
Minor assets	115	-	-	115	-	115	-	154	7
Catering: Departmental activities	241	-	-	241	-	241	-	335	7
Communication (G&S)	1 362	-	-	1 362	63	1 299	4,6%	221	49
Computer services	-	-	-	-	-	-	-	27	27
Consultants: Business and advisory services	10 587	(1 135)	-	9 452	115	9 337	1,2%	3 937	-
Contractors	80	-	-	80	-	80	-	77	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 4: Property and Construction Industry Policy and Research									
2020/21								2019/20	
	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	2 586	-	-	2 586	1 735	851	67,1%	3 962	2 298
Entertainment	12	-	-	12	-	12	-	12	8
Fleet services	8	-	-	8	1	7	12,5%	8	-
Consumable supplies	55	-	-	55	-	55	-	50	-
Consumable: Stationery, printing and office supplies	309	-	-	309	-	309	-	326	64
Operating leases	100	-	-	100	-	100	-	94	32
Travel and subsistence	4 423	-	-	4 423	74	4 349	1,7%	963	266
Operating payments	1 161	800	-	1 961	1 885	76	96,1%	2 660	1 298
Venues and facilities	187	-	-	187	-	187	-	222	82
Transfers and subsidies	4 609 420	-	19 759	4 629 179	4 629 179	-	100,0%	4 506 182	4 506 181
Departmental agencies and accounts	4 390 865	-	-	4 390 865	4 390 865	-	100,0%	4 476 312	4 476 312
Departmental agencies (non-business entities)	4 390 865	-	-	4 390 865	4 390 865	-	100,0%	4 476 312	4 476 312
Foreign governments and international organisations	29 013	-	-	29 013	29 013	-	100,0%	24 621	24 620

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 4: Property and Construction Industry Policy and Research									
2020/21								2019/20	
	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
Public corporations and private enterprises	189 301	-	20 000	209 301	209 301	-	100,0%	5 000	5 000
Public corporation	189 301	-	20 000	209 301	209 301	-	100,0%	5 000	5 000
Other transfers to public corporations	189 301	-	20 000	209 301	209 301	-	100,0%	5 000	5 000
Households	241	-	(241)	-	-	-	-	249	249
Social benefits	241	-	(241)	-	-	-	-	249	249
Payments for capital assets	90	-	-	90	26	64	28,9%	295	106
Machinery and equipment	90	-	-	90	26	64	28,9%	295	106
Other machinery and equipment	90	-	-	90	26	64	28,9%	295	106
Total	4 656 731	-	19 759	4 675 490	4 643 784	32 706	99,3%	4 538 905	4 523 839

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub Programme 4.1: Construction Policy Development Programme									
2020/21								2019/20	
Economic classification	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
Current payments	11 044	-	-	11 044	4 952	6 092	44,8%	19 000	8 929
Compensation of employees	5 488	-	-	5 488	3 428	2 060	62,5%	10 289	6 329
Goods and services	5 556	-	-	5 556	1 524	4 032	27,4%	8 711	2 600
Transfers and subsidies	29 146	-	(119)	29 027	29 027	-	100,0%	31 267	31 267
Departmental agencies and accounts	29 027	-	-	29 027	29 027	-	100,0%	31 062	31 062
Households	119	-	(119)	-	-	-	-	205	205
Payments for capital assets	60	-	-	60	21	39	35,0%	195	95
Machinery and equipment	60	-	-	60	21	39	35,0%	195	95
Total	40 250	-	(119)	40 131	34 000	6 131	84,7%	50 462	40 291

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub Programme 4.2: Property Policy Development Programme									
2019/20								2019/20	
	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	13 115	-	-	13 115	8 855	4 260	67,5%	13 428	8 623
Compensation of employees	8 274	-	-	8 274	6 523	1 751	78,8%	8 648	7 067
Goods and services	4 841	-	-	4 841	2 332	2 509	48,2%	4 780	1 556
Transfers and subsidies	122	-	(122)	-	-	-	-	44	44
Households	122	-	(122)	-	-	-	-	44	44
Payments for capital assets	30	-	-	30	5	25	16,7%	100	11
Machinery and equipment	30	-	-	30	5	25	16,7%	100	11
Total	13 267	-	(122)	13 145	8 860	4 285	67,4%	13 572	8 678

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub Programme 4.3: Construction Industry Development Board									
2019/20								2018/19	
Economic classification	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
Transfers and subsidies	72 443	-	-	72 443	72 443	-	100,0%	76 160	76 160
Departmental agencies and accounts	72 443	-	-	72 443	72 443	-	100,0%	76 160	76 160
Total	72 443	-	-	72 443	72 443	-	100,0%	76 160	76 160

Sub Programme 4.4: Council for the Built Environment									
2020/21								2019/20	
Economic classification	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
Transfers and subsidies	48 813	-	-	48 813	48 813	-	100,0%	52 796	52 796
Departmental agencies and accounts	48 813	-	-	48 813	48 813	-	100,0%	52 796	52 796
Total	48 813	-	-	48 813	48 813	-	100,0%	52 796	52 796

Sub Programme 4.5: Independent Development Trust

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

2020/21								2019/20	
Economic classification	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
Transfers and subsidies	128 501	-	20 000	148 501	148 501	-	100,0%	5 000	5 000
Public corporations and private enterprises	128 501	-	20 000	148 501	148 501	-	100,0%	5 000	5 000
Total	128 501	-	20 000	148 501	148 501	-	100,0%	5 000	5 000

Sub Programme 4.6: Construction Education and Training Authority

2020/21								2019/20	
Economic classification	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
Transfers and subsidies	595	-	-	595	595	-	100,0%	558	558
Departmental agencies and accounts	595	-	-	595	595	-	100,0%	558	558
Total	595	-	-	595	595	-	100,0%	558	558

Sub Programme 4.7: Property Management Trading Entity

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

2020/21								2019/20	
	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	4 239 987	-	-	4 239 987	4 239 987	-	100,0%	4 315 736	4 315 736
Departmental agencies and accounts	4 239 987	-	-	4 239 987	4 239 987	-	100,0%	4 315 736	4 315 736
Total	4 239 987	-	-	4 239 987	4 239 987	-	100,0%	4 315 736	4 315 736

Sub Programme 4.8: Assistance to Organisations for the Preservation of National Memorials

2020/21								2019/20	
	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	29 013	-	-	29 013	29 013	-	100,0%	24 621	24 620
Foreign governments and international organisations	29 013	-	-	29 013	29 013	-	100,0%	24 621	24 620
Total	29 013	-	-	29 013	29 013	-	100,0%	24 621	24 620

Sub Programme 4.9: Infrastructure Development Coordination

2020/21								2019/20	
---------	--	--	--	--	--	--	--	---------	--

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

	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	23 062	-	-	23 062	772	22 290	3,3%	-	-
Compensation of employees	11 943	-	-	11 943	375	11 568	3,1%	-	-
Goods and services	11 119	-	-	11 119	397	10 722	3,6%	-	-
Transfers and subsidies	60 800	-	-	60 800	60 800	-	100.0%	-	-
Foreign governments and international organisations	60 800	-	-	60 800	60 800	-	100.0%	-	-
Total	83 862	-	-	83 862	61 572	22 290	73.4%	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 5:Prestige Policy									
2020/21								2019/20	
	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	52 905	-	(189)	52 716	37 304	15 412	70,8%	109 328	74 495
2.Parliamentary Villages Management Board	11 206	-	-	11 206	11 206	-	100,0%	10 599	10 599
Total for sub programmes	64 111	-	(189)	63 922	48 510	15 412	75,9%	119 927	85 094
Economic classification									
Current payments	49 667	(3)	-	49 664	36 839	12 825	74,2%	95 936	63 526
Compensation of employees	29 268	-	-	29 268	29 143	125	99,6%	32 861	31 617
Salaries and wages	25 993	(337)	-	25 656	25 531	125	99,5%	29 318	28 074
Social contributions	3 275	337	-	3 612	3 612	-	100,0%	3 543	3 543
Goods and services	20 399	(3)	-	20 396	7 696	12 700	37,7%	63 075	31 909
Administrative fees	1 000	-	-	1 000	9	991	0,9%	1 000	52
Advertising	54	-	-	54	-	54	-	51	-
Minor assets	4 082	-	-	4 082	82	4 000	2,0%	6 760	2 663

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 5:Prestige Policy									
2020/21								2019/20	
	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
Catering: Departmental activities	83	-	-	83	1	82	1,2%	152	108
Communication (G&S)	461	-	-	461	253	208	54,9%	523	523
Computer services	-	-	-	-	-	-	-	15	15
Consultants: Business and advisory services	135	1 736	-	1 871	1 871	-	100,0%	630	385
Legal services	-	-	-	-	-	-	-	7	7
Contractors	5 635	(1 924)	-	3 711	2 477	1 234	66,7%	40 932	18 808
Agency and support / outsourced services	702	-	-	702	505	197	71,9%	769	754
Entertainment	12	-	-	12	-	12	-	12	2
Fleet services (including government motor transport)	573	-	-	573	259	314	45,2%	757	587
Consumable supplies	1 387	-	-	1 387	203	1 184	14,6%	2 315	1 556
Consumable: Stationery, printing and office supplies	592	-	-	592	41	551	6,9%	566	143
Operating leases	2 166	-	-	2 166	1 163	1 003	53,7%	2 105	1 503
Property payments	-	-	-	-	-	-	-	250	13

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 5:Prestige Policy									
2020/21								2019/20	
	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
Travel and subsistence	2 251	-	-	2 251	310	1 941	13,8%	5 023	3 784
Operating payments	960	-	-	960	316	644	32,9%	920	935
Venues and facilities	285	-	-	285	-	285	-	270	71
Rental and hiring	21	185	-	206	206	-	100,0%	18	-
Transfers and subsidies	11 414	-	(189)	11 225	11 225	-	100,0%	10 796	10 765
Provinces and Municipalities	-	3	-	3	3	-	100,0%	-	-
Municipal bank accounts	-	3	-	3	3	-	100,0%	-	-
Municipal agencies and funds	-	3	-	3	3	-	100,0%	-	-
Departmental agencies and accounts	11 206	-	-	11 206	11 206	-	100,0%	10 599	10 599
Departmental agencies (non-business entities)	11 206	-	-	11 206	11 206	-	100,0%	10 599	10 599
Households	208	(3)	(189)	16	16	-	100,0%	197	166
Social benefits	208	(3)	(189)	16	16	-	100,0%	197	166
Payments for capital assets	3 030	-	-	3 030	443	2 587	14,6%	13 188	10 796
Machinery and equipment	3 030	-	-	3 030	443	2 587	14,6%	13 188	10 796
Other machinery and equipment	3 030	-	-	3 030	443	2 587	14,6%	13 188	10 796

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 5:Prestige Policy									
2020/21								2019/20	
	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
Payment for financial assets	-	3	-	3	3	-	100,0%	7	7
Total	64 111	-	(189)	63 922	48 510	15 412	75,9%	119 927	85 094

Sub Programme 5.1: Prestige Accommodation and State Functions									
2020/21								2019/20	
	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	49 667	(3)	-	49 664	36 839	12 825	74,2%	95 936	63 526
Compensation of employees	29 268	-	-	29 268	29 143	125	99,6%	32 861	31 617
Goods and services	20 399	(3)	-	20 396	7 696	12 700	37,7%	63 075	31 909
Transfers and subsidies	208	-	(189)	19	19	-	100,0%	197	166
Provinces and Municipalities	-	3	-	3	3	-	100,0%	-	-
Households	208	(3)	(189)	16	16	-	100,0%	197	166
Payments for capital assets	3 030	-	-	3 030	443	2 587	14,6%	13 188	10 796

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Machinery and equipment	3 030	-	-	3 030	443	2 587	14,6%	13 188	10 796
Payment for financial assets		3		3	3	-	100,0%	7	7
Total	52 905	-	(189)	52 716	37 304	15 412	70,8%	109 328	74 495

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Sub Programme 5.2: Parliamentary Villages Management Board									
2020/21								2019/20	
Economic classification	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
Transfers and subsidies	11 206	-	-	11 206	11 206	-	100,0%	10 599	10 599
Departmental agencies and accounts	11 206	-	-	11 206	11 206	-	100,0%	10 599	10 599
Total	11 206	-	-	11 206	11 206	-	100,0%	10 599	10 599

**NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021**

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	456 902	384 339	72 563	16%
Intergovernmental Coordination	58 219	42 296	15 923	27%
Expanded Public Works Programme	2 468 846	2 412 105	56 741	2%
Property and Construction Industry Policy and Research	4 676 490	4 643 784	32 706	1%
Prestige Policy	63 922	48 510	15 412	24%
Administration	456 902	384 339	72 563	16%

Expenditure variance mainly relate to:

- Compensation of employees - due to delays in filling of vacant positions and those identified for filling but not yet filled and non-implementation of the projected annual salary adjustment.
- Goods and services - mainly due to restrictions on normal operation during national-lockdown which affected spending on planned activities relating to travel and subsistence, training development, property payments and operating leases.
- Machinery & equipment - under spending linked to delay in planned acquisition of assets for vacant positions projected to be filled effective from April 2020.

Intergovernmental Coordination	58 219	42 296	15 923	27%
--------------------------------	--------	--------	--------	-----

Expenditure variance mainly relate to:

- Compensation of employees - due to delays in filling of vacated positions and those identified for filling but not yet filled and non-implementation of the projected annual salary adjustment.
- Goods and services - mainly due to postponement and cancellation of planned activities resulting from nation-wide lockdown.
- Machinery & equipment - under spending linked to delay in planned acquisition of assets for vacant positions projected to be filled effective from April 2020.

Expanded Public Works Programme	2 468 846	2 412 105	56 741	2%
---------------------------------	-----------	-----------	--------	----

**NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Expenditure variance mainly relate to:

- Compensation of employees - due to delays in filling of vacant positions and non-implementation of the projected annual salary adjustment.
 - Goods and services - mainly due to officials being unable to operate as normal in the offices during the nation-wide lockdown which affected spending on planned activities relating to administrative fees, agency and outsourced services, travel and subsistence and venues and facilities.
 - Transfers and subsidies - mainly due to withheld transfer payments for the EPWP Integrated Grant to Provinces and EPWP Social Sector Incentive Grant that were withheld due to non-compliance to the Division of Revenue Act (DoRA) conditions.
- Machinery & equipment - under spending linked to delay in planned acquisition of assets for vacant positions projected to be filled effective from April 2020.

Property and Construction Industry	4 676 490	4 643 784	32 706	1%
------------------------------------	-----------	-----------	--------	----

Expenditure variance mainly relate to:

- Compensation of employees - due to delays in filling of vacant positions and those identified for filling but not yet filled and non-implementation of the projected annual salary adjustment.
- Goods and services - mainly due to postponement and cancellation of planned activities resulting from nation-wide lockdown.
- Machinery & equipment - under spending linked to delay in planned acquisition of assets for vacant positions projected to be filled effective from April 2020.

Prestige Policy	63 922	48 510	15 412	24%
-----------------	--------	--------	--------	-----

Expenditure variance mainly relate to:

- Compensation of employees - due to due to delays in filling of vacant positions and non-implementation of the projected annual salary adjustment.
- Goods and services - mainly due to nation-wide lockdown regulations affecting planned activities for state functions (National Orders, State visits).
 - Machinery & equipment - under spending linked to delay in planned acquisition of assets for vacant positions projected to be filled effective from April 2020.

**NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021**

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	558 559	487 416	71 143	13%
Goods and services	346 013	233 984	112 029	32%
Transfers and subsidies				
Provinces and municipalities	1 582 393	1 580 545	1 848	0%
Departmental agencies and accounts	4 402 071	4 402 071	-	0%
Public corporations and private enterprises	209 301	209 301	-	0%
Foreign governments and international organisations	29 013	29 013	-	0%
Non-profit institutions	578 484	578 484	-	0%
Households	7 628	7 628	-	0%
Payments for capital assets				
Machinery and equipment	10 747	2 422	8 325	77%
Payments for financial assets	170	170	-	100%

Expenditure variance mainly relate to:

- Compensation of employees - delays in filling of vacated positions due to COVID19 pandemic which resulted in the department unable to continue with recruitment process including advertising vacant positions and non-implementation of the projected annual salary adjustment.

Goods and services - mainly due to restrictions on normal operation and cancellation of activities during national-lockdown which affected spending on planned activities relating to travel and subsistence, contractors, consultant business and advisory services, agency support and outsourced services, administrative fees, property payments, operating leases and venues and facilities.

- Machinery & equipment - under spending linked to delay in planned acquisition of assets for vacant positions projected to be filled effective from April 2020.

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	748 039	748 039	-	0%
EPWP Integrated Grant for Provinces	420 762	419 262	1 500	0%
Social Sector EPWP Incentive Grant for Provinces	413 583	413 237	346	0%

Underspending is mainly due to transfer payments for the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces that were withheld due to non-compliance to the Division of Revenue Act (DoRA) conditions.

**NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2021**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	<u>1</u>	7 724 379	7 907 045
Departmental revenue	<u>2</u>	9 076	27 067
TOTAL REVENUE		7 733 455	7 934 112
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	487 416	503 535
Goods and services	<u>4</u>	233 984	364 744
Interest and rent on land	<u>5</u>	-	107
Total current expenditure		721 400	868 386
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	6 807 042	6 874 183
Total transfers and subsidies		6 807 042	6 874 183
Expenditure for capital assets			
Tangible assets	<u>8</u>	2 422	17 022
Intangible assets	<u>8</u>	-	457
Total expenditure for capital assets		2 422	17 479
Payments for financial assets	<u>6</u>	170	166
TOTAL EXPENDITURE		7 531 034	7 760 214
SURPLUS/(DEFICIT) FOR THE YEAR		202 421	173 898
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		193 345	146 831
Annual appropriation		193 345	146 831
Departmental revenue and NRF Receipts	<u>14</u>	9 076	27 067
SURPLUS/(DEFICIT) FOR THE YEAR		202 421	173 898

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets		278 576	282 095
Unauthorised expenditure	<u>9</u>	261 169	261 169
Cash and cash equivalents	<u>10</u>	125	125
Prepayments and advances	<u>11</u>	11 676	16 487
Receivables	<u>12</u>	5 606	4 314
Non-current assets		68 935	76 788
Receivables	<u>12</u>	68 935	76 788
TOTAL ASSETS		347 511	358 883
LIABILITIES			
Current liabilities		343 731	355 280
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	193 343	146 831
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	7 574	14 918
Bank overdraft	<u>15</u>	83 112	153 176
Payables	<u>16</u>	59 702	40 355
TOTAL LIABILITIES		343 731	355 280
NET ASSETS		3 780	3 603
Represented by:			
Recoverable revenue		3 780	3 603
TOTAL		3 780	3 603

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Recoverable revenue			
Opening balance		3 603	3 666
Transfers:		177	(63)
Debts revised		(7)	(80)
Debts recovered (included in departmental receipts)		(283)	(456)
Debts raised		467	473
Closing balance		3 780	3 603
TOTAL		3 780	3 603

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
CASH FLOW STATEMENT
for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		7 733 455	7 933 973
Annual appropriated funds received	<u>1.1</u>	7 724 379	7 907 045
Departmental revenue received		1 523	1 276
Interest received	<u>2.2</u>	7 553	25 652
Net (increase)/decrease in working capital		22 866	(7 073)
Surrendered to Revenue Fund		(163 253)	(48 595)
Current payments		(721 400)	(868 279)
Interest paid		-	(107)
Payments for financial assets	<u>6</u>	(170)	(166)
Transfers and subsidies paid		(6 807 042)	(6 874 183)
Net cash flow available from operating activities	<u>17</u>	64 456	135 570
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8.1</u>	(2 422)	(17 479)
Proceeds from sale of capital assets	<u>2.3</u>	-	139
(Increase)/decrease in non-current receivables		7 853	(4 810)
Net cash flows from investing activities		5 431	(22 150)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		177	(63)
Net cash flows from financing activities		177	(63)
Net increase/(decrease) in cash and cash equivalents		70 064	113 357
Cash and cash equivalents at beginning of period		(153 051)	(266 408)
Cash and cash equivalents at end of period	<u>18</u>	(82 987)	(153 051)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

PART A: ACCOUNTING POLICIES

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	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <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	<p>Revenue</p>
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>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

	The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <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. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
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. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements. Operating lease payments received are recognised as departmental revenue.
8.4.2	Finance leases

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

	<p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <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. <p>Finance lease payments received are recognised as departmental revenue.</p>
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> <p>Prepayments and advances are expensed when expenditure reports are received from the respective entities.</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>
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>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

	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.
14.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	Payables Payables recognised in the statement of financial position are recognised at cost.
16	Capital Assets
16.1	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.2	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
17	Provisions and Contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

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>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18	<p>Unauthorised expenditure</p> <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 or written off.</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 after its assessment. 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 reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</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 estimates and errors</p> <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 with different government institutions for implementation of projects that support growth and development strategies through the National Skill</p>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

VOTE 13

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

	<p>Fund (NSF); construction of rural bridge structures in KwaZulu Natal Province through the Department of Higher Education and KZN Provincial Department of Transport respectively. In terms of the arrangement with the NSF the Department is the agent and is responsible for planning, engaging with public bodies and participants and recruitment of learners, procurement and training implementation. In terms of the arrangement with the KZN Provincial Department of Transport, the Department is the agent and is responsible for planning, conducting need assessment of envisaged bridge structures to be constructed and providing technical support on labour intensive construction method and ensure procurement of bridge structures.</p> <p>The Department is party to a principal-agent arrangement for implementation and provision of technical support for the expanded public works programme through the International Labour Organisation (ILO) and Independent Development Trust (IDT). In terms of the arrangement with both institutions the Department is the principal and is responsible for overseeing the provision of the support and monitoring and evaluation of the EPWP project implementation.</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>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> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
27	<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>
28	<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 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

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:

	2020/21		2019/20	
	Final Appropriation	Actual Funds Received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000
Administration	456 902	456 902	511 013	511 013
Intergovernmental Coordination	58 219	58 219	56 386	56 386
Expanded Public Works Programme	2 468 846	2 468 846	2 680 814	2 680 814
Property and Construction Industry Policy and Research	4 676 490	4 676 490	4 538 905	4 538 905
Prestige Policy	63 922	63 922	119 927	119 927
Total	7 724 379	7 724 379	7 907 045	7 907 045

1. Departmental revenue

	Note	2020/21 R'000	2019/20 R'000
Sales of goods and services other than capital assets	2.1	316	305
Interest, dividends and rent on land	2.2	7 553	25 652
Sales of capital assets	2.3	-	139
Transactions in financial assets and liabilities	2.4	1 207	971
Departmental revenue collected		9 076	27 067

2.1 Sales of goods and services other than capital assets

	2020/21 R'000	2019/20 R'000
Sales of goods and services produced by the department	316	303
Sales by market establishment	116	115
Administrative fees	1	1
Other sales	199	187
Sales of scrap, waste and other used current goods	-	2
Total	316	303

2.2 Interest, dividends and rent on land

	2020/21 R'000	2019/20 R'000
Interest	7 553	25 652
Total	7 553	25 652

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

2.3 Sale of capital assets

	Note	2020/21 R'000	2019/20 R'000
Tangible assets	2	-	139
Machinery and equipment	30	-	139
Total		<u>-</u>	<u>139</u>

2.4 Transactions in financial assets and liabilities

Receivables	1 207	971
Total	<u>1 207</u>	<u>971</u>

2. Compensation of employees

3.1 Salaries and Wages

Basic salary	328 524	335 289
Performance award	4 115	9 084
Service Based	174	661
Compensative/circumstantial	6 887	11 745
Periodic payments	2 461	1 466
Other non-pensionable allowances	86 035	87 087
Total	<u>428 196</u>	<u>445 332</u>

3.2 Social contributions

Employer contributions

Pension	43 427	43 572
Medical	15 693	14 559
Bargaining council	72	72
Insurance	28	-
Total	<u>59 220</u>	<u>58 203</u>

Total compensation of employees

	<u>487 416</u>	<u>503 535</u>
Average number of employees	<u>715</u>	<u>733</u>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

3. Goods and services	Note	2020/21	2019/20
		R'000	R'000
Administrative fees		36 296	46 758
Advertising		2 971	3 167
Minor assets	4.1	161	3 500
Bursaries (employees)		155	455
Catering		821	4 436
Communication		13 944	8 636
Computer services	4.2	35 990	39 215
Consultants: Business and advisory services		17 333	26 562
Legal services		7 037	34 534
Contractors		2 613	19 703
Agency and support / outsourced services		45 720	52 895
Entertainment		45	180
Audit cost – external	4.3	8 630	10 564
Fleet services		986	2 471
Consumables	4.4	4 531	9 037
Operating leases		27 606	27 708
Property payments	4.5	15 107	19 342
Rental and hiring		207	413
Travel and subsistence	4.6	8 487	40 915
Venues and facilities		116	4 960
Training and development		429	3 801
Other operating expenditure	4.7	4 799	5 492
Total		233 984	364 744
4.1 Minor assets			
Tangible assets			
Machinery and equipment		161	3 500
Total		161	3 500
4.2 Computer services			
SITA computer services		23 643	24 758
External computer service providers		12 347	14 457
Total		35 990	39 215
4.3 Audit cost – External			
Regularity audits		8 630	10 564

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Total		8 630	10 564
4.4 Consumable			
Consumable supplies		2 812	4 993
Uniform and clothing		1 637	1 437
Household supplies		210	1 042
Communication accessories		2	1
IT consumables		123	630
Other consumables		840	1 883
Stationery, printing and office supplies		1 719	4 044
Total		4 531	9 037
4.5 Property payments			
	<i>Note</i>	2020/21	2019/20
	<u>4</u>	R'000	R'000
Municipal services		14 388	18 424
Property management fees		719	918
Total		15 107	19 342
4.6 Travel and subsistence			
Local		8 374	39 360
Foreign		113	1 555
Total		8 487	40 915
4.7 Other operating expenditure			
Professional bodies, membership and subscription fees		1 762	1 629
Resettlement costs		192	182
Other		2 845	3 681
Total		4 799	5 492
4. Interest and rent on land			
Interest paid		-	107
Total		-	107
5. Payments for financial assets			
Other material losses written off	6.1	56	123
Debts written off	6.2	114	43
Total		170	166
6.1 Other material losses			
Nature of other material losses			
Recoverable expenditure		56	123
Total		56	123
6.2 Other material losses written off			
Nature of losses			
Other debtors		114	43
Total		114	43

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

6. Transfers and subsidies

		2020/21 R'000	2019/20 R'000
Provinces and municipalities	<i>Note 34, 35</i>	1 580 545	1 598 232
Departmental agencies and accounts	<i>Annex 1B</i>	4 402 071	4 486 911
Foreign governments and international organisations	<i>Annex 1C</i>	29 013	24 620
Public corporations and private enterprises	<i>Annex 1D</i>	209 301	5 000
Non-profit institutions	<i>Annex 1E</i>	578 484	750 424
Households	<i>Annex 1F</i>	7 628	8 996
Total		6 807 042	6 874 183

7. Expenditure for capital assets

		2 422	17 022
Tangible assets			
Machinery and equipment	30	2 422	17 022
Intangible assets		-	457
Software	30	-	457
Total		2 422	17 479

8.1 Analysis of funds utilised to acquire capital assets – 2020/21

		Voted funds R'000	Total R'000
Tangible assets			
Machinery and equipment		2 422	2 422
Intangible assets			
Software		-	-
Total		2 422	2 422

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

8.2 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Total 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

8.3 Finance lease expenditure included in Expenditure for capital assets

	2020/21 R'000	2019/20 R'000
Tangible assets	899	1 653
Machinery and equipment	899	1 653
Total	899	1 653

8. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	2020/21 R'000	2019/20 R'000
Opening balance	261 169	261 169
Prior period error As restated	261 169	-
Closing balance	261 169	261 169
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

Capital	80 755	80 755
Current	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

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

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

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	261 169

9. Cash and cash equivalents

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Cash on hand		125	125
Total		125	125

10. Prepayments and advances

Travel and subsistence		1	18
Prepayments (Not expensed)	<i>11.2</i>	-	4 846
Advances paid (Not expensed)	<i>11.1</i>	11 675	11 623
Total		11 675	16 487

11.1 Advances paid (Not expensed)

	<i>Note</i>	Balance as at 1 April 2020 R'000	Less: Amount expensed in current year R'000	Add or Less: Other R'000	Add: Current Year advances R'000	Balance as at 31 March 2021 R'000
National departments	<i>11</i>	-	-	-	7 120	7 120
Public entities		6 321	(6 200)	-	186	307
Other entities		5 302	(5 302)	-	4 248	4 248
Total		11 623	(11 502)	-	11 554	11 675

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

	<i>No te</i>	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
National departments	11	205	(205)	-	-	-
Public entities		797	-	-	5 524	6 321
Other entities		-	-	-	5 302	5 302
Total		1 002	(205)	-	10 826	11 623

11.2 Prepayments (Not expensed)

	<i>Note</i>	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Goods and services	11	4 846	(4 846)	-	-	-
Total		4 846	(4 846)	-	-	-

	<i>Note</i>	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
Goods and services	11	4 127	(4 127)	-	4 846	4 846
Total		4 127	(4 127)	-	4 846	4 846

11. Receivables

		2020/21			2019/20		
		Current	Non- current	Total	Current	Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	<i>Note</i> 12.1	5 497	65 299	70 796	4 005	73 574	77 579
Recoverable expenditure	12.2	98	752	850	210	624	834
Staff debt	12.3	11	139	150	99	51	150
Other debtors	12.4	-	2 745	2 745	-	2 539	2 539

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Total	5 606	68 935	74 541	4 314	76 788	81 102
--------------	-------	--------	--------	-------	--------	--------

12.1 Claims recoverable

	<i>Note</i>	2020/21	2019/20
	<i>12 and Annex</i>	R'000	R'000
	<i>3</i>		
National departments		55 300	55 643
Provincial departments		-	5 632
Public entities		15 496	16 304
Total		70 796	77 579

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

12.2 Recoverable expenditure (disallowance accounts)		2020/21	2019/20
	<i>Note</i>		
	12	R'000	R'000
Disallowance Account		807	790
Private Telephone		22	14
Salaries		21	30
Total		850	834
12.3 Staff debt			
	<i>Note</i>		
	12		
Personnel Debt		150	150
Total		150	150
12.4 Other debtors			
	<i>Note</i>		
	12		
Breach of contracts (Bursaries)		2 745	2 539
Total		2 745	2 539
12.5 Impairment of receivables			
	<i>Note</i>		
	12		
Estimate of impairment of receivables		61 558	3 064
Total		61 558	3 064

The increase in the impairment receivables mainly relate to the long outstanding debt for the project implemented by the Department on behalf of the client, and the Department will continue to engage with the client to ensure the recovery of the outstanding amount.

12. Voted funds to be surrendered to the Revenue Fund

Opening balance		146 831	34 777
Prior period error		146 831	34 777
As restated		146 831	34 777
Transfer from statement of financial performance (as restated)		193 345	146 831
Paid during the year		(146 833)	(34 777)
Closing balance		193 343	146 831

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

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

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Opening balance		14 918	1 669
Prior period error			
As restated		14 918	1 669
Transfer from Statement of Financial Performance (as restated)		9 076	27 067
Paid during the year		(16 420)	(13 818)
Closing balance		7 574	14 918

14. Bank Overdraft

Consolidated Paymaster General Account		83 112	153 176
Total		83 112	153 176

15. Payables – current

Advances received	16.1	52 806	39 702
Clearing accounts	16.2	2 009	381
Other payables	16.3	4 887	272
Total		59 702	40 355

16.1 Advances received

Provincial departments		12 870	-
Public entities		39 936	39 702
Total		52 806	39 702

16.2 Clearing accounts

Salary income tax (Payable to SARS)		1 890	239
Salary clearing accounts		119	142
Total		2 009	381

16.3 Other payables

Funds received on behalf of the PMTE		1 272	271
Other payables		27	1
Surrender to National Treasury		2 088	-
Vukuphile EPWP Projects		1500	-
Total		4 887	272

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

16. Net cash flow available from operating activities

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		202 421	173 898
Add back non cash/cash movements not deemed operating activities		(137 965)	(38 328)
(Increase)/decrease in receivables – current		(1 292)	14 803
1(Increase)/decrease in prepayments and advances		4 811	(11 357)
Increase/(decrease) in payables – current		19 347	(10 519)
Proceeds from sale of capital assets		-	(139)
Expenditure on capital assets		2 422	17 479
Surrenders to Revenue Fund		(163 253)	(48 595)
Voted funds not requested/not received		-	-
Net cash flow generated by operating activities		64 456	135 570

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

Consolidated Paymaster General account	(83 112)	(153 176)
Cash receipts		-
Cash on hand	125	125
Total	(82 987)	(153 051)

18. Contingent liabilities and contingent assets

Contingent liabilities

Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 2A</i>	53	-
Claims against the department		<i>Annex 2B</i>	10 000	-
Intergovernmental payables (unconfirmed balances)		<i>Annex 3</i>	7 162	4 333
Total			17 215	4 333

Claims against the department

The claim against the Department is a defamation claim based on a statement made by the Minister. The Departments Legal advisors are handling the claim and have assessed the probability of the claim to determine the amount of the contingent liability and the outflow of economic benefits possible at the reporting date.

Salary increases for the 2020/2021

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute.

19. Capital commitments			
Computer equipment	676	240	
Furniture and office equipment	146	779	
Other machinery and equipment	29	1 035	
Total	851	2 054	

Commitments are expected to be expensed or accrued in the next financial year (2021/22)

20. Accruals and payables not recognised

21.1 Accruals

	2020/21			2019/20
	R'000			R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	15 002	-	15 002	17 766
Transfers and Subsidies	16	-	16	-
Other	336	-	336	78
Total	15 354	-	15 354	17 844

Listed by programme level

Administration	11 787	11 358
Intergovernmental Coordination	697	454
Expanded Public Works Programme	2 531	5 705
Property and Construction Industry Policy and Research	14	18
Prestige Policy	325	309
Total	15 354	17 844

21.2 Payables not recognised

Listed by economic classification

	30 Days	30+ Days	Total	Total
	R'000	R'000		
Goods and services	325	399	724	307
Transfers and subsidies	-	-	-	-
Capital assets	13	-	13	-
Other	-	-	-	-
Total	338	399	737	307

Listed by programme level

Administration	112	22
Intergovernmental Coordination	-	157
Expanded Public Works Programme	130	154
Property and Construction Industry Policy and Research	95	(2)
Prestige Policy	400	(24)
Total	737	307

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Included in the above totals are the following:

Confirmed balances with other departments	Annex 4	8 630	3
Confirmed balances with other government entities	Annex 4	2 617	5 659
Total		11 247	5 662

21. Employee benefits

	Note	2020/21	2019/20
		R'000	R'000
Leave entitlement		38 626	23 884
Service bonus		11 365	11 420
Performance awards		2 793	4 184
Capped leave		7 653	8 092
Other		433	1 521
Total		60 870	49 101

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 R38 thousand representing leave credits at the end of the financial year.

22. Lease commitments

23.1 Operating leases

2020/21	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	5 354	-	5 354
Later than 1 year and not later than 5 years	-	-	5 177	-	5 177
Total lease commitments	-	-	10 531	-	10 531

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	5 051	-	5 051
Later than 1 year and not later than 5 years	-	-	10 531	-	10 531
Total lease commitments	-	-	15 582	-	15 582

The department continue to lease one property on a month-to-month basis with the lessors as there is no agreement as at 31 March 2021.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

23.2 Finance leases **

2020/21	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	3 393	3 393
Later than 1 year and not later than 5 years	-	-	-	244	244
Total lease commitments	-	-	-	3 637	3 637

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
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

**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.

23. Accrued departmental revenue

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Interest, dividends and rent on land		1 416	1 416
Total		1 416	1 416

24.1 Analysis of accrued departmental revenue

Opening balance	1 416	12 128
Less: amounts received	(7 483)	(25 549)
Add: amounts recorded	7 483	14 837
Closing balance	1 416	1 416

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

24. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	Note	2020/21	2019/20
		R'000	R'000
Opening balance		190 872	106 898
Prior period error		-	-
As restated		190 872	106 898
Add: Irregular expenditure – relating to prior year		-	77 477
Add: Irregular expenditure – relating to current year		5 253	6 497
Less: Current year amounts condoned		-	-
Closing balance		196 125	190 872
Analysis of closing balance			
Current year		5 253	6 497
Prior years		190 872	184 375
Total		196 125	190 872

Irregular expenditure incurred in current financial year includes an amount of R4, 76 million that relates to officials whose appointments were found to be irregular after an investigation by the Public Service Commission (PSC) in prior years. The matter is currently before the court and while disciplinary actions have been instituted against officials who served in the panels that eventually recommended their appointments. The amount cannot be condoned or otherwise as the PSC report is being challenged in the High Court by the implicated officials. The remaining amount of R494 thousand relates to an incident where services were performed outside the contract period.

Furthermore, an amount of R19, 7 million was discovered in prior year by the audit team relating to a contract for state events where varying pricing schedules/ quantities of required items and other matters were identified. Management is in the process of investigating all expenditure incurred relating to State Events, not only on this contract, but on all state events contracts in order to determine the full extent of the irregularities. Furthermore, an amount of R825 000 relating to this contract was further raised as material irregularity by the audit team for which the Accounting Officer needed to attend to it in terms of Material Irregularity Regulations. Should further irregularities be found in other contracts, the necessary disclosures will be made once management has completed the determination procedures

Amount of R53 thousand relating to local production and content was raised by AGSA which has not yet been assessed by management. The necessary disclosures will be made once management has completed the necessary assessment and determination procedures.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

25.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
Officials appointed in contravention of Public Service Act	Disciplinary proceedings were halted to all the review of the PSC report in court	4 759
Appropriate approval not obtained by delegated authority		494
Total		5 253

The irregular appointment of officials arose in the prior years after an investigation by the Public Service Commission (PSC). The expenditure reflected herein relate to those officials that still occupy their positions, however some officials whose expenditure was included in the previous financial year have since left the department, hence the decrease in this amount compared to the previous financial year. Furthermore, the amount of R494 thousand relates to a payment for services received by the Department after the contract had expired.

25.3 Details of irregular expenditure under assessment (not included in the main note)
Incident

	2020/21 R'000
Non-compliance local production and content	53
Total	53

25.4 Details of the non-compliance where the institution is involved in an inter-institutional arrangement

Incident	2020/21 R'000
Variation order approval not obtained from delegated authority	699
Total	699

The amount R699 thousand relates to a state event on behalf of client department that had taken place in the previous financial year. During the assessment process, it was found that there was a variation in the scope of services which was not approved by National Treasury. The matter was validated and referred to Labour Relations to implement disciplinary proceedings against the responsible official which was subsequently finalized. The matter is due to follow the relevant procedures to request for condonation in line with National Treasury's Irregular Expenditure Framework

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

25. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Opening balance		973	973
Prior period error		-	-
As restated		973	973
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		-	-
Less: Amounts recoverable		-	-
Less: Amounts written off		-	-
Closing balance		973	973

26.2 Details of fruitless and wasteful expenditure under investigation(not in the main note)

Incident	Disciplinary steps taken/criminal proceedings	2020/21
		R'000
Arbitration Awards	Matter still under determination	1 595
Total		1 595

The amount of R1.5 million relates to arbitration awards paid on several officials who lodged grievances for not being appointed. In these instances, a finding was made against the department. Given their complexities, these matters are still under assessment to verify if they meet the definition of fruitless and wasteful expenditure. The assessment will include the determination of responsible officials from whom these amounts should be recovered from. Management has undertaken to finalise these matters in 2021/2022 financial year. The necessary disclosures will be made upon finalization of these matters.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

26. Related party transactions

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 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.

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 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

27. Key management personnel

	No. of Individuals	2020/21 R'000	2019/20 R'000
Political office bearers (provide detail below)	2	4 392	6 169
Officials:			
Level 15 to 16	7	12 989	12 726
Level 14 (incl. CFO if at a lower level)	24	33 294	35 387
Secondment of Staff	1	597	776
Total		51 272	55 058

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.

28. Public Private Partnership

Unitary fee paid	5 093	8 275
Indexed component	5 093	8 275
Analysis of indexed component	5 093	8 275
Goods and services (excluding lease payments)	859	2 165
Operating leases	4 234	6 110
Other	168	806
Other obligations	168	806

*The expenditure relates to the fleet contract through the Department of Transport by Phakisa which expired on the 28th February 2021.
Other obligations is limited to accruals*

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments 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	314 604	-	1 922	(1 263)	315 263
Transport assets	3 263	-	-	-	3 263
Computer equipment	64 012	-	1 393	(322)	65 083
Furniture and office equipment	218 946	-	61	(759)	218 248
Other machinery and equipment	28 383	-	468	(182)	28 669
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	427 652	-	1 922	(1 263)	428 311

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	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
MACHINERY AND EQUIPMENT	2 422	332	(899)	67	1 922
Computer equipment	1 197	142	-	54	1 393
Furniture and office equipment	48	-	-	13	61
Other machinery and equipment	1 177	190	(899)	-	468
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2 422	332	(899)	67	1 922

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	1 263	1 263	-
Computer equipment	-	322	322	-
Furniture and office equipment	-	759	759	-
Other machinery and equipment	-	182	182	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	1 263	1 263	-

30.3 Movement for 2019/20

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

	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	300 984	-	21 546	(7 926)	314 604
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	-	1 247	(3 429)	28 383
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	414 032	-	21 546	(7 926)	427 652

30.4 Prior period error

	Note	2019/20 R'000
Nature of prior period error		
Relating to 2019/20		56
Other machinery and equipment		-
Total prior period errors		56

30.5 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	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	-	21	3 825	115 925	-	119 771
Additions	-	-	-	504	-	504
Disposals	-	-	-	(241)	-	(241)
TOTAL MINOR ASSETS	-	21	3 825	116 188	-	120 034

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	3 022	-	3 022
Number of minor assets at cost	-	11	1 960	61 673	-	63 644
TOTAL NUMBER OF MINOR ASSETS	-	11	1 960	64 695	-	66 666

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
Prior period error	-	-	-	-	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Additions	-	2	-	5 401	-	5 403
Disposals	-	-	-	(672)	-	(672)
TOTAL MINOR ASSETS	-	21	3 825	115 925	-	119 771

	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 MINOR ASSETS	-	11	1 960	64 765	-	66 736

30.5.1 Prior period error

	<i>Note</i>	2019/20 R'000
Nature of prior period error		
Relating to 2019/20		(163)
Machinery and Equipment		(163)
Total prior period errors		(163)

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	66 162	-	-	-	66 162
TOTAL INTANGIBLE CAPITAL ASSETS	66 162	-	-	-	66 162

31.1 Movement for 2019/20

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	66 204	-	457	(499)	66 162
TOTAL INTANGIBLE CAPITAL ASSETS	66 204	-	457	(499)	66 162

31. Principal-agent arrangements

32.1 Department acting as the principal

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

	2020/21	2019/20
	R'000	R'000
International Labour Organisation	1 159	3 473
Independent Development Trust	1 886	548
Independent Development Trust(non-state sector)	31 932	44 486
Total	34 977	48 507

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. The main purpose of this relationship is to enable support to be provided by the ILO in terms of their international expertise on Public Employment Programmes and Labour-intensive methods. One of the risks at the moment is the prevailing Covid situation that makes it difficult to provide support in person. This is being mitigated by providing support virtually to different public bodies. The main benefit of the principal-agent relationship has been training of public body officials in labour-intensive methods, as well as technical briefs and manuals that have been developed.

Independent Development Trust (IDT) Construction of strategic priority projects of the department. The IDT receives 8.5% of the project cost for project management services provided.

International Labour Organisation (ILO): the Department makes advance to the ILO for the provision of technical support in agreed areas. The Department oversees the provision of the support by the ILO. The ILO provides statements showing expenditure on the advance provided at regular intervals that are then expensed against the advance payments. As at 31 March 2021 the advance payment recorded in the Department's financial position amount to R2. 6 million and it is recorded as a liability in the ILO financial statements.

Independent Development Trust (IDT): the Department makes advance to the IDT for the provision of technical support in agreed areas. The Department oversee the provision of the support by the IDT. The IDT provides statements showing expenditure on the advance provided at regular intervals that are then expensed against the advance payments. As at 31 March 2021 the advance payment recorded in the Department's financial position amount to R 307 thousand and it is recorded as a liability in the IDT financial statements.

32.2 Department acting as the agent

NSF - The Department entered into an agreement with the NSF for Supporting special projects on growth and development strategies.
KZN Department of Transport- The Department entered into an agreement with the KZN Department of transport for construction of rural bridge structures in the Kwazulu Natal province.

32.2.1 Reconciliation of funds and disbursements – 2020/21

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
National Skills Fund	49 702	(9 766)
KZN Department of Transport	110 405	(97 535)
Total	160 107	(107 301)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Reconciliation of funds and disbursements – 2019/20 Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
National Skills Fund	48 034	(8 332)
Total	48 034	(8 332)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

32.2.2 Reconciliation of carrying amount of receivables and payables – 2020/21
Receivables

Name of principal entity	Opening balance 1 Apr 2020	Revenue principal is entitled to	Less: Write-offs/settlements/waivers	Cash received on behalf of principal	Closing Balance 31 Mar 2021
	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 1 Apr 2020	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing Balance 31 Mar 2021
	R'000	R'000	R'000	R'000
National Skills Fund	49 702	(9 766)	-	39 936
KZN Department of Transport	110 405	(97 535)	-	12 870
Total	*160 107	(107 301)	-	52 806

*The opening balances include funds received during the year under review (R10m NSF and R110m for KZN DoT).

Reconciliation of carrying amount of receivables and payables – 2019/20

Receivables

Name of principal entity	Opening balance 1 Apr 2019	Revenue principal is entitled to	Less: Write-offs/settlements/waivers	Cash received on behalf of principal	Closing Balance 31 Mar 2020
	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 1 Apr 2019	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing Balance 31 mar 2020
	R'000	R'000	R'000	R'000
National Skills Fund	48 034	(8 332)	-	39 702
Total	48 034	(8 332)	-	39 702

32. Prior period errors

33.1. Correction of prior period errors

	Note	Amount before error correction 2019/20	Prior period error 2019/20	Restated Amount 2019/20
		R'000	R'000	R'000
Assets:				
Tangible assets		1 191	56	1 247
Minor assets		5 564	(163)	5 401

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Net effect	6 755	(107)	6 648

Assets: R56 thousand -Reclassification of Library assets, previously classified as minor assets instead of Tangible assets and R107 thousand - telephones accounts and kettle incorrectly paid as assets.

other			
Operating lease	-	15 582	15 582
Net effect	-	15 582	15 582

Lease agreement not in place at time of submission of AFS.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

33. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations 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	Actual Transfer
	R'000	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	162 991	-	-	162 991	162 991	-	-	162 991	154 691	8 300	95%	157 225	157 225
Free State	63 657	-	-	63 657	63 657	-	-	63 657	63 454	203	100%	73 024	73 024
Gauteng	104 974	-	-	104 974	103 474	1 500	-	103 474	101 640	1 834	98%	104 864	104 864
Kwazulu-Natal	183 375	-	-	183 375	183 375	-	-	183 375	181 536	1 839	99%	210 352	210 352
Limpopo	84 452	-	-	84 452	84 452	-	-	84 452	79 439	5 013	94%	91 112	91 112
Mpumalanga	62 841	-	-	62 841	62 841	-	-	62 841	57 101	5 740	91%	66 557	66 557
Northern Cape	44 272	-	-	44 272	43 926	346	-	43 926	40 853	3 073	93%	45 517	45 517
North West	58 850	-	-	58 850	58 850	-	-	58 850	58 327	523	99%	51 856	51 856
Western Cape	68 933	-	-	68 933	68 933	-	-	68 933	67 318	1 615	98%	67 674	67 674
TOTAL	834 345	-	-	834 345	832 499	1 846	-	832 499	804 359	28 140		868 181	868 181

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations 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	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000

Summary by grant

EPWP Integrated Grants for Provinces	420 762	-	-	420 762	419 262	1 500	-	419 262	404 700	14 562	97%	437 388	437 388
Social EPWP Incentive Grant for Provinces	413 583	-	-	413 583	413 237	346	-	413 237	399 659	13 578	97%	430 793	430 793
	834 345	-	-	834 345	832 499	1 846	-	832 499	804 359	28 140		868 181	868 181

The Department certifies that all transfers to Provinces were deposited into the primary bank account in terms of the Division of Revenue Fund.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2019/20
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations 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	107 789	-	-	107 789	107 789	-	-	107 789	104 568	3 221	97%	106 862
Free State	24 085	-	-	24 085	24 085	-	-	24 085	24 053	32	100%	31 203
Gauteng	53 887	-	-	53 887	52 387	1 500	-	52 387	50 847	1 540	97%	51 518
Kwazulu-Natal	104 494	-	-	104 494	104 494	-	-	104 494	102 662	1 832	98%	120 173
Limpopo	25 379	-	-	25 379	25 379	-	-	25 379	23 662	1 717	93%	29 428
Mpumalanga	27 907	-	-	27 907	27 907	-	-	27 907	25 869	2 038	93%	27 249
Northern Cape	21 634	-	-	21 634	21 634	-	-	21 634	18 659	2 975	86%	20 321
North West	29 604	-	-	29 604	29 604	-	-	29 604	29 492	112	100%	21 944
Western Cape	25 983	-	-	25 983	25 983	-	-	25 983	24 888	1 095	96%	28 690
Subtotal	420 762	-	-	420 762	419 262	1 500	-	419 262	404 700	14 562		437 388

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2019/20
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations 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	55 202	-	-	55 202	55 202	-	-	55 202	50 123	5 079	91%	50 363
Free State	39 572	-	-	39 572	39 572	-	-	39 572	39 401	171	100%	41 821
Gauteng	51 087	-	-	51 087	51 087	-	-	51 087	50 793	294	99%	53 346
Kwazulu-Natal	78 881	-	-	78 881	78 881	-	-	78 881	78 874	7	100%	90 179
Limpopo	59 073	-	-	59 073	59 073	-	-	59 073	55 777	3 296	94%	61 684
Mpumalanga	34 934	-	-	34 934	34 934	-	-	34 934	31 232	3 702	89%	39 308
Northern Cape	22 638	-	-	22 638	22 292	346	-	22 292	22 194	98	100%	25 196
North West	29 246	-	-	29 246	29 246	-	-	29 246	28 835	411	99%	29 912
Western Cape	42 950	-	-	42 950	42 950	-	-	42 950	42 430	520	99%	38 984
Subtotal	413 583	-	-	413 583	413 237	346	-	413 237	399 659	13 578		430 793

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

34. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Buffalo City	8 449	-	-	8 449	8 449	-	-	9 956	9 956
Nelson Mandela Bay	10 117	-	-	10 117	10 117	-	-	8 950	8 950
Dr Beyers Naude(Camdeboo)	1 186	-	-	1 186	1 186	-	-	1 251	1 251
Blue Crane Route	1 548	-	-	1 548	1 548	-	-	1 410	1 410
Makana	1 004	-	-	1 004	1 004	-	-	1 131	1 131
Ndlambe	1 201	-	-	1 201	1 201	-	-	1 002	1 002
Sundays River Valley	1 000	-	-	1 000	1 000	-	-	1 019	1 019
Kouga	1 054	-	-	1 054	1 054	-	-	1 000	1 000
Kou-Kamma	1 112	-	-	1 112	1 112	-	-	1 087	1 087
Sarah Baartman District Municipality	1 000	-	-	1 000	1 000	-	-	-	-
Mbhashe	4 147	-	-	4 147	4 147	-	-	5 630	5 630
Mnquma	1 695	-	-	1 695	1 695	-	-	1 740	1 740
Great Kei	1 024	-	-	1 024	1 024	-	-	1 189	1 189
Amahlathi	1 000	-	-	1 000	1 000	-	-	1 236	1 236
Ngqushwa	3 544	-	-	3 544	3 544	-	-	1 901	1 901

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
EC 129 Nkonkobe/Nxuba	3 309	-	-	3 309	3 309	-	-	2 766	2 766
Amathole District Municipality	3 085	-	-	3 085	3 085	-	-	2 466	2 466
Inxuba Yethemba	1 324	-	-	1 324	1 324	-	-	1 284	1 284
Intsika Yethu	2 271	-	-	2 271	2 271	-	-	2 591	2 591
Emalahleni	2 091	-	-	2 091	2 091	-	-	2 261	2 261
Engcobo	3 443	-	-	3 443	3 443	-	-	2 883	2 883
Sakhisizwe	1 224	-	-	1 224	1 224	-	-	1 480	1 480
EC139 Tsolwana/Inkwanca/Lukanji	3 996	-	-	3 996	3 996	-	-	4 422	4 422
Chris Hani District Municipality	6 376	-	-	6 376	6 376	-	-	4 642	4 642
Elundini	3 333	-	-	3 333	3 333	-	-	2 883	2 883
Senqu	2 617	-	-	2 617	2 617	-	-	2 384	2 384
EC 145 Maletswai/Gariep	1 190	-	-	1 190	1 190	-	-	1 565	1 565
Joe Gqabi District Municipality	1 647	-	-	1 647	1 647	-	-	1 504	1 504
Ngquza Hill	1 443	-	-	1 443	1 443	-	-	1 407	1 407
Port St Johns	1 664	-	-	1 664	1 664	-	-	1 462	1 462
Nyandeni	1 699	-	-	1 699	1 699	-	-	1 444	1 444

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Mhlontlo	1 787	-	-	1 787	1 787	-	-	1 781	1 781
King Sabata Dalindyebo	4 143	-	-	4 143	4 143	-	-	3 735	3 735
O.R. Tambo District Municipality	6 517	-	-	6 517	6 517	-	-	6 294	6 294
Umzimvubu	3 499	-	-	3 499	3 499	-	-	2 512	2 512
Matatiele	2 700	-	-	2 700	2 700	-	-	3 257	3 257
Mbizana	2 389	-	-	2 389	2 389	-	-	2 452	2 452
Ntabankulu	2 374	-	-	2 374	2 374	-	-	1 621	1 621
Alfred Nzo District Municipality	8 751	-	-	8 751	8 751	-	-	9 174	9 174
Mangaung	1 843	-	-	1 843	1 843	-	-	1 382	1 382
Letsemeng	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Kopanong	1 054	-	-	1 054	1 054	-	-	1 186	1 186
Mohokare	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Xhariep District Municipality	1 039	-	-	1 039	1 039	-	-	1 136	1 136
Masilonyana	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Tokologo	1 000	-	-	1 000	1 000	-	-	1 138	1 138
Tswelopele	1 168	-	-	1 168	1 168	-	-	1 319	1 319

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Matjhabeng	1 748	-	-	1 748	1 748	-	-	1 236	1 236
Nala	1 000	-	-	1 000	1 000	-	-	1 097	1 097
Lejweleputswa District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Setsoto	1 802	-	-	1 802	1 802	-	-	1 769	1 769
Dihlabeng	2 583	-	-	2 583	2 583	-	-	1 375	1 375
Nketoana	1 000	-	-	1 000	1 000	-	-	1 101	1 101
Maluti-a-Phofung	2 914	-	-	2 914	2 914	-	-	6 077	6 077
Phumelela	-	-	-	-	-	-	-	1 000	1 000
Mantsopa	1 342	-	-	1 342	1 342	-	-	1 677	1 677
Thabo Mofutsanyana District Municipality	2 648	-	-	2 648	2 648	-	-	1 696	1 696
Moqhaka	1 228	-	-	1 228	1 228	-	-	1 000	1 000
Ngwathe	1 466	-	-	1 466	1 466	-	-	1 377	1 377
Metsimaholo	1 327	-	-	1 327	1 327	-	-	1 157	1 157
Mafube	-	-	-	-	-	-	-	1 000	1 000
Ekurhuleni	19 104	-	-	19 104	19 104	-	-	22 022	22 022
City of Johannesburg	19 819	-	-	19 819	19 819	-	-	23 955	23 955

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
City of Tshwane	12 271	-	-	12 271	12 271	-	-	23 016	23 016
Emfuleni	4 543	-	-	4 543	4 543	-	-	3 559	3 559
Midvaal	1 708	-	-	1 708	1 708	-	-	1 564	1 564
Lesedi	1 367	-	-	1 367	1 367	-	-	1 460	1 460
Sedibeng District Municipality	1 000	-	-	1 000	1 000	-	-	1 173	1 173
Mogale City	7 017	-	-	7 017	7 017	-	-	4 481	4 481
Merafong City	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Rand West City(GT485 Randfnt&Wstrnd)	2 471	-	-	2 471	2 471	-	-	3 011	3 011
West Rand District Municipality	1 020	-	-	1 020	1 020	-	-	1 080	1 080
eThekwini	79 192	-	-	79 192	79 192	-	-	78 757	78 757
uMdoni	1 398	-	-	1 398	1 398	-	-	1 228	1 228
uMzumbe	1 533	-	-	1 533	1 533	-	-	1 564	1 564
uMuziwabantu	1 048	-	-	1 048	1 048	-	-	1 219	1 219
Ray Nkonyeni (Hibiscus Coast)	3 949	-	-	3 949	3 949	-	-	4 405	4 405
Ugu District Municipality	4 468	-	-	4 468	4 468	-	-	4 523	4 523
uMshwathi	1 192	-	-	1 192	1 192	-	-	1 322	1 322

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
uMngeni	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Mpofana	1 211	-	-	1 211	1 211	-	-	1 148	1 148
iMpendle	1 284	-	-	1 284	1 284	-	-	1 257	1 257
Msunduzi	4 388	-	-	4 388	4 388	-	-	4 200	4 200
Mkhambathini	1 143	-	-	1 143	1 143	-	-	1 440	1 440
Richmond	1 505	-	-	1 505	1 505	-	-	1 716	1 716
uMgungundlovu District Municipality	3 071	-	-	3 071	3 071	-	-	3 368	3 368
Okhahlamba	3 081	-	-	3 081	3 081	-	-	2 539	2 539
iNkosi Langalibalele(KZN 237 Umtshezi)	2 082	-	-	2 082	2 082	-	-	2 149	2 149
Alfred Duma(KZN 238 Ladysmith)	4 642	-	-	4 642	4 642	-	-	3 930	3 930
uThukela District Municipality	3 730	-	-	3 730	3 730	-	-	7 054	7 054
eNdumeni	1 335	-	-	1 335	1 335	-	-	1 410	1 410
Nquthu	1 088	-	-	1 088	1 088	-	-	1 112	1 112
uMsinga	4 441	-	-	4 441	4 441	-	-	3 905	3 905
uMvoti	1 447	-	-	1 447	1 447	-	-	1 674	1 674
uMzinyathi District Municipality	5 457	-	-	5 457	5 457	-	-	4 624	4 624

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Newcastle	2 895	-	-	2 895	2 895	-	-	3 098	3 098
eMadlangeni	1 088	-	-	1 088	1 088	-	-	1 037	1 037
Dannhauser	1 000	-	-	1 000	1 000	-	-	1 021	1 021
Amajuba District Municipality	1 850	-	-	1 850	1 850	-	-	1 387	1 387
eDumbe	1 522	-	-	1 522	1 522	-	-	1 267	1 267
uPhongolo	3 055	-	-	3 055	3 055	-	-	2 513	2 513
AbaQulusi	1 831	-	-	1 831	1 831	-	-	1 654	1 654
Nongoma	2 099	-	-	2 099	2 099	-	-	2 016	2 016
Ulundi	2 940	-	-	2 940	2 940	-	-	4 040	4 040
Zululand District Municipality	9 261	-	-	9 261	9 261	-	-	8 818	8 818
uMhlabuyalingana	2 952	-	-	2 952	2 952	-	-	3 525	3 525
Jozini	2 746	-	-	2 746	2 746	-	-	3 217	3 217
Mtubatuba	1 945	-	-	1 945	1 945	-	-	2 148	2 148
Big Five Hlabisa KZN 276	2 148	-	-	2 148	2 148	-	-	2 506	2 506
uMkhanyakude District Municipality	4 838	-	-	4 838	4 838	-	-	4 674	4 674
uMfolozi	1 788	-	-	1 788	1 788	-	-	2 171	2 171

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
uMhlathuze	4 278	-	-	4 278	4 278	-	-	4 492	4 492
uMlalazi	3 388	-	-	3 388	3 388	-	-	3 068	3 068
Mthonjaneni	1 951	-	-	1 951	1 951	-	-	2 026	2 026
Nkandla	2 476	-	-	2 476	2 476	-	-	2 409	2 409
King Cetshwayo (Uthungulu)	5 276	-	-	5 276	5 276	-	-	6 763	6 763
Mandeni	2 387	-	-	2 387	2 387	-	-	2 234	2 234
KwaDukuza	1 465	-	-	1 465	1 465	-	-	1 729	1 729
Ndwedwe	1 760	-	-	1 760	1 760	-	-	1 348	1 348
Maphumulo	1 282	-	-	1 282	1 282	-	-	1 325	1 325
iLembe District Municipality	4 746	-	-	4 746	4 746	-	-	2 019	2 019
Greater Kokstad	3 164	-	-	3 164	3 164	-	-	3 700	3 700
uBuhlebezwe	1 903	-	-	1 903	1 903	-	-	1 793	1 793
uMzimkhulu	3 009	-	-	3 009	3 009	-	-	2 352	2 352
KZN Ingwe/Kwa Sani	2 513	-	-	2 513	2 513	-	-	2 381	2 381
Harry Gwala District Municipality	5 195	-	-	5 195	5 195	-	-	5 316	5 316
Greater Giyani	3 409	-	-	3 409	3 409	-	-	3 362	3 362

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Greater Letaba	1 467	-	-	1 467	1 467	-	-	1 225	1 225
Greater Tzaneen	7 134	-	-	7 134	7 134	-	-	5 749	5 749
Ba-Phalaborwa	1 099	-	-	1 099	1 099	-	-	1 142	1 142
Maruleng	1 000	-	-	1 000	1 000	-	-	1 113	1 113
Mopani District Municipality	9 433	-	-	9 433	9 433	-	-	3 292	3 292
LIM341(Musina)	1 639	-	-	1 639	1 639	-	-	1 139	1 139
LIM343 (Thulamela)	7 118	-	-	7 118	7 118	-	-	7 477	7 477
Makhado	2 270	-	-	2 270	2 270	-	-	1 863	1 863
LIM 345(Collins Chabane)	1 161	-	-	1 161	1 161	-	-	1 169	1 169
Vhembe District Municipality	1 081	-	-	1 081	1 081	-	-	1 589	1 589
Blouberg	1 547	-	-	1 547	1 547	-	-	1 072	1 072
Molemole	1 304	-	-	1 304	1 304	-	-	1 167	1 167
Polokwane	9 527	-	-	9 527	9 527	-	-	4 201	4 201
Lepele-Nkumpi	1 906	-	-	1 906	1 906	-	-	1 172	1 172
Capricorn District Municipality	3 789	-	-	3 789	3 789	-	-	4 340	4 340
Thabazimbi	1 000	-	-	1 000	1 000	-	-	1 105	1 105

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Lephalale	1 568	-	-	1 568	1 568	-	-	1 407	1 407
Bela-Bela	1 060	-	-	1 060	1 060	-	-	1 046	1 046
Mogalakwena	1 259	-	-	1 259	1 259	-	-	1 294	1 294
LIM 368 Modimolle/Mookgopong	1 233	-	-	1 233	1 233	-	-	1 000	1 000
Waterberg District Municipality	1 000	-	-	1 000	1 000	-	-	-	-
Ephraim Mogale	1 165	-	-	1 165	1 165	-	-	1 317	1 317
Elias Motsoaledi	1 681	-	-	1 681	1 681	-	-	1 374	1 374
Makhuduthamaga	1 168	-	-	1 168	1 168	-	-	1 070	1 070
LIM 476 Greater Tubatse/Fetakgomo	1 052	-	-	1 052	1 052	-	-	1 786	1 786
Sekhukhune District Municipality	6 294	-	-	6 294	6 294	-	-	2 665	2 665
Chief Albert Luthuli	1 914	-	-	1 914	1 914	-	-	2 445	2 445
Msukaligwa	2 650	-	-	2 650	2 650	-	-	2 879	2 879
Mkhondo	1 998	-	-	1 998	1 998	-	-	2 264	2 264
Dr Pixley ka Isaka Seme	1 085	-	-	1 085	1 085	-	-	1 345	1 345
Lekwa	1 272	-	-	1 272	1 272	-	-	1 000	1 000
Dipaleseng	1 770	-	-	1 770	1 770	-	-	1 707	1 707

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Govan Mbeki	1 000	-	-	1 000	1 000	-	-	1 599	1 599
Gert Sibande District Municipality	3 332	-	-	3 332	3 332	-	-	3 283	3 283
Victor Khanye	2 770	-	-	2 770	2 770	-	-	1 851	1 851
Emalahleni	4 846	-	-	4 846	4 846	-	-	4 556	4 556
Steve Tshwete	4 545	-	-	4 545	4 545	-	-	3 723	3 723
Emakhazeni	1 151	-	-	1 151	1 151	-	-	1 182	1 182
Thembisile Hani	1 760	-	-	1 760	1 760	-	-	2 029	2 029
Dr JS Moroka	2 050	-	-	2 050	2 050	-	-	3 078	3 078
Nkangala District Municipality	1 977	-	-	1 977	1 977	-	-	2 131	2 131
Thaba Chweu	1 707	-	-	1 707	1 707	-	-	1 818	1 818
Nkomazi	6 255	-	-	6 255	6 255	-	-	6 374	6 374
Bushbuckridge	4 974	-	-	4 974	4 974	-	-	4 453	4 453
City of Mbombela	4 244	-	-	4 244	4 244	-	-	5 836	5 836
Ehlanzeni District Municipality	3 694	-	-	3 694	3 694	-	-	3 173	3 173
Richtersveld	1 000	-	-	1 000	1 000	-	-	-	-
Nama Khoi	1 070	-	-	1 070	1 070	-	-	1 058	1 058

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Kamiesberg	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Hantam	1 704	-	-	1 704	1 704	-	-	1 595	1 595
Karoo Hoogland	1 000	-	-	1 000	1 000	-	-	-	-
Khâi-Ma	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Namakwa District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Ubuntu	1 057	-	-	1 057	1 057	-	-	1 000	1 000
Umsobomvu	1 000	-	-	1 000	1 000	-	-	1 117	1 117
Emthanjeni	1 380	-	-	1 380	1 380	-	-	1 220	1 220
Kareeberg	1 057	-	-	1 057	1 057	-	-	1 085	1 085
Renosterberg	1 000	-	-	1 000	1 000	-	-	1 023	1 023
Thembelihle	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Siyathemba	1 000	-	-	1 000	1 000	-	-	1 131	1 131
Siyancuma	1 031	-	-	1 031	1 031	-	-	1 010	1 010
Pixley Ka Seme District Municipality	1 000	-	-	1 000	1 000	-	-	1 093	1 093
!Kai !Garib	1 299	-	-	1 299	1 299	-	-	1 146	1 146
!Kheis	1 000	-	-	1 000	1 000	-	-	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Tsantsabane	1 000	-	-	1 000	1 000	-	-	1 130	1 130
Kgatelopele	1 000	-	-	1 000	1 000	-	-	1 055	1 055
NC087 Khara Hais/Mier	1 033	-	-	1 033	1 033	-	-	1 437	1 437
Z.F. Mqcawu District Municipality	1 000	-	-	1 000	1 000	-	-	1 089	1 089
Sol Plaatjie	4 170	-	-	4 170	4 170	-	-	3 608	3 608
Dikgatlong	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Magareng	1 078	-	-	1 078	1 078	-	-	1 000	1 000
Phokwane	1 000	-	-	1 000	1 000	-	-	1 142	1 142
Frances Baard District Municipality	1 101	-	-	1 101	1 101	-	-	1 270	1 270
Joe Morolong	1 583	-	-	1 583	1 583	-	-	1 319	1 319
Ga-Segonyana	1 580	-	-	1 580	1 580	-	-	1 274	1 274
Gamagara	1 055	-	-	1 055	1 055	-	-	1 249	1 249
John Taolo Gaetsewe District Municipality	1 000	-	-	1 000	1 000	-	-	1 088	1 088
Moretele	2 259	-	-	2 259	2 259	-	-	2 858	2 858
Madibeng	1 150	-	-	1 150	1 150	-	-	1 403	1 403
Rustenburg	5 422	-	-	5 422	5 422	-	-	3 786	3 786

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Kgetlengrivier	-	-	-	-	-	-	-	1 461	1 461
Moses Kotane	1 827	-	-	1 827	1 827	-	-	1 695	1 695
Bojanala Platinum District Municipality	1 789	-	-	1 789	1 789	-	-	1 437	1 437
Ratlou	1 817	-	-	1 817	1 817	-	-	1 571	1 571
Tswaing	1 187	-	-	1 187	1 187	-	-	1 232	1 232
Mafikeng	3 324	-	-	3 324	3 324	-	-	2 675	2 675
Ditsobotla	2 113	-	-	2 113	2 113	-	-	1 922	1 922
Ramotshere Moiloa	1 000	-	-	1 000	1 000	-	-	1 000	1 000
Ngaka Modiri Molema District Municipality	1 139	-	-	1 139	1 139	-	-	1 235	1 235
Naledi	1 541	-	-	1 541	1 541	-	-	1 569	1 569
Mamusa	1 249	-	-	1 249	1 249	-	-	1 207	1 207
Greater Taung	1 797	-	-	1 797	1 797	-	-	1 286	1 286
Lekwa-Teemane	1 013	-	-	1 013	1 013	-	-	1 055	1 055
Kagisano-Molopo	2 881	-	-	2 881	2 881	-	-	2 513	2 513
Dr Ruth Segomotsi Mompati District Municipality	2 438	-	-	2 438	2 438	-	-	2 050	2 050
City of Matlosana	2 092	-	-	2 092	2 092	-	-	1 983	1 983

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Maquassi Hills	1 142	-	-	1 142	1 142	-	-	1 000	1 000
NW405 Ventersdorp/Tlokwe JB Marks	2 262	-	-	2 262	2 262	-	-	2 097	2 097
Dr Kenneth Kaunda District Municipality	1 691	-	-	1 691	1 691	-	-	1 649	1 649
City of Cape Town	44 772	-	-	44 772	44 772	-	-	32 877	32 877
Matzikama	1 940	-	-	1 940	1 940	-	-	1 578	1 578
Cederberg	2 121	-	-	2 121	2 121	-	-	1 954	1 954
Bergrivier	2 135	-	-	2 135	2 135	-	-	1 422	1 422
Saldanha Bay	2 870	-	-	2 870	2 870	-	-	2 502	2 502
Swartland	1 867	-	-	1 867	1 867	-	-	1 768	1 768
West Coast District Municipality	1 184	-	-	1 184	1 184	-	-	1 027	1 027
Witzenberg	2 360	-	-	2 360	2 360	-	-	2 299	2 299
Drakenstein	4 093	-	-	4 093	4 093	-	-	5 185	5 185
Stellenbosch	4 961	-	-	4 961	4 961	-	-	5 227	5 227
Breede Valley	3 076	-	-	3 076	3 076	-	-	3 215	3 215
Langeberg	2 024	-	-	2 024	2 024	-	-	2 033	2 033
Cape Winelands District Municipality	1 503	-	-	1 503	1 503	-	-	1 581	1 581

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Theewaterskloof	1 931	-	-	1 931	1 931	-	-	1 857	1 857
Overstrand	2 500	-	-	2 500	2 500	-	-	2 635	2 635
Cape Agulhas	2 026	-	-	2 026	2 026	-	-	1 740	1 740
Swellendam	1 804	-	-	1 804	1 804	-	-	1 604	1 604
Overberg District Municipality	1 188	-	-	1 188	1 188	-	-	1 243	1 243
Kannaland	1 171	-	-	1 171	1 171	-	-	1 184	1 184
Hessequa	1 158	-	-	1 158	1 158	-	-	1 108	1 108
Mossel Bay	2 539	-	-	2 539	2 539	-	-	2 798	2 798
George	4 109	-	-	4 109	4 109	-	-	5 111	5 111
Oudtshoorn	2 243	-	-	2 243	2 243	-	-	2 728	2 728
Bitou	2 173	-	-	2 173	2 173	-	-	2 579	2 579
Knysna	1 254	-	-	1 254	1 254	-	-	1 497	1 497
Eden District Municipality	2 072	-	-	2 072	2 072	-	-	1 629	1 629
Laingsburg	1 252	-	-	1 252	1 252	-	-	1 238	1 238
Prince Albert	1 032	-	-	1 032	1 032	-	-	1 180	1 180
Beaufort West	1 859	-	-	1 859	1 859	-	-	1 924	1 924

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual 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	R'000	%	R'000	R'000
Central Karoo District Municipality	1 262	-	-	1 262	1 262	-	-	1 231	1 231
TOTAL	748 039	-	-	748 039	748 039	-	-	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 2021

35. COVID 19 Response Expenditure

	<i>Note</i>	2020/21	2019/20
	<i>Annexure 6</i>	R'000	R'000
Goods and services		12 432	-
Transfers and subsidies		234 082	-
Total		246 514	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s 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	8 449	-	-	8 449	8 449	-	-	8 449	8 449	-	100%	9 956	9 956
Nelson Mandela Bay	10 117	-	-	10 117	10 117	-	-	10 117	7 151	2 966	71%	8 950	8 950
Dr Beyers Naude(Camdeboo)	1 186	-	-	1 186	1 186	-	-	1 186	1 186	-	100%	1 251	1 251
Blue Crane Route	1 548	-	-	1 548	1 548	-	-	1 548	1 159	389	75%	1 410	1 410
Makana	1 004	-	-	1 004	1 004	-	-	1 004	1 004	-	100%	1 131	1 131
Ndlambe	1 201	-	-	1 201	1 201	-	-	1 201	1 101	100	92%	1 002	1 002
Sundays River Valley	1 000	-	-	1 000	1 000	-	-	1 000	876	124	88%	1 019	1 019
Kouga	1 054	-	-	1 054	1 054	-	-	1 054	1 054	-	100%	1 000	1 000
Kou-Kamma	1 112	-	-	1 112	1 112	-	-	1 112	795	317	71%	1 087	1 087
Sarah Baartman District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	370	630	37%	-	-
Mbhashe	4 147	-	-	4 147	4 147	-	-	4 147	4 146	1	100%	5 630	5 630
Mnquma	1 695	-	-	1 695	1 695	-	-	1 695	1 695	-	100%	1 740	1 740
Great Kei	1 024	-	-	1 024	1 024	-	-	1 024	623	401	61%	1 189	1 189
Amahlathi	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 236	1 236
Ngqushwa	3 544	-	-	3 544	3 544	-	-	3 544	2 323	1 221	66%	1 901	1 901

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s by National Treasury or National Department	Amount received by municipality	Amount spent by municipal ity	Unspent funds	% of available funds spent by municipi-pality	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 129 Nkonkobe/Nxuba (Raymond Mhlaba) Amathole District Municipality Inxuba Yethemba Intsika Yethu Emalahleni Engcobo Sakhisizwe	3 309	-	-	3 309	3 309	-	-	3 309	3 309	-	100%	2 766	2 766
EC139 Tsolwana/Inkwan ca/Lukanji (Enoch Mgijima) Chris Hanani District Municipality Elundini Senqu	3 085	-	-	3 085	3 085	-	-	3 085	2 434	651	79%	2 466	2 466
EC 145 Maletswai/Garie p (Walter Sisulu)	1 324	-	-	1 324	1 324	-	-	1 324	1 324	-	100%	1 284	1 284
	2 271	-	-	2 271	2 271	-	-	2 271	2 028	243	89%	2 591	2 591
	2 091	-	-	2 091	2 091	-	-	2 091	1 110	981	53%	2 261	2 261
	3 443	-	-	3 443	3 443	-	-	3 443	2 442	1 001	71%	2 883	2 883
	1 224	-	-	1 224	1 224	-	-	1 224	1 194	30	98%	1 480	1 480
	3 996	-	-	3 996	3 996	-	-	3 996	3 064	932	77%	4 422	4 422
	6 376	-	-	6 376	6 376	-	-	6 376	3 763	2 613	59%	4 642	4 642
	3 333	-	-	3 333	3 333	-	-	3 333	1 967	1 366	59%	2 883	2 883
	2 617	-	-	2 617	2 617	-	-	2 617	2 617	-	100%	2 384	2 384
	1 190	-	-	1 190	1 190	-	-	1 190	1 190	-	100%	1 565	1 565

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s 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
Joe Gqabi District													
Municipality	1 647	-	-	1 647	1 647	-	-	1 647	1 258	389	76%	1 504	1 504
Ngquza Hill	1 443	-	-	1 443	1 443	-	-	1 443	1 445	(2)	100%	1 407	1 407
Port St Johns	1 664	-	-	1 664	1 664	-	-	1 664	1 324	340	80%	1 462	1 462
Nyandeni	1 699	-	-	1 699	1 699	-	-	1 699	1 699	-	100%	1 444	1 444
Mhlontlo	1 787	-	-	1 787	1 787	-	-	1 787	1 600	187	90%	1 781	1 781
King Sabata Dalindyebo District													
Municipality	4 143	-	-	4 143	4 143	-	-	4 143	3 334	809	80%	3 735	3 735
O.R. Tambo District													
Municipality	6 517	-	-	6 517	6 517	-	-	6 517	4 799	1 718	74%	6 294	6 294
Matatiele	3 499	-	-	3 499	3 499	-	-	3 499	3 419	80	98%	3 257	3 257
Umzimvubu	2 700	-	-	2 700	2 700	-	-	2 700	2 684	16	99%	2 512	2 512
Mbizana	2 389	-	-	2 389	2 389	-	-	2 389	2 389	-	100%	2 452	2 452
Ntabankulu	2 374	-	-	2 374	2 374	-	-	2 374	1 153	1 221	49%	1 621	1 621
Alfred Nzo District													
Municipality	8 751	-	-	8 751	8 751	-	-	8 751	3 373	5 378	39%	9 174	9 174
Mangaung	1 843	-	-	1 843	1 843	-	-	1 843	474	1 369	26%	1 382	1 382
Letsemeng	1 000	-	-	1 000	1 000	-	-	1 000	607	393	61%	1 000	1 000
Kopanong	1 054	-	-	1 054	1 054	-	-	1 054	444	610	42%	1 186	1 186
Mohokare	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 000	1 000
Xhariep District													
Municipality	1 039	-	-	1 039	1 039	-	-	1 039	754	285	73%	1 136	1 136
Masilonyana	1 000	-	-	1 000	1 000	-	-	1 000	756	244	76%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s by National Treasury or National Department	Amount received by municipality	Amount spent by municipal ity	Unspent funds	% of available funds spent by municipi-pality	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
Tokologo	1 000	-	-	1 000	1 000	-	-	1 000	250	750	25%	1 138	1 138
Tswelopele	1 168	-	-	1 168	1 168	-	-	1 168	1 168	-	100%	1 319	1 319
Matjhabeng	1 748	-	-	1 748	1 748	-	-	1 748	1 748	-	100%	1 236	1 236
Nala	1 000	-	-	1 000	1 000	-	-	1 000	554	446	55%	1 097	1 097
Lejweleputswa District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 000	1 000
Setsoto	1 802	-	-	1 802	1 802	-	-	1 802	1 603	199	89%	1 769	1 769
Dihlabeng	2 583	-	-	2 583	2 583	-	-	2 583	2 794	(211)	108%	1 375	1 375
Nketoana	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 101	1 101
Maluti-a-Phofung	2 914	-	-	2 914	2 914	-	-	2 914	2 914	-	100%	6 077	6 077
Phumelela	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000
Mantsopa	1 342	-	-	1 342	1 342	-	-	1 342	1 343	(1)	100%	1 677	1 677
Thabo Mofutsanyana District Municipality	2 648	-	-	2 648	2 648	-	-	2 648	2 142	506	81%	1 696	1 696
Moqhaka	1 228	-	-	1 228	1 228	-	-	1 228	913	315	74%	1 000	1 000
Ngwathe	1 466	-	-	1 466	1 466	-	-	1 466	1 364	102	93%	1 377	1 377
Metsimaholo	1 327	-	-	1 327	1 327	-	-	1 327	969	358	73%	1 157	1 157
Mafube	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000
Ekurhuleni City of Johannesburg	19 104	-	-	19 104	19 104	-	-	19 104	17 662	1 442	92%	22 022	22 022
City of Johannesburg	19 819	-	-	19 819	19 819	-	-	19 819	12 895	6 924	65%	23 955	23 955
City of Tshwane	12 271	-	-	12 271	12 271	-	-	12 271				23 016	23 016

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s by National Treasury or National Department	Amount received by municipality	Amount spent by municipal ity	Unspent funds	% of available funds spent by municipi- pality	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
										12 271	-	100%	
Emfuleni	4 543	-	-	4 543	4 543	-	-	4 543	3 762	781	83%	3 559	3 559
Midvaal	1 708	-	-	1 708	1 708	-	-	1 708	1 708	-	100%	1 564	1 564
Lesedi	1 367	-	-	1 367	1 367	-	-	1 367	1 297	70	95%	1 460	1 460
Sedibeng District Municipality													
	1 000	-	-	1 000	1 000	-	-	1 000	798	202	80%	1 173	1 173
Mogale City	7 017	-	-	7 017	7 017	-	-	7 017	6 897	120	98%	4 481	4 481
Merafong City	1 000	-	-	1 000	1 000	-	-	1 000	564	436	56%	1 000	1 000
Rand West City(GT485									1 718	753	70%		
Randfontein & West Rand District Municipality	2 471	-	-	2 471	2 471	-	-	2 471				3 011	3 011
	1 020	-	-	1 020	1 020	-	-	1 020	807	213	79%	1 080	1 080
eThekweni	79 192	-	-	79 192	79 192	-	-	79 192	79 192	-	100%	78 757	78 757
uMdoni	1 398	-	-	1 398	1 398	-	-	1 398	1 078	320	77%	1 228	1 228
uMzumbe	1 533	-	-	1 533	1 533	-	-	1 533	1 399	134	91%	1 564	1 564
uMuziwabantu Ray Nkonyeni (Hibiscus Coast) Ugu District Municipality	1 048	-	-	1 048	1 048	-	-	1 048	976	72	93%	1 219	1 219
	3 949	-	-	3 949	3 949	-	-	3 949	3 436	513	87%	4 405	4 405
	4 468	-	-	4 468	4 468	-	-	4 468	3 264	1 204	73%	4 523	4 523
uMshwathi	1 192	-	-	1 192	1 192	-	-	1 192	1 192	-	100%	1 322	1 322
uMngeni	1 000	-	-	1 000	1 000	-	-	1 000	967	33	97%	1 000	1 000
Mpofana	1 211	-	-	1 211	1 211	-	-	1 211	1 211	-	100%	1 148	1 148

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s by National Treasury or National Department	Amount received by municipality	Amount spent by municipal ity	Unspent funds	% of available funds spent by municipi-pality	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
iMpendle	1 284	-	-	1 284	1 284	-	-	1 284	1 284	-	100%	1 257	1 257
Msunduzi	4 388	-	-	4 388	4 388	-	-	4 388	2 696	1 692	61%	4 200	4 200
Mkhambathini	1 143	-	-	1 143	1 143	-	-	1 143	1 143	-	100%	1 440	1 440
Richmond	1 505	-	-	1 505	1 505	-	-	1 505	793	712	53%	1 716	1 716
uMgungundlovu District Municipality	3 071	-	-	3 071	3 071	-	-	3 071	2 106	965	69%	3 368	3 368
Okhahlamba iNkosi	3 081	-	-	3 081	3 081	-	-	3 081	3 081	-	100%	2 539	2 539
Langalibalele(KZN 237 Umtshezi)	2 082	-	-	2 082	2 082	-	-	2 082	2 082	-	100%	2 149	2 149
Alfred Duma(KZN 238 Ladysmith)	4 642	-	-	4 642	4 642	-	-	4 642	3 091	1 551	67%	3 930	3 930
uThukela District Municipality	3 730	-	-	3 730	3 730	-	-	3 730	3 012	718	81%	7 054	7 054
eNdumeni	1 335	-	-	1 335	1 335	-	-	1 335	1 016	319	76%	1 410	1 410
Nquthu	1 088	-	-	1 088	1 088	-	-	1 088	1 088	-	100%	1 112	1 112
uMsinga	4 441	-	-	4 441	4 441	-	-	4 441	4 441	-	100%	3 905	3 905
uMvoti	1 447	-	-	1 447	1 447	-	-	1 447	1 447	-	100%	1 674	1 674
uMzinyathi District Municipality	5 457	-	-	5 457	5 457	-	-	5 457	3 604	1 853	66%	4 624	4 624

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s by National Treasury or National Department	Amount received by municipality	Amount spent by municipal ity	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	2 895	-	-	2 895	2 895	-	-	2 895	2 727	168	94%	3 098	3 098
eMadlangeni	1 088	-	-	1 088	1 088	-	-	1 088	727	361	67%	1 037	1 037
Dannhauser	1 000	-	-	1 000	1 000	-	-	1 000	824	176	82%	1 021	1 021
Amajuba District Municipality	1 850	-	-	1 850	1 850	-	-	1 850	1 583	267	86%	1 387	1 387
eDumbe	1 522	-	-	1 522	1 522	-	-	1 522	900	622	59%	1 267	1 267
uPhongolo	3 055	-	-	3 055	3 055	-	-	3 055	2 315	740	76%	2 513	2 513
AbaQulusi	1 831	-	-	1 831	1 831	-	-	1 831	1 831	-	100%	1 654	1 654
Nongoma	2 099	-	-	2 099	2 099	-	-	2 099	2 099	-	100%	2 016	2 016
Ulundi	2 940	-	-	2 940	2 940	-	-	2 940	2 940	-	100%	4 040	4 040
Zululand District Municipality	9 261	-	-	9 261	9 261	-	-	9 261	9 261	-	100%	8 818	8 818
uMhlabuyalingana	2 952	-	-	2 952	2 952	-	-	2 952	2 242	710	76%	3 525	3 525
Jozini	2 746	-	-	2 746	2 746	-	-	2 746	2 746	-	100%	3 217	3 217
Mtubatuba	1 945	-	-	1 945	1 945	-	-	1 945	1 861	84	96%	2 148	2 148
Big Five Hlabisa	2 148	-	-	2 148	2 148	-	-	2 148	2 148	-	100%	2 506	2 506
KZN 276	4 838	-	-	4 838	4 838	-	-	4 838	4 838	-	100%	4 674	4 674
uMkhanyakude District Municipality	1 788	-	-	1 788	1 788	-	-	1 788	899	889	50%	2 171	2 171
uMfolozi	4 278	-	-	4 278	4 278	-	-	4 278	2 745	1 533	64%	4 492	4 492
uMhlathuze	3 388	-	-	3 388	3 388	-	-	3 388	2 706	682	80%	3 068	3 068
uMlalazi													

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s 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
Mthonjaneni	1 951	-	-	1 951	1 951	-	-	1 951	1 677	274	86%	2 026	2 026
Nkandla	2 476	-	-	2 476	2 476	-	-	2 476	2 476	-	100%	2 409	2 409
King Cetshwayo (Uthungulu)	5 276	-	-	5 276	5 276	-	-	5 276	4 016	1 260	76%	6 763	6 763
Mandeni	2 387	-	-	2 387	2 387	-	-	2 387	2 072	315	87%	2 234	2 234
KwaDukuza	1 465	-	-	1 465	1 465	-	-	1 465	1 465	-	100%	1 729	1 729
Ndwedwe	1 760	-	-	1 760	1 760	-	-	1 760	1 735	25	99%	1 348	1 348
Maphumulo	1 282	-	-	1 282	1 282	-	-	1 282	1 282	-	100%	1 325	1 325
iLembe District Municipality	4 746	-	-	4 746	4 746	-	-	4 746	4 746	-	100%	2 019	2 019
Greater Kokstad	3 164	-	-	3 164	3 164	-	-	3 164	3 164	-	100%	3 700	3 700
uBuhlebezwe	1 903	-	-	1 903	1 903	-	-	1 903	1 254	649	66%	1 793	1 793
uMzimkhulu	3 009	-	-	3 009	3 009	-	-	3 009	2 914	95	97%	2 352	2 352
KZN Ingwe/Kwa Sani (Dr Nkosazana Dlamini Zuma)	2 513	-	-	2 513	2 513	-	-	2 513	2 513	-	100%	2 381	2 381
Harry Gwala District Municipality	5 195	-	-	5 195	5 195	-	-	5 195	3 917	1 278	75%	5 316	5 316
Greater Giyani	3 409	-	-	3 409	3 409	-	-	3 409	3 110	299	91%	3 362	3 362
Greater Letaba	1 467	-	-	1 467	1 467	-	-	1 467	1 282	85	87%	1 225	1 225
Greater Tzaneen	7 134	-	-	7 134	7 134	-	-	7 134	6 645	489	93%	5 749	5 749
Ba-Phalaborwa	1 099	-	-	1 099	1 099	-	-	1 099	834	265	76%	1 142	1 142

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s by National Treasury or National Department	Amount received by municipality	Amount spent by municipal ity	Unspent funds	% of available funds spent by municipi-pality	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
Maruleng	1 000	-	-	1 000	1 000	-	-	1 000	992	8	99%	1 113	1 113
Mopani District Municipality LIM341(Musina)	9 433	-	-	9 433	9 433	-	-	9 433	6 604	2 829	70%	3 292	3 292
LIM343	1 639	-	-	1 639	1 639	-	-	1 639	1 639	-	100%	1 139	1 139
(Thulamela)	7 118	-	-	7 118	7 118	-	-	7 118	6 088	1 030	86%	7 477	7 477
Makhado	2 270	-	-	2 270	2 270	-	-	2 270	1 697	573	75%	1 863	1 863
LIM 345(Collins Chabane)	1 161	-	-	1 161	1 161	-	-	1 161	1 161	-	100%	1 169	1 169
Vhembe District Municipality	1 081	-	-	1 081	1 081	-	-	1 081	739	342	68%	1 589	1 589
Blouberg	1 547	-	-	1 547	1 547	-	-	1 547	1 547	-	100%	1 072	1 072
Molemole	1 304	-	-	1 304	1 304	-	-	1 304	861	443	66%	1 167	1 167
Polokwane	9 527	-	-	9 527	9 527	-	-	9 527	7 289	2 238	77%	4 201	4 201
Lepele-Nkumpi	1 906	-	-	1 906	1 906	-	-	1 906	1 173	733	62%	1 172	1 172
Capricorn District Municipality	3 789	-	-	3 789	3 789	-	-	3 789	2 918	871	77%	4 340	4 340
Thabazimbi	1 000	-	-	1 000	1 000	-	-	1 000	817	183	82%	1 105	1 105
Lephalale	1 568	-	-	1 568	1 568	-	-	1 568	683	885	44%	1 407	1 407
Bela-Bela	1 060	-	-	1 060	1 060	-	-	1 060	1 060	-	100%	1 046	1 046
Mogalakwena	1 259	-	-	1 259	1 259	-	-	1 259	623	636	49%	1 294	1 294
LIM 368													
Modimolle/Mook gopong	1 233	-	-	1 233	1 233	-	-	1 233	837	396	68%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s 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
Waterberg District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	510	490	51%	-	-
Ephraim Mogale	1 165	-	-	1 165	1 165	-	-	1 165	1 027	138	88%	1 317	1 317
Elias Motsoaledi	1 681	-	-	1 681	1 681	-	-	1 681	1 251	430	74%	1 374	1 374
Makhuduthamaga	1 168	-	-	1 168	1 168	-	-	1 168	810	358	69%	1 070	1 070
LIM 476 Greater Tubatse/Fetakgomo	1 052	-	-	1 052	1 052	-	-	1 052	1 057	(5)	100%	1 786	1 786
Sekhukhune District Municipality	6 294	-	-	6 294	6 294	-	-	6 294	4 424	1 870	70%	2 665	2 665
Chief Albert Luthuli	1 914	-	-	1 914	1 914	-	-	1 914	1 914	-	100%	2 445	2 445
Msukaligwa	2 650	-	-	2 650	2 650	-	-	2 650	1 985	665	75%	2 879	2 879
Mkhondo	1 998	-	-	1 998	1 998	-	-	1 998	1 997	1	100%	2 264	2 264
Dr Pixley ka Isaka Seme	1 085	-	-	1 085	1 085	-	-	1 085	881	204	81%	1 345	1 345
Lekwa	1 272	-	-	1 272	1 272	-	-	1 272	406	866	32%	1 000	1 000
Dipaleseng	1 770	-	-	1 770	1 770	-	-	1 770	1 300	470	73%	1 707	1 707
Govan Mbeki	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 599	1 599

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s 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
Gert Sibande District Municipality	3 332	-	-	3 332	3 332	-	-	3 332	3 332	-	100%	3 283	3 283
Victor Khanye Emalahleni	2 770	-	-	2 770	2 770	-	-	2 770	2 770	-	100%	1 851	1 851
Steve Tshwete Emakhazeni	4 846	-	-	4 846	4 846	-	-	4 846	4 846	-	100%	4 556	4 556
Thembisile Hani	4 545	-	-	4 545	4 545	-	-	4 545	3 474	1 071	76%	3 723	3 723
Dr JS Moroka Nkangala District Municipality	1 151	-	-	1 151	1 151	-	-	1 151	1 151	-	100%	1 182	1 182
Thaba Chweu	1 760	-	-	1 760	1 760	-	-	1 760	1 760	-	100%	2 029	2 029
Bushbuckridge City of Mbombela	2 050	-	-	2 050	2 050	-	-	2 050	1 162	888	57%	3 078	3 078
Ehlanzeni District Municipality	1 977	-	-	1 977	1 977	-	-	1 977	1 977	-	100%	2 131	2 131
Richtersveld	1 707	-	-	1 707	1 707	-	-	1 707	1 707	-	100%	1 818	1 818
Nama Khoi	6 255	-	-	6 255	6 255	-	-	6 255	6 255	-	100%	6 374	6 374
Kamiesberg	4 974	-	-	4 974	4 974	-	-	4 974	4 974	-	100%	4 453	4 453
Hantam	4 244	-	-	4 244	4 244	-	-	4 244	4 244	-	100%	5 836	5 836
Karoo Hoogland	3 694	-	-	3 694	3 694	-	-	3 694	3 694	-	100%	3 173	3 173
Khâi-Ma	1 000	-	-	1 000	1 000	-	-	1 000	798	202	80%	-	-
	1 070	-	-	1 070	1 070	-	-	1 070	587	483	55%	1 058	1 058
	1 000	-	-	1 000	1 000	-	-	1 000	958	42	96%	1 000	1 000
	1 704	-	-	1 704	1 704	-	-	1 704	1 704	-	100%	1 595	1 595
	1 000	-	-	1 000	1 000	-	-	1 000	672	328	67%	-	-
	1 000	-	-	1 000	1 000	-	-	1 000	658	342	66%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s 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
Namakwa District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	948	52	95%	1 000	1 000
Ubuntu Municipality	1 057	-	-	1 057	1 057	-	-	1 057	816	241	77%	1 000	1 000
Umsobomvu Municipality	1 000	-	-	1 000	1 000	-	-	1 000	578	422	58%	1 117	1 117
Emthanjeni Municipality	1 380	-	-	1 380	1 380	-	-	1 380	204	1,176	15%	1 220	1 220
Kareeberg Municipality	1 057	-	-	1 057	1 057	-	-	1 057	158	899	15%	1 085	1 085
Renosterberg Municipality	1 000	-	-	1 000	1 000	-	-	1 000	687	313	69%	1 023	1 023
Thembelihle Municipality	1 000	-	-	1 000	1 000	-	-	1 000	913	87	91%	1 000	1 000
Siyathemba Municipality	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 131	1 131
Siyancuma Municipality	1 031	-	-	1 031	1 031	-	-	1 031	1 031	-	100%	1 010	1 010
Pixley Ka Seme District Municipality									925	75	93%		
!Kai !Garib Municipality	1 000	-	-	1 000	1 000	-	-	1 000				1 093	1 093
!Kheis Municipality	1 299	-	-	1 299	1 299	-	-	1 299	1 179	120	91%	1 146	1 146
Tsantsabane Municipality	1 000	-	-	1 000	1 000	-	-	1 000	680	320	68%	1 000	1 000
Kgatelopele Municipality	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	1 130	1 130
NC087 Khara Hais/Mier (Dawid Kruiper) Municipality	1 033	-	-	1 033	1 033	-	-	1 033	588	445	57%	1 437	1 437
Z.F. Mqcawu District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	1,000	-	100%	1 089	1 089
Sol Plaatjie Municipality	4 170	-	-	4 170	4 170	-	-	4 170	4 170	-	100%	3 608	3 608
Dikgatlong Municipality	1 000	-	-	1 000	1 000	-	-	1 000	595	405	60%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s 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
Magareng	1 078	-	-	1 078	1 078	-	-	1 078	1 006	72	93%	1 000	1 000
Phokwane	1 000	-	-	1 000	1 000	-	-	1 000	-	1 000	0%	1 142	1 142
Frances Baard District Municipality	1 101	-	-	1 101	1 101	-	-	1 101	554	547	50%	1 270	1 270
Joe Morolong	1 583	-	-	1 583	1 583	-	-	1 583	376	1 207	24%	1 319	1 319
Ga-Segonyana	1 580	-	-	1 580	1 580	-	-	1 580	822	758	52%	1 274	1 274
Gamagara	1 055	-	-	1 055	1 055	-	-	1 055	529	526		1 249	1 249
John Taolo Gaetsewe District Municipality	1 000	-	-	1 000	1 000	-	-	1 000	506	494	51%	1 088	1 088
Moretele	2 259	-	-	2 259	2 259	-	-	2 259	2 259	-	100%	2 858	2 858
Madibeng	1 150	-	-	1 150	1 150	-	-	1 150	900	250	78%	1 403	1 403
Rustenburg	5 422	-	-	5 422	5 422	-	-	5 422	3 000	2 422	55%	3 786	3 786
Kgetlengrivier	-	-	-	-	-	-	-	-	-	-		1 461	1 461
Moses Kotane	1 827	-	-	1 827	1 827	-	-	1 827	1 398	429	77%	1 695	1 695
Bojanala									1 861	(72)	104%		
Platinum District Municipality	1 789	-	-	1 789	1 789	-	-	1 789				1 437	1 437
Ratlou	1 817	-	-	1 817	1 817	-	-	1 817	-	1 817	0%	1 571	1 571
Tswaing	1 187	-	-	1 187	1 187	-	-	1 187	1 187	-	100%	1 232	1 232
Mafikeng	3 324	-	-	3 324	3 324	-	-	3 324	3 159	165	95%	2 675	2 675
Ditsobotla	2 113	-	-	2 113	2 113	-	-	2 113	2 113	-	100%	1 922	1 922
Ramotshere													
Moiloa	1 000	-	-	1 000	1 000	-	-	1 000	819	181	82%	1 000	1 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s 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
Ngaka Modiri Molema District Municipality	1 139	-	-	1 139	1 139	-	-	1 139	1 139	-	100%	1 235	1 235
Naledi Municipality	1 541	-	-	1 541	1 541	-	-	1 541	946	595	61%	1 569	1 569
Mamusa Municipality	1 249	-	-	1 249	1 249	-	-	1 249	1 249	-	100%	1 207	1 207
Greater Taung Municipality	1 797	-	-	1 797	1 797	-	-	1 797	1 775	22	99%	1 286	1 286
Lekwa-Teemane Municipality	1 013	-	-	1 013	1 013	-	-	1 013	968	45	96%	1 055	1 055
Kagisano-Molopo Municipality	2 881	-	-	2 881	2 881	-	-	2 881	2 881	-	100%	2 513	2 513
Dr Ruth Segomotsi Mompoti District Municipality	2 438	-	-	2 438	2 438	-	-	2 438	1 650	442	79%	2 050	2 050
City of Matlosana	2 092	-	-	2 092	2 092	-	-	2 092	942	200	82%	1 983	1 983
Maquassi Hills NW405 Municipality	1 142	-	-	1 142	1 142	-	-	1 142	942	200	82%	1 000	1 000
Ventersdorp/Tlokwe Municipality	2 262	-	-	2 262	2 262	-	-	2 262	2 188	74	97%	2 097	2 097
Dr Kenneth Kaunda District Municipality	1 691	-	-	1 691	1 691	-	-	1 691	1 218	473	72%	1 649	1 649
City of Cape Town	44 772	-	-	44 772	44 772	-	-	44 772	14 241	30 531	32%	32 877	32 877
Matzikama Municipality	1 940	-	-	1 940	1 940	-	-	1 940	1 940	-	100%	1 578	1 578
Cederberg Municipality	2 121	-	-	2 121	2 121	-	-	2 121	2 121	-	100%	1 954	1 954

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s by National Treasury or National Department	Amount received by municipality	Amount spent by municipal ity	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
Bergrivier	2 135	-	-	2 135	2 135	-	-	2 135	2 104	31	99%	1 422	1 422
Saldanha Bay	2 870	-	-	2 870	2 870	-	-	2 870	2 870	-	100%	2 502	2 502
Swartland	1 867	-	-	1 867	1 867	-	-	1 867	1 867	-	100%	1 768	1 768
West Coast District Municipality	1 184	-	-	1 184	1 184	-	-	1 184	891	293	75%	1 027	1 027
Witzenberg	2 360	-	-	2 360	2 360	-	-	2 360	1 301	1,059	55%	2 299	2 299
Drakenstein	4 093	-	-	4 093	4 093	-	-	4 093	4 093	-	100%	5 185	5 185
Stellenbosch	4 961	-	-	4 961	4 961	-	-	4 961	4 110	851	83%	5 227	5 227
Breede Valley	3 076	-	-	3 076	3 076	-	-	3 076	3 076	-	100%	3 215	3 215
Langeberg	2 024	-	-	2 024	2 024	-	-	2 024	1 722	302	85%	2 033	2 033
Cape Winelands District Municipality	1 503	-	-	1 503	1 503	-	-	1 503	1 185	318	79%	1 581	1 581
Theewaterskloof	1 931	-	-	1 931	1 931	-	-	1 931	1 803	128	93%	1 857	1 857
Overstrand	2 500	-	-	2 500	2 500	-	-	2 500	1 862	638	74%	2 635	2 635
Cape Agulhas	2 026	-	-	2 026	2 026	-	-	2 026	2 026	-	100%	1 740	1 740
Swellendam	1 804	-	-	1 804	1 804	-	-	1 804	1 653	151	92%	1 604	1 604
Overberg District Municipality	1 188	-	-	1 188	1 188	-	-	1 188	995	193	84%	1 243	1 243
Kannaland	1 171	-	-	1 171	1 171	-	-	1 171	903	268	77%	1 184	1 184
Hessequa	1 158	-	-	1 158	1 158	-	-	1 158	955	203	82%	1 108	1 108
Mossel Bay	2 539	-	-	2 539	2 539	-	-	2 539	1 942	597	76%	2 798	2 798

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s 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
George	4 109	-	-	4 109	4 109	-	-	4 109	2 115	1 994	51%	5 111	5 111
Oudtshoorn	2 243	-	-	2 243	2 243	-	-	2 243	2 243	-	100%	2 728	2 728
Bitou	2 173	-	-	2 173	2 173	-	-	2 173	2 173	-	100%	2 579	2 579
Knysna	1 254	-	-	1 254	1 254	-	-	1 254	918	336	73%	1 497	1 497
Eden District (Garden Route District Municipality)	2 072	-	-	2 072	2 072	-	-	2 072	1 820	252	88%	1 629	1 629
Laingsburg	1 252	-	-	1 252	1 252	-	-	1 252	1 057	195	84%	1 238	1 238
Prince Albert	1 032	-	-	1 032	1 032	-	-	1 032	1 119	(87)	108%	1 180	1 180
Beaufort West	1 859	-	-	1 859	1 859	-	-	1 859	1 108	751	60%	1 924	1 924
Central Karoo District Municipality	1 262	-	-	1 262	1 262	-	-	1 262	932	330	74%	1 231	1 231
TOTAL	748 039	-	-	748 039	748 039	-	-	748 039	609 348	138 691		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 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2019/20
	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 Industry Development Board	72 443	-	-	72 443	72 443	100%	76 160
Council for the Built Environment	48 813	-	-	48 813	48 813	100%	52 796
Property Management Trading Entity	4 239 987	-	-	4 239 987	4 239 987	100%	4 315 736
Construction SETA	595	-	-	595	595	100%	558
Parliamentary Village Management Board	11 206	-	-	11 206	11 206	100%	10 599
Agrément SA	29 027	-	-	29 027	29 027	100%	31 062
TOTAL	4 402 071	-	-	4 402 071	4 402 071		4 486 911

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2019/20
	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	128 501	-	20 000	148 501	148 501	100.0%	-	-	5 000
Industrial Development Corporation	60 800	-	-	60 800	60 800	100.0%	-	-	-
Total	189 301	-	20 000	209 301	209 301	100.0%	-	-	5 000

ANNEXURE 1D

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	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	29 103	-	-	29 103	29 103	100.0%	24 621
TOTAL	29 103	-	-	29 103	29 103		24 621

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	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							
Non State Sector	578 484	-	-	578 484	578 484	100.0%	750 424
TOTAL	578 484	-	-	578 484	578 484		750 424

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	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							
Transfers							
H/H EML S/BEN:LEAVE GRATUITY	1 908	-	-	1 908	1 396	73%	4 256
Mthembu L	-	-	-	-	49		-
Davids N	-	-	-	-	16		-
Hlungwane MT	-	-	-	-	12		-
Mokhele PR	-	-	-	-	209		-
Naledzani M	-	-	-	-	15		-
Fourie N	-	-	-	-	85		-
Sifanele SI	-	-	-	-	15		-
Mofokeng TJ	-	-	-	-	22		-
Nohashe A	-	-	-	-	6		-
Grove CGD	-	-	-	-	161		-
Memela N	-	-	-	-	73		-
Zondi HL	-	-	-	-	63		-
Makhubela TG	-	-	-	-	16		-
Ragolane ML	-	-	-	-	40		-
Jacobs NAP	-	-	-	-	9		-
Matebese NN	-	-	-	-	48		-
Chiloane LM	-	-	-	-	73		-
Ngcobo RK	-	-	-	-	144		-
Duplessis D	-	-	-	-	118		-
Kango MG	-	-	-	-	109		-
Ngwana	-	-	-	-	111		-
Sekano GM	-	-	-	-	2		-
							-
H/H:BURSARIES(NON-EMPLOYEE)	5 570	-	-	5 570	5 073	91%	5 280
University of Witwatersrand	-	-	-	-	4 087		-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Van Schaick Bookstore	-	-	-	-	470	-
University of Johannesburg	-	-	-	-	374	-
University of Pretoria	-	-	-	-	141	-
Nelson Mandela University	-	-	-	-	1	-
	-	-	-	-	-	-
H/H:CLAIMS AGAINST THE STATE(CASH)	-	-	-	-	1 159	-
Nemavhidi LM	-	-	-	-	208	-
Rakau MT	-	-	-	-	496	-
Lelala PY	-	-	-	-	455	-
TOTAL	7 478	-	-	7 478	7 628	9 536

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/21	2019/20
		R'000	R'000
Received in kind			
Ernst & Young Advisory Services	Donation received in kind of venue and facilitation services by Ernst & Young Advisory Services for Infrastructure SA strategic planning session		
	Venue	60	-
	Facilitation Services	125	-
Subtotal		185	-
TOTAL		185	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2020	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2021	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2021
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing Standard Bank	-	-	53	-	-	53	-	-
	Total	-	-	53	-	-	53	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

Nature of Liability	Opening Balance 1 April 2020	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Claims against the department	-	10 000	-	-	10 000
TOTAL	-	10 000	-	-	10 000

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Basic Education	-	-	54 541	54 541	54 541	54 541	-	-
Presidency	-	-	699	699	699	699	-	-
Provincial Department	-	-	-	5 632	-	5 632	-	-
Agriculture, Land Reform & Rural Development	-	-	-	342	-	342	-	-
Department of Home Affairs	-	-	60	60	60	60	-	-
Subtotal	-	-	55 300	61 274	55 300	61 274	-	-
Other Government Entities								
Public Works (PMTE)	-	-	9 974	8 726	9 974	8 726	-	-
SETA	-	-	3 612	3 612	3 612	3 612	-	-
CETA	-	-	1 434	3 868	1 434	3 868	-	-
NSF	-	-	99	99	99	99	-	-
Subtotal	-	-	15 119	16 305	15 119	16 305	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

TOTAL	-	-	70 419	77 579	70 419	77 579	-	-
--------------	---	---	--------	--------	--------	--------	---	---

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20 *	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

DEPARTMENTS

Current

Justice and Constitutional Development	8 517	-	7 162	2 732	15 679	2 732	-	-
Department of International Relations and Coordination	-	-	-	1 595	-	1 595	-	-
Government Printing Works		3	-	-	-	3	-	-
Department of Communications and Digital Technologies	113	-	-	-	113	-	-	-
Subtotal	8 630	3	7 162	4 327	15 792	4 330	-	-

OTHER GOVERNMENT ENTITY

Current

Property Management Trading Entity (PMTE)	167	2 475	-	-	167	2 475	-	-
AGSA	1 086	1 595	-	-	1 086	1 595	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20 *	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Telkom SA LTD	65	69	-	-	65	69	-	-
IDT	-	1 520	-	-	-	1 520	-	-
Subtotal	1 318	5 659	-	-	1 318	5 659	-	-
Non-current								
AGRISETA	1 299	-	-	6	1 299	6	-	-
Subtotal	1 299	-	-	6	1 299	6	-	-
TOTAL INTERGOVERNMENT PAYABLES								
	11 247	5 662	7 162	4 333	18 409	9 995	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 5A
INTER-ENTITY ADVANCES PAID (note 11)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of Planning, Monitoring & Evaluation	870	-	-	-	870	-
GCIS	6 250	-	-	-	6 250	-
Subtotal	7 120	-	-	-	7 120	-
PUBLIC ENTITIES						
IDT	307	6 321	-	-	307	6 321
Subtotal	307	6 321	-	-	307	6 321
OTHER ENTITIES						
ILO	2 639	5 302	-	-	2 639	5 302
Construction Sector Charter Council	1 609	-	-	-	1 609	-
Subtotal	4 248	5 302	-	-	4 248	5 302
TOTAL	11 675	11 623	-	-	11 675	11 623

ANNEXURE 5B
INTER-ENTITY ADVANCES RECEIVED (note 16)

ENTITY	Confirmed balance outstanding	Unconfirmed balance outstanding	TOTAL
--------	-------------------------------	---------------------------------	-------

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
Current						
KZN Provincial Department	12 870	-	-	-	12 870	-
Subtotal	12 870	-	-	-	12 870	-
Non-Current						
PUBLIC ENTITIES						
Current						
National Skills Fund	39 936	39 702	-	-	39 936	39 702
Subtotal	39 936	39 702	-	-	39 936	39 702
TOTAL	52 806	39 702	-	-	52 806	39 702
Current	52 806	39 702	-	-	52 806	39 702
Non-current	-	-	-	-	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2020/21					2019/20
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000

Compensation of employees

	12					
Goods and services	142	95	195	-	12 432	-

List all applicable SCOA level 4 items

CATERING:DEPARTML ACTIVITIES	409	-	150	-	559	-
CNS:BUS&ADV SER:TRNSLAT&TRNSCRIPT	-	25	-	-	25	-
CONS SUPP:MEDICAL SUPPLIES	-	19	20	-	39	-
CONS HOUS SUP:LIN&SOFT FURNSH	-	3	-	-	3	-
CONS HOUS SUP:TOILETRIES	-	1	-	-	1	-
CONS HOUS SUP:WASH/CLEAN DETE	-	2	-	-	2	-
O/P:PRINTING&PUBLICATIONS SERV	-	45	-	-	45	-
ADMINISTRATIVE FEES	11 733	-	-	-	11 733	-
EQP<R5000:ASS DEV,MED&ALLIED EQU	-	-	25	-	25	-

Transfers and subsidies	234 082				234 082	
NON-PROFIT INSTITUTIONS	234 082	-	-	-	234 082	-

	246					
TOTAL COVID 19 RESPONSE EXPENDITURE	224	95	195	-	246 514	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Property Management Trading Entity



**Property Management Trading Entity Annual Financial
Statements
for the year ended 31 March 2021**

Property Management Trading Entity

Report of the auditor-general to Parliament on Property Management Trading Entity

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Property Management Trading Entity set out on pages 315 to 383 which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Property Management Trading Entity as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Payables from exchange transactions- Accrued expenses- Leases

3. The trading entity did not correctly value payables from exchange transactions in accordance with GRAP 104, *financial instruments*. Differences were noted between Accrued expenses- lease balances presented on the financial statements and the recalculated balance. Consequently, payables from exchange transactions is overstated by R450 258 312. This also has an impact on the surplus for the period and on the accumulated surplus.

Receivables from exchange transactions

4. In addition to the individually material uncorrected misstatement on Payables from exchange transactions, Receivables from exchange transactions was materially misstated by R534 504 138 due to the cumulative effect of individually immaterial uncorrected misstatements in Receivables from exchange transactions:
 - Accommodation debtors - leasehold inter-governmental stated at R195 684 000 is overstated by R17 572 495.
 - Prepaid expenses – leases stated at R339 178 000 is overstated by R190 360 282.
 - Prepaid expenses - implementing agent stated at R775 490 000 is understated by R15 766 325.
 - Revenue accrual - recoverable leases stated at R305 374 000 is overstated by R342 337 686.

Emphasis of matters

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

Restatement of corresponding figures

6. As disclosed in note 37 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the annual financial statements of the entity at, and for the year ended, 31 March 2021.

Property Management Trading Entity

Impairments – Receivables from exchange transactions

7. As disclosed in note 22 to the financial statements, material losses of R760 185 000 were incurred as a result of a lack of recoverability in long outstanding receivables.

Going concern

8. I draw attention to note 38 to the financial statements, which indicate that the trading entity as of 31 March 2021, has a bank overdraft of R905 million (March 2020: R2,6 billion) and the current liabilities exceed the current assets by R4,5 billion (March 2020: R6,2 billion).

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity'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 trading entity or to cease operations, or has no realistic alternative but to do so.

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

11. 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.
12. 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

13. In terms of section 40(3) (a) of the PFMA for departments, trading entities and constitutional institutions, the trading entity is required to prepare an annual performance report. The trading entity's performance information was reported in the annual performance report of Department of Public Works and Infrastructure. The usefulness and reliability of the reported performance information was tested as part of the audit of Department of Public Works and Infrastructure and any audit findings are included in the management and auditor's report of Department of Public Works and Infrastructure (DPWI).

Report on the audit of compliance with legislation

Introduction and scope

14. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the trading entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
15. The material findings on compliance with specific matters in key legislation are as follows:

Property Management Trading Entity

Expenditure Management

16. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R82 937 000, as disclosed in note 32 to the financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure disclosed in the financial statements was caused by appropriate approval not obtained from a delegated authority.
17. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1. The non-compliance resulted in a material irregularity as reported in the section on material irregularities.

Annual Financial Statement, Performance and Annual Report

18. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by sections 40(1) (a) and (b) of the PFMA. Material misstatements of non-current assets, current assets, current liabilities and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Assets Management

19. Proper control systems were not in place at the trading entity to ensure the safeguarding of assets, as required by treasury regulation 10.1.1(a). The non-compliance resulted in a material irregularity as reported in the section on material irregularities.

Consequence Management

20. I was unable to obtain sufficient appropriate audit evidence that investigations were conducted into all allegations of financial misconduct committed by officials, as required by treasury regulation 4.1.1.
21. Disciplinary hearings were not held for confirmed cases of financial misconduct committed by some of the officials, as required by treasury regulation 4.1.1.
22. I was unable to obtain sufficient appropriate audit evidence that confirmed cases of improper conduct in the supply chain management system that constituted a crime were reported to the SAPS, as required by treasury regulation 16A9.1(b)(ii).

Procurement and contract management

23. Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2).
24. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content in accordance with paragraph 3.4 of National Treasury Instruction Note 4 of 2015/2016.
25. Some of the commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8(5).

Property Management Trading Entity

Revenue Management

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

Other information

27. 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 and the auditor's report.
28. My opinion on the financial statements and findings on the compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
29. 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, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements 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 basis for the adverse of opinion and the findings on compliance with legislation included in this report.
32. Management did not properly review the details of the leases that were recorded on Archibus system, as a result, significant differences were identified on the leases disclosed in the annual financial statements and the details of the lease as per the lease contract. This was exacerbated by the fact that lease information is decentralised, and regional officials were not provided with recent lease agreements concluded by Real Estate Management Services (REMS) timely, as a result latest lease agreements were not captured on Archibus system.
33. Management's review and monitoring of compliance with applicable laws and regulations was ineffective, which resulted in material non-compliance findings on expenditure, procurement and contract management. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored. Furthermore, management did not take effective steps to assess, evaluate and disclose all irregular expenditure in the annual financial statement.

Material irregularities

34. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

Material irregularities identified during the audit

35. The material irregularities identified are as follows:

Property Management Trading Entity

Unfair Procurement Process for the Beitbridge Borderline Infrastructure Project

36. An appropriate supply chain management process that is fair, equitable, transparent, competitive and cost effective was not followed in the appointment of the contractor and the consultant on 18 March 2020 and 19 March 2020 respectively in order to ensure that amounts charged to the trading entity for Beitbridge Borderline Infrastructure project are market related. This was in contravention with National Treasury Regulation (TR) 16A3.2 (a), which requires that a supply chain management system referred to in paragraph 16.3.1 of the TR must be fair, equitable, transparent, competitive and cost effective. The non-compliance is likely to result in a material financial loss.
37. The Accounting Officer was notified of the MI on 13 November 2020 and invited to make a written submission on the actions taken and that will be taken to address the matter. The response was received on the 10 December 2020.
38. The investigation on the Beitbridge Borderline project was initiated on 25 April 2020 on request from the Minister of DPWI. The investigation was conducted by the Governance Risk and Compliance (GRC) unit of DPWI with the assistance of seconded members from the Special Investigation Unit (SIU). The investigation was finalised on the 27 July 2020. The entity is currently implementing the recommendations stated on the investigation report. The SIU launched an application on 23 September 2020 to freeze the service providers' bank accounts. The Tribunal made an order by agreement on the 23 September 2021 through the Special Tribunal Order that the contractor would not make any further claims for payment from the trading entity. On 17 November 2020, the SIU instituted legal action against the suppliers with the Special Tribunal under case number GP/17/2020. The case is still in progress. The trading entity has since initiated disciplinary actions against the employees of the trading entity for their role in the project. The disciplinary proceedings are still in progress.
39. I will follow up on the implementation of the planned actions during my next audit.

Beitbridge Borderline Infrastructure Project Establishment Cost

40. Internal control measures and procedures were not in place to ensure that there are controls that will be able to detect that the establishment cost pertaining to the Beitbridge Borderline Infrastructure Project is incorrectly included in the BOQ and therefore prevent the payment thereof for an award made to a contractor on 18 March 2020. This was in contravention with TR 8.1.1, which states that the accounting officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing. These internal controls should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported on. The non-compliance is likely to result in a material financial loss.
41. The Accounting Officer was notified of the MI on 13 November 2020 and invited to make a written submission on the actions taken and that will be taken to address the matter. The response was received on the 10 December 2020.
42. The investigation on the Beitbridge Borderline project was initiated on 25 April 2020 on request from the Minister of DPWI. The investigation was conducted by the GRC unit of DPWI with the assistance of seconded members from the SIU. The investigation was finalised on the 27 July 2020. The entity is currently implementing the recommendations stated on the investigation report. The SIU launched an application on 23 September 2020 to freeze the service provider's bank account. On 17 November 2020, the SIU instituted legal action against the supplier with the Special Tribunal under case number GP17/2020. The case is still in progress. The trading entity has since initiated disciplinary actions against the employees of the trading entity for their role in the project. The disciplinary proceedings are still in progress.

Property Management Trading Entity

43. I will follow up on the implementation of the planned actions during my next audit.

Material irregularities in progress

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

Other reports

45. 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 trading entity's financial statements, 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 compliance with legislation.

46. Numerous allegations, mainly relating to alleged transgressions with regard to supply chain management, potential fraud and financial misconduct, are still being investigated on an ongoing basis by Special Investigation Unit. These investigation(s) were in progress at the date of this auditor's report.

Auditor-General

Pretoria

15 September 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Property Management Trading Entity

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 on the trading entity’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 trading entity’s internal control
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting officer.
 - Conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Property Management Trading Entity 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 trading entity 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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	315
Statement of Financial Performance	316
Statement of Changes in Net Assets	317
Cash Flow Statement	318
Statement of Comparison of Budget and Actual Amounts	319
Accounting Policies	320

The annual financial statements set out on pages 315 to 383 have been prepared on the going concern basis.

Property Management Trading Entity

Statement of Financial Position as at 31 March 2021

		2021	2020
	Note(s)	R'000	Restated* R'000
Assets			
Current Assets			
Receivables from exchange transactions	3	5 625 462	5 233 978
Receivables from non-exchange transactions	4	1 411	109
Operating lease asset	5	421 423	392 832
Cash and cash equivalents	6	4 678	8 114
		6 052 974	5 635 033
Non-Current Assets			
Property, plant and equipment	7	131 158 744	131 532 112
Investment property	8	5 017 337	5 109 171
Heritage assets	9	5 805 700	5 773 873
Intangible assets	10	31 799	31 599
		142 013 580	142 446 755
Total Assets		148 066 554	148 081 788
Liabilities			
Current Liabilities			
Operating lease liability	5	419 497	395 253
Bank overdraft	6	905 574	2 580 895
Deferred revenue	11	3 554 449	3 146 096
Payables from exchange transactions	12	4 398 990	4 608 306
Retention liabilities	13	309 433	320 812
Finance lease obligation	14	2 085	3 446
Employee benefit obligations	15	242 329	198 092
Provisions	16	766 269	623 776
		10 598 626	11 876 676
Non-Current Liabilities			
Deferred revenue	11	2 856 834	3 140 474
Retention liabilities	13	58 016	21 545
Finance lease obligation	14	936	2 046
		2 915 786	3 164 065
Total Liabilities		13 514 412	15 040 741
Net Assets		134 552 142	133 041 047

Property Management Trading Entity

Statement of Financial Performance

		2021	2020
			Restated
	Note(s)	R'000	R'000
Revenue from exchange transactions	17	13 092 246	15 093 463
Revenue from non-exchange transactions	18	4 242 173	4 338 403
Construction revenue	19	83 381	265 397
Total revenue		17 417 800	19 697 263
Expenditure			
Construction expenses	19	83 381	265 397
Depreciation, amortisation and impairments on assets	20	3 029 559	2 959 808
Employee related costs	21	1 914 526	1 821 360
Impairment loss on receivables	22	760 185	1 293 653
Interest expense	23	7 208	85 072
Loss on disposal of assets	24	38 444	192 344
Operating leases	25	5 122 527	5 165 412
Property maintenance (contracted services)	26	2 113 731	2 554 182
Property Rates		1 248 964	1 215 509
Sundry operating expenses	27	1 588 181	1 447 311
Total expenditure		15 906 706	17 000 048
Surplus for the year		1 511 094	2 697 215

Property Management Trading Entity

Statement of Changes in Net Assets

		Accumulated surplus R'000
Opening balance as previously reported as at 1 April 2019		112 329 263
<i>Adjustments</i>		
Correction of prior period errors	37	18 016 749
Balance at 1 April 2019		130 343 832
<i>Changes in net assets</i>		
Surplus for the 12 months		2 697 215
Correction of prior period errors	37	(18 260 267)
Total changes		(15 563 052)
Balance as previously reported as at 31 March 2020		114 780 780
<i>Adjustments</i>		
Correction of prior period errors	37	18 260 267
Balance at 1 April 2020 as restated*		133 041 048
<i>Changes in net assets</i>		
Surplus for the year		1 511 094
Balance at 31 March 2021		134 552 142

Property Management Trading Entity

Cash Flow Statement

		2021	2020
	Note(s)	R'000	R'000
Cash flows from operating activities			
Receipts			
Accommodation charges - leasehold intergovernmental		5 064 584	4 666 345
Accommodation charges - freehold intergovernmental		6 588 809	7 337 967
Accommodation charges - freehold private		53 455	49 100
Augmentation		4 239 987	4 315 736
Management fees on municipal services		181 113	203 902
Municipal services recovered		3 622 268	4 078 043
Interest, fines, recoveries and other receipts		24 880	-
Cash received in advance		311 330	-
Construction revenue		83 381	264 596
		20 169 807	20 915 689
Payments			
Cleaning and gardening		307 542	276 746
Admin, goods and services		298 372	454 156
Maintenance		1 730 553	3 045 263
Municipal services paid on behalf of clients		4 696 256	4 986 501
Municipal services expenditure		411 033	482 792
Operating leases (including rent on land)		4 933 887	5 081 000
Property rates		1 273 334	1 008 110
Compensation of employees		1 867 317	1 813 276
Covid-19 related expenditure		335 510	-
Construction expenses		83 381	264 596
		15 937 185	17 412 440
Net cash flows from operating activities	28	4 232 622	3 503 249
Cash flows from investing activities			
Additions to property, plant and equipment		(2 508 415)	(3 284 512)
Additions to investment property	8	(9 899)	(14 367)
Acquisition of intangible assets		(1 989)	(8 623)
Additions to heritage assets		(37 688)	(90 304)
Net cash flows from investing activities		(2 557 991)	(3 397 806)
Cash flows from financing activities			
Finance lease payments		(3 493)	(7 332)
Finance leases entered into		747	6 437
Net cash flows from financing activities		(2 746)	(895)
Net decrease in cash and cash equivalents		1 671 885	104 548
Cash and cash equivalents at the beginning of the year		(2 572 781)	(2 677 329)
Cash and cash equivalents at the end of the year	6	(900 896)	(2 572 781)

Property Management Trading Entity

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget R'000	Adjustments R'000	Final Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000
Statement of Financial Performance					
Receipts					
Accommodation charges - leasehold intergovernmental	5 346 412	(543 425)	4 802 987	5 064 584	261 597
Accommodation charges - freehold intergovernmental	8 031 889	(1 109 195)	6 922 694	6 588 809	(333 885)
Accommodation charges - freehold private Augmentation	62 987	-	62 987	53 455	(9 532)
Augmentation	4 360 388	(120 401)	4 239 987	4 239 987	-
Management fees on municipal services	287 185	-	287 185	181 113	(106 072)
Municipal services recovered	5 743 699	-	5 743 699	3 622 268	(2 121 431)
Interest, fines, recoveries and other receipts	60 000	-	60 000	24 880	(35 120)
Cash received in advance	-	-	-	311 330	311 330
Construction revenue	-	-	-	83 381	83 381
Receipts	23 892 560	(1 773 021)	22 119 539	20 169 807	(1 949 732)
Payments					
Cleaning and gardening	329 427	(7 009)	322 418	307 542	(14 876)
Admin, goods and services	483 701	(48 946)	434 755	298 372	(136 383)
Maintenance	2 888 885	(440 961)	2 447 924	1 645 995	(801 929)
Municipal services paid on behalf of clients	5 743 699	-	5 743 699	4 696 256	(1 047 443)
Operating leases (including rent on land)	5 485 011	(543 424)	4 941 587	4 933 887	(7 700)
Property rates	1 521 311	7 007	1 528 318	1 273 334	(254 984)
Compensation of employees	2 142 481	(246 424)	1 896 057	1 867 317	(28 740)
Municipal services expenditure	431 842	(20 803)	411 039	411 033	(6)
Construction expenses	-	-	-	83 381	83 381
Covid-19 Requirements	-	447 711	447 711	335 510	(112 201)
Payments	19 026 357	(852 849)	18 173 508	15 852 627	(2 320 881)
Capital movements					
Recoverable capital expenditure	2 598 182	(1 109 195)	1 488 987	1 332 750	(156 237)
Non-recoverable capital expenditure	2 216 036	170 528	2 386 564	1 294 647	(1 091 917)
Machinery and equipment	51 985	18 495	70 480	15 192	(55 288)
Finance lease	-	-	-	2 746	2 746
	4 866 203	(920 172)	3 946 031	2 645 335	(1 300 696)
Cash surplus	-	-	-	1 671 845	1 671 845

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 judgment 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.

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.

Property Management Trading Entity

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.

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.

Property Management Trading Entity

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

The estimation and calculation of impairment are accounted for in accordance with the Standards of GRAP.

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 (i.e greater than 5 percent of balance) 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.

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.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.1 Significant judgement and sources of estimation uncertainty (continued)

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.

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.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.1 Significant judgement and sources of estimation uncertainty (continued)

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 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.

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.

Property Management Trading Entity

Notes to the Annual Financial Statements

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;
- (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.

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).

Property Management Trading Entity

Notes to the Annual Financial Statements

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:

- 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.

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

Property Management Trading Entity

Notes to the Annual Financial Statements

1.6 Property, plant and equipment (continued)

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.

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.

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.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.7 Investment property (continued)

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.

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.

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.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.8 Heritage assets (continued)

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

The PMTE recognises intangible asset when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset willflow 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:

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.

Property Management Trading Entity

Notes to the Annual Financial Statements

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.

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.

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.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.13 Provisions and contingencies (continued)

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.

Contingent assets are disclosed where the PMTE has a probable 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.

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.

Property Management Trading Entity

Notes to the Annual Financial Statements

1.16 Financial instruments (continued)

The PMTE recognises financial assets using trade date accounting.

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

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

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 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 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 67.

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 38 on Disclosure of interests in other entities
- GRAP 104 on Financial instruments (revised)
- GRAP 110 on Living and non-living resources
- Guideline on The application of materiality to financial statements

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

	2021 R'000	2020 R'000
3. Receivables from exchange transactions		
Financial assets		
Accommodation debtors - leasehold inter-governmental	195 684	407 345
Accommodation debtors - freehold inter-governmental	1 055 667	946 325
Accommodation debtors - freehold private	44 860	45 022
Municipal services	907 136	601 021
Debt account	71 235	68 843
Revenue accrual - recoverable leases	305 374	150 511
Revenue accrual - recoverable municipal services	546 899	618 003
Revenue accrual - recoverable projects	501 765	475 659
Municipal deposits	20 062	20 042
Implementing agents	48 570	42 111
Other receivables	37 580	533
Recoverable property rates *	-	-
	3 734 832	3 375 415
Non-financial assets		
Prepaid expenses - implementing agents	775 490	864 753
Prepaid expenses - leases	339 178	346 920
Prepaid expenses - other	92 026	81 030
Prepaid expenses - municipal services	1 372	14 353
Prepaid expenses - municipal services and property rates (backlog)	468 628	468 628
Creditors with debit balances	213 936	82 879
	1 890 630	1 858 563
	5 625 462	5 233 978

Reconciliation of provision for Impairment of receivables from exchange transactions

	2021	2020
Opening Balance	4 711 477	3 529 851
Reversal of Impairment	311 995	134 068
Impairment Expense	<u>760 036</u>	<u>1 292 705</u>
Closing Balance	5 159 518	4 711 477

The applicable interest rate for outstanding freehold private receivables and debt account receivables for the period is 7% (2020: 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 3.4% (:2020 4.9%).

The gross amount for recoverable property rates amounts to R58 million (2020: R43 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.

Individually significant receivables that are impaired

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:

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

	2021	2020
	R'000	R'000
3. Receivables from exchange transactions (continued)		
	2021	2020
	%	%
Accommodation debtors - freehold inter-governmental	28	24
Accommodation debtors - leasehold inter-governmental	66	43
Accommodation debtors - freehold private	77	66
Municipal services	80	76
Recoverable property rates	100	100

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

	2021 R'000	2020 R'000
--	---------------	---------------

4. Receivables from non-exchange transactions

Accommodation debtors - freehold prestige	1 411	109
---	-------	-----

Reconciliation of provision for Impairment of receivables from non-exchange transactions

	2021	2020
Opening Balance	6 737	5 789
Reversal of Impairment		
Impairment Expense	<u>149</u>	<u>948</u>
Closing Balance	6 886	6 737

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	421 423	392 832
Current liabilities (PMTE as lessee)	5.2	(419 497)	(395 253)
		1 926	(2 421)

5.1 Total operating lease asset - PMTE as lessor

Leasehold inter-governmental	397 701	370 087
Freehold private	23 722	22 745
	421 423	392 832

Total minimum lease receipts - PMTE as lessor

Within one year	2 764 633	2 526 158
In second to fifth year inclusive	4 701 432	5 090 341
Later than five years	1 286 991	2 020 589
	8 753 056	9 637 088

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.

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

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

	2021	2020
	R'000	R'000

5. Operating lease asset/(liability) (continued)

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 2021

	2021 R'000	2020 R'000
5. Operating lease asset/(liability) (continued)		
5.2 Total operating lease liabilities - PMTE as lessee		
Operating lease liabilities - leasehold inter-governmental	419 497	395 253
Total minimum lease payments - PMTE as lessee		
Within one year	2 828 842	2 457 771
In second to fifth year inclusive	4 732 632	4 963 799
Later than five years	1 259 220	2 020 589
	8 820 694	9 442 159

The PMTE has 2 346 leases of which 1 684 have not expired included in the current private leasing portfolio (2020 ; 2 457 leases of which 1 743 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

	2021 R'000	2020 R'000
Cash and cash equivalents consist of:		
Cash on hand	227	254
Bank balance	4 451	7 860
Cash and cash equivalents	4 678	8 114
Bank overdraft	(905 574)	(2 580 895)
	(900 896)	(2 572 781)

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 2.1% (2020 : 4.92%).

The bank overdraft is a Pay-Master-General account directly linked to National Treasury and carries interest at 0%.

7. Property, plant and equipment

	2021			Restated 2020		
	Cost/Valuation R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000	Cost/Valuation R '000	Accumulated Depreciation And accumulated impairment R '000	Carrying value R '000
Land	42 209 680	-	42 209 680	42 248 588	-	42 248 588
Buildings and improvements	108 155 352	(19 425 504)	88 729 848	105 566 697	(16 518 624)	89 048 073
Furniture and office equipment	97 585	(46 563)	51 022	104 481	(46 877)	57 604
Computer equipment	261 540	(131 570)	129 970	256 443	(120 380)	136 063
Other machinery and equipment	67 518	(29 294)	38 224	70 214	(28 430)	41 784
Total	150 791 675	(19 632 931)	131 158 744	148 246 423	(16 714 311)	131 532 112

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions changes, movements	Disposals	Transfers in	Transfers out	Other	Depreciation loss	Impairment	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Land	42 248 588	-	(34 767)	-	-	-	(4 141)	-	42 209 680
Buildings and improvements	89 048 073	2 588 654	-	-	-	-	(2 854 816)	(52 063)	88 729 848
Furniture and office equipment	57 604	2 151	-	177	(2 856)	(134)	(5 920)	-	51 022
Computer equipment	136 063	5 484	-	395	(318)	377	(12 031)	-	129 970
Other machinery and equipment	41 784	862	-	10	(485)	(1 841)	(2 106)	-	38 224
	131 532 112	2 597 151	(34 767)	582	(3 659)	(5 739)	(2 874 873)	(52 063)	131 158 744

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions changes, movements	Disposals	Transfers in	Transfers out	Other	Depreciation loss	Impairment	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Land	42 458 865	4 392	(214 669)	-	-	-	-	-	42 248 588
Buildings and improvements	88 850 493	3 022 019	-	-	-	-	(2 684 405)	(140 034)	89 048 073
Furniture and office equipment	54 099	7 964	(31)	662	(1 332)	6 770	(9 840)	(688)	57 604
Computer equipment	130 337	18 480	(2 092)	632	(114)	2 110	(12 949)	(341)	136 063
Other machinery and equipment	43 631	1 683	(270)	99	(2)	391	(3 558)	(190)	41 784
	131 537 425	3 054 538	(217 062)	1 393	(1 448)	9 271	(2 710 752)	(141 253)	131 532 112

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

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 projects halted R'000
2021			
Building and improvements	9 786 956	3 068 504	-
2020			
Building and improvements	9 090 611	2 065 456	-

Reasons for construction projects significantly delayed are mainly due to poor contractor performance.

Assets subject to finance lease (Net carrying amount)	2021 R'000	2020 R'000
Furniture and office equipment	9 935	12 421

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 maintenance (OPEX) R'000	Total commitment R'000
2021			
Building and improvements	8 199 130	2 262 981	10 462 111
2020			
Building and improvements	7 618 228	1 963 220	9 581 448

Other disclosure

In 2021, 20 land parcels with the value of R 34 775 060 (2020, 18 land parcels with the value of R 58 192 019) had changed ownership with no formal process or disposal followed. The balance of the land disposals shown in 2021 and 2020 followed the formal process.

Upon analysis of the land portfolio in the PMTE asset register, it was discovered that there were land parcels not belonging to PMTE in the Immovable asset register which were subsequently removed. PMTE further performed an analysis of the buildings situated on the land parcels that were removed to determine whether these buildings should remain in the PMTE immovable asset register as the significant risk and rewards and Rights and obligations remained with PMTE. Buildings that serve functions mandated to the Department of Public Works such as police stations, courts or where there was sufficient and appropriate evidence demonstrating that the buildings belong to PMTE the building were retained and reclassified as State

Domestic Facilities (SDFs). Buildings that did not serve a function mandated to the Department of Public Works and clearly did not belong to the PMTE were removed from PMTE's improvements asset register. PMTE was unable to determine the ownership of 79 buildings whose land parcels were removed from the asset register due to not having access to information that would confirm PMTE as the rightful building owner or demonstrate that PMTE is not the rightful owner. These 79 buildings were not disclosed and have been ring-fenced to allow for further analysis in the 2021 – 2022 financial year

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

8. Investment property

	2021			Restated 2020		
	Cost / Accumulated Carrying value			Cost / Accumulated Carrying value		
	Valuation	depreciation and accumulated impairment	Valuation	depreciation and accumulated impairment	Valuation	depreciation and accumulated impairment
	R '000	R '000	R '000	R '000	R '000	R '000
Building and improvements	4 461 779	(807 130)	3 654 649	4 452 779	(706 296)	3 746 483
Land	1 362 688	-	1 362 688	1 362 688	-	1 362 688
Total	5 824 467	(807 130)	5 017 337	5 815 467	(706 296)	5 109 171

Reconciliation of investment

property - 2021

	Opening balance '000	R	Additions R '000	Disposals R '000	Depreciation R '000	Total R '000
Building and improvements	3 746 483		9 000	-	(100 834)	3 654 649
Land	1 362 688		-	-	-	1 362 688
	5 109 171		9 000	-	(100 834)	5 017 337

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

Notes to the Annual Financial Statements

8. Investment property (continued)

Amounts recognised in Statement of Financial Performance relating to Investment Property

	2021			2020		
	Revenue generating R'000	Non-revenue generating R'000	Total R'000	Revenue generating R'000	Non-revenue generating R'000	Total R'000
Property maintenance	507	63	570	454	55	509
Municipal services	1 083	208	1 291	1 973	2 140	4 113
Property rates	2 416	1 012	3 428	3 042	1 271	4 313
Cleaning and gardening	34	-	34	-	128	128
Security	695	3 587	4 282	454	3 616	4 070
Depreciation	98 738	2 044	100 782	98 738	2 044	100 782
Total direct expenses	103 473	6 914	110 387	104 661	9 254	113 915
Revenue from exchange (Freehold private)	63 717	-	63 717	63 517	-	63 517
Total surplus/(deficit) on investment property	(39 756)	(6 914)	(46 670)	(41 144)	(9 254)	(50 398)

Property Management Trading Entity

Notes to the Annual Financial Statements

9. Heritage assets

	2021			Restated 2020		
	Accumulated Carrying value			Cost / Accumulated Carrying value		
	Cost /					
	Valuation impairment losses		Valuation	impairment losses		
R '000	R '000	R '000	R '000	R '000	R '000	
Land	3 628 884	-	3 628 884	3 628 884	-	3 628 884
Building and improvements	2 202 444	(25 628)	2 176 816	2 170 617	(25 628)	2 144 989
Total	5 831 328	(25 628)	5 805 700	5 799 501	(25 628)	5 773 873

	Opening balance	Additions	Total
	R '000	R '000	R '000
Reconciliation of heritage assets - 2021			
Land	3 628 884	-	3 628 884
Building and improvements	2 144 989	31 827	2 176 816
	5 773 873	31 827	5 805 700

Reconciliation of heritage assets - 2020

	Opening balance	Additions	Total
	R '000	R '000	R '000
Reconciliation of heritage assets - 2020			
Land	3 628 884	-	3 628 884
Building and improvements	2 064 012	80 977	2 144 989
	5 692 896	80 977	5 773 873

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
2021			
Building and improvements	481 990	455 706	-
2020			
Building and improvements	772 015	2 810	-

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
2021			
Buildings and improvements	110 200	-	110 200
2020			
Buildings and improvements	69 603	-	69 603

Property Management Trading Entity

Notes to the Annual Financial Statements

Property Management Trading Entity

Notes to the Annual Financial Statements

10. Intangible assets

	2021			Restated 2020		
	Cost / Accumulated Carrying value			Accumulated Carrying value		
	Valuation	amortisation and	Valuation	Cost /	amortisation and	
		accumulated	impairment		accumulated	
	R '000	R '000	R '000	R '000	R '000	R '000
Computer software	44 625	(12 826)	31 799	48 949	(17 350)	31 599

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
	R '000	R '000	R '000	R '000	R '000
Computer software	31 599	2 009	(20)	(1 789)	31 799

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Adjustments	Other	Amortisation	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Computer software	30 682	8 623	(641)	-	-	(7 065)	31 599

Additional disclosure relating to assets under development

expenditure recognised in carrying value R'000	Cumulative	Carrying value of projects significantly delayed R'000	Carrying value of projects halted R'000
2021			
Computer software	31 799	29 233	-
2020		-	-
Computer software	31 599	29 233	-

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
2021			
Computer software	17 759	-	17 759
2020			
Computer software	19 067	1 275	20 342

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

	2021 R'000	Restated 2020 R'000
11. Deferred revenue		
Current liability	3 554 449	3 146 096
Non-Current liability	2 856 834	3 140 474
	6 411 283	6 286 570

This relates to recoverable capital claims for projects that are under construction which will be deferred until the project is complete.

Opening Balance	6 286 570	8 724 012
Plus: Revenue deferred during the year	1 308 386	1 684 963
Less: Revenue recognised during the year	(1 183 673)	(4 122 405)
	6 411 283	6 286 570

12. Payables from exchange transactions

Financial liabilities

Accrued expenses - Assets	648 845	563 257
Accrued expenses - Cleaning and gardening	33 037	17 788
Accrued expenses - Leases	889 227	853 442
Accrued expenses - Maintenance	200 983	329 834
Accrued expenses - Municipal services	732 074	1 835 408
Accrued expenses - Other	116 520	43 558
Accrued expenses - Property rates	569 604	408 046
Accrued expenses - Scheduled maintenance	186 401	175 672
Accrued expenses - Security	12 704	10 226
Total accrued expenses	3 389 395	4 237 231
Unallocated deposits	5 321	3 688
Trade payables	64 144	436
Deposits received	56	57
Contract guarantees	131	131
	3 459 047	4 241 543

Non-financial liabilities

Revenue claimed in advance - leases	116 087	90 678
Income received in advance - other services	337 528	62 213
Debtors with credit balances	486 328	213 872
	939 943	366 763
	4 398 990	4 608 306

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

	2021 R'000	Restated 2020 R'000
13. Retention liabilities		
Non-current liabilities	58 016	21 545
Current liabilities	309 433	320 812
	367 449	342 357
14. Finance lease obligation		
Minimum lease payments due		
- within one year	2 535	3 914
- in second to fifth year inclusive	996	2 181
	3 531	6 095
Less: future finance charges	(510)	(603)
Present value of minimum lease payments	3 021	5 492
Present value of minimum lease payments due		
- within one year	2 085	3 446
- in second to fifth year inclusive	936	2 046
	3 021	5 492
Non-current liabilities	936	2 046
Current liabilities	2 085	3 446
	3 021	5 492

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.

15. Employee benefit obligations

Reconciliation - 2021

	Opening balance R'000	Utilised during the year R'000	Over/(under) provided R'000	Additions R'000	Total R'000
Leave	133 369	(120 823)	(12 546)	182 720	182 720
Service bonus	44 422	(41 298)	(1 471)	44 373	44 373
Performance bonus	14 244	(12 337)	(1 906)	9 397	9 398
Long service awards	6 057	(1 547)	(4 510)	5 838	5 838
	198 092	(177 658)	(20 433)	242 328	242 329

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
	207 713	(162 186)	(45 526)	198 091	198 092

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 - 2021						
Maintenance	602 726	637 936	(62 374)	(446 455)	(9 538)	722 295
Legal proceedings	21 050	32 355	(5 697)	(3 734)	-	43 974
	623 776	670 291	(68 071)	(450 189)	(9 538)	766 269

	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
	643 773	410 033	(115 831)	(318 335)	4 136	623 776

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.

17. Revenue from exchange transactions

	2021	2020
Accommodation charges - Leasehold Inter-governmental	4 985 575	5 045 428
Accommodation charges - Freehold Inter-governmental	6 543 694	9 194 078
Accommodation charges - Freehold Private	63 717	63 517
Management fees on municipal services	189 371	260 707
Reversal of impairment loss for receivables from exchange transactions	311 996	134 068
Sundry revenue	50 491	62 856
Interest revenue	391 811	326 530
Recoveries	6 710	6 279
Debt waiver	548 881	-
	13 092 246	15 093 463

The amount included in revenue arising from exchange transactions is as follows:

Interest revenue consists of:

Interest from receivables	373 981	299 519
Interest on prepayment	17 830	27 011
	391 811	326 530

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

	2021 R'000	2020 R'000
18. Revenue from non-exchange transactions		
Augmentation	4 239 987	4 315 736
Goods and service in-kind	-	21 102
Accommodation charges - Prestige	2 186	1 565
	4 242 173	4 338 403
19. Construction revenue and expenses		
Amount recognised in surplus		
Construction Revenue	83 381	265 397
Construction Expenses	(83 381)	(265 397)
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	83 691	266 027
Amount invoiced to date	(114 490)	(221 288)
	(30 799)	44 739
Amounts not yet billed (Revenue accrual)		
Retentions	(7 450)	1 429
Accrued expenses	(22 571)	42 214
Prepaid expenses	(778)	1 096
	(30 799)	44 739
20. Depreciation, amortisation and impairments of assets		
Property, plant and equipment	2 926 936	2 852 005
Investment property	100 834	100 738
Intangible assets	1 789	7 065
	3 029 559	2 959 808
21. Employee related costs		
Basic salary and non-pensionable salary	1 478 443	1 389 842
Housing allowances	61 978	60 307
Medical aid contributions	105 253	93 479
Overtime	23 882	39 647
Pension fund contributions	150 108	138 513
Performance bonus	9 800	12 817
Service bonus	85 062	86 755
	1 914 526	1 821 360
22. Impairment loss on receivables		
Receivables from exchange transactions	760 036	1 292 705
Receivables from non-exchange transactions	149	948
	760 185	1 293 653

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

	2021 R'000	2020 R'000
23. Interest expense		
Interest on overdue accounts	6 933	3 154
Interest on municipal services and property rates	-	80 819
Interest on finance leases	275	1 099
	7 208	85 072

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	38 444	192 132
Investment property	-	212
	38 444	192 344

25. Operating lease

Operating lease - building and improvements	5 049 648	5 096 979
Operating lease - Fleet vehicles	47 260	47 174
Rent on land	25 619	21 259
	5 122 527	5 165 412

26. Property maintenance (contracted services)

Property maintenance expense relates to the following asset categories:

Property, plant and equipment	2 083 670	2 515 839
Investment property	570	508
Heritage assets	22 390	25 159
Leased properties	7 101	12 676
	2 113 731	2 554 182

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 2021

	2021 R'000	2020 R'000
27. Sundry operating expenses		
Advertising	2 051	1 426
Auditors remuneration	26 862	23 072
Bad debts written off	8 628	53
Bank charges	373	739
Bursaries	12 540	17 812
Claims against the state	186	-
Cleaning and gardening	27.1 375 593	273 642
Computer software related expenses	11 630	10 956
Communication expenses	8 539	10 336
Consulting fees	27.2 118 132	171 007
Consumables	89 711	29 237
Fleet expenses	9 616	15 560
Losses incurred	27.3 54 287	139 559
Municipal service expenses	417 051	496 213
Other contractors	5 729	3 213
Other goods and services	27.4 268 746	22 581
Retirement awards	1 005	670
Security	137 234	130 319
Service in-kind expenses	2 658	24 145
Travel and subsistence	37 610	76 771
	1 588 181	1 447 311

27.1 Cleaning and Gardening Services

Included in the Cleaning and Gardening is cleaning services to the value of R57.2 million for Covid-19 (2020: R0).

27.2 Consulting fees

Included in consulting fees is an amount of R42 million (2020: R47 million) paid to Development Bank of South Africa for capacity resourcing for the project support unit and the high performance centre. R14 million (2020: R32 million) paid to Special Investigating Unit for investigation purposes, and R10.2 million (2020: R17 million) paid to Acctech for Development and Maintenance work on the ERP System. The remaining balance of consulting fees relates the Consulting fees paid for opex projects such as engineering appointments, conditional assessment reviews of properties and components.

27.3 Losses incurred

The losses incurred consists mainly of additional payments made to default contractors on projects.

27.4 Other Goods and services

Included in Other goods and services is expenditure of R254 million for Covid-19 quarantine related expenditure (2020: R0).

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

	2021 R'000	2020 R'000
28. Cash generated from operations		
Surplus	1 511 094	2 697 215
Adjustments for:		
Depreciation, impairment and amortisation	3 029 559	2 959 808
Loss on disposal/transfer of assets	38 444	192 344
Interest expense	7 208	85 072
Interest revenue	(373 981)	(299 519)
Impairment on receivables	760 185	1 293 653
Bad debt written off	8 628	53
Reversal of impairment loss on receivables	(860 877)	(134 068)
Service in-kind revenue	-	(21 102)
Service in-kind expense	2 658	24 145
Losses incurred	54 287	139 559
Deferred revenue from implementing agents	(67 689)	(59 180)
Changes in working capital:		
Receivables from exchange transactions	21 319	(830 078)
Receivables from non-exchange transactions	(1 451)	(805)
Operating lease asset	(28 592)	(3 251)
Operating lease liability	24 244	30 523
Payables from exchange transactions	(209 316)	(254 140)
Provisions	122 860	(28 334)
Employee benefit obligations	44 237	(9 621)
Retention liabilities	25 092	158 41
Deferred revenue	124 713	(2 437 442)
	4 232 622	3 503 249

Property Management Trading Entity

Notes to the Annual Financial Statements

29. Budget differences

Reconciliation of budget to actual

Net cash flows from operating activities	4 232 622
Net cash flows from investing activities	(2 557 991)
Net cash flows from financing activities	(2 746)
	<hr/>
	1 671 885
	<hr/>
Cash deficit	1 671 845
Surplus for the year	1 511 094
	<hr/>
Basis difference	3 182 939
	<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 payments of the invoices for the previous year.

Accommodation charges – state owned

The variance is attributable to unpaid invoices, the Department of Correctional Services has reduced their budget by 50% and could not pay the full invoiced amount and the Department of Health did not pay the invoices for Quarter 3 and Quarter 4 for Civitas building.

Management fees on municipal services

The variance is attributable to disputes by the client and non-recovery of the management fee for shared savings.

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 external service providers. The under expenditure is attributable to the delay in the procurement of new contracts where the existing contracts have expired, this was caused by the tenders which lapsed due to Covid-19.

Repairs

The Repair budget is based on the cash flow projection relating to the planned projects rolled-out of an extensive project portfolio. The under expenditure is attributable to poor performance by the contractors and the extension of time on some of the projects. Project Managers are imposing penalties on contractors who are behind the schedule.

Administrative, goods and services

Property Management Trading Entity

Notes to the Annual Financial Statements

29. Budget differences (continued)

The underspending on this budget was due to allocation of R50m for updating and correcting of immovable asset register which was not fully spend, the identification of the affected State Domestic Facilities per district as well as finalization of the procurement process which took longer than originally estimated.

The under spending was also attributable to the funding which was allocated for the Presidential Employees Stimulus Package and could not be fully spend. There was a delay in the procurement processes due to the late approval of the project. National Treasury has extend the programme for six months for the implementation in the 2021/22 financial year.

Covid-19 Projects

Funding was moved from other items to make provision for this previously unbudgeted item. The scale of the pandemic was unknown in the beginning of the financial year and more funding was allocated than was needed at the end of the financial year, hence the underspending. A total amount of R355.5 million (75%) was spent against the budgeted amount of R447.7 million. It should be noted that the department was able to procure most of the necessary Personal Protection Equipment (PPE).

Repairs

The Repair budget is based on the cash flow projection relating to the planned projects rolled-out of an extensive project portfolio. The under expenditure is attributable to poor performance by the contractors and the extension of time on some of the projects.

The lockdown due to COVID-19 resulted in a delay of approximately three months as contractors were not allowed to be on site during this period, this further resulted in under spending.

Compensation of Employees

The under spending of 2 % is attributable to the unspent funds which was allocated for the Presidential Employees Stimulus Package, there was a delay in the commencement of recruitment process due to the late approval of the project. National Treasury has extended the programme for six months for the implementation in the 2021/22 financial year.

Property Management Trading Entity

Notes to the Annual Financial Statements

29. Budget differences (continued)

Construction Costs

Projected expenditure from construction contracts are budgeted for against Capital recoverable. Expenditure from construction contracts relating to non-state owned assets is however recognized separately as construction costs in the Statement of Financial Performance in accordance with GRAP.

Machinery and Equipment

The underspending on this budget was due to the procurement processes that were halted due to lockdown. The other reason for underspending was due to the unspent funds which were allocated for the acquisition of laptops due to a shortage of stock in the country.

Capital non-recoverable expenditure (Refurbishment)

The under expenditure is attributable to the poor performance by the contractors and the extension of time on some of the projects. The other reason was the delay in the execution of projects which was caused by the lockdown due to COVID-19, this resulted in a delay of approximately three months as contractors were not allowed to be on site during this period.

Capital recoverable expenditure (Client Capital)

The underspending on this budget was attributable to the lockdown due to COVID-19 resulted in a delay of approximately 3 months as contractors were not allowed to be on site during this period.

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 Rates

Property Rates budget is based on the rates that will be due to local municipalities based on the valuations of the assets on the PMTE's immovable asset register, it is divided into Arrears and Current Rates. The under expenditure is attributable to the Property Rates invoices which could not be paid before the end of the financial year due the late submission of the invoices and late response by municipalities to the disputes raised by the Department on incorrect calculations.

Property Management Trading Entity

Notes to the Annual Financial Statements

30. Contingencies

	2021 R'000	2020 R'000
Contingent liabilities		
Municipal services and property rates	80 505	60 545
Legal claims against the PMTE	191 074	175 699
	271 579	236 244

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.

	2021 R'000	2020 R'000
Contingent assets		
Municipal services and property rates		828
Property, plant and equipment	Undefined	Undefined
	-	828

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.

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

Property Management Trading Entity

Notes to the Annual Financial Statements

30. Contingencies (continued)

There are 86 properties under the custodianship of National Department of Public Works/ 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 extents

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 2 578 land parcels (2020: 3 286 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 the 3 May 2021 and is 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

Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
31. Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	88 309	88 900
Fruitless and wasteful expenditure - relating to prior years	-	61
Less amounts reversed	-	(652)
	88 309	88 309
Details of fruitless and wasteful expenditure under assessment (not included in the main note)		
Interest on overdue account		2021 R'000 8 824
Payment of loss of income suffered by landlord		-
Overpayment on leases		5 347
		118 380
		132 551

The amounts of R8,8 million and R118 million relates to interest payments made as a result of court orders and overpayment on leases, respectively. These transactions will be assessed in line with the National Treasury Guideline on Fruitless and Wasteful Expenditure to determine if they meet the definition of fruitless and wasteful expenditure.

The amount of R5,3 million was identified during the audit as potential fruitless and wasteful expenditure for payment of loss of income suffered by the landlord. This amount relates to a lease contract on behalf of the Stats SA in Pietermaritzburg where Stats SA delayed to vacate the building at the end of the lease. PMTE has instituted claim against Stats SA for the recovery of the amount.

32. Irregular expenditure

	2021 R'000	2020 R'000
Opening balance	1 852 594	1 739 865
Add: Irregular Expenditure - current year	63 813	147 501
Add: Irregular Expenditure - prior years	19 124	196 437
Less: Current year amounts condoned	-	(109 756)
Less: Prior year amounts condoned	-	(7 401)
Less: Amounts not recoverable (not condoned)	-	(114 052)
	1 935 531	1 852 594

Analysis of awaiting condonation per age classification

Current year	63 813	2 263
Prior years	1 871 718	1 850 331
Total	1 935 531	1 852 594

Included in the amounts reflected in the current year are instances where non-compliance with procurement and recruitment prescripts when procuring services mainly within facilities management and construction projects. Instances of non-compliance was also noted at the award stage of tenders.

Determination tests and investigations are ongoing within the Department and are been conducted in line with National Treasury's Irregular Expenditure Framework and Policy on Management of Financial Misconduct. In several instances responsible officials have been identified and management is ensuring that the necessary procedures and prescripts are followed to ensure that consequence management is implemented where necessary.

Property Management Trading Entity

Notes to the Annual Financial Statements

32. Irregular expenditure (continued)

Details of irregular expenditure - current year

Appropriate approval not obtained from delegated authority	40 664
Bidder not awarded correct functionality points	11 828
Emergency procurement not justified	442
Incorrect procurement process followed	4 782
Irregular appointment of officials	3 404
Non-compliance with tax	2 192
Three quotations not obtained	501
	<hr/>
	63 813

Details of irregular expenditure under assessment (not included in the main note)

	2021
	R'000
Incorrect procurement processes followed	64 255
Irregularities Identified in Lindela Repatriation Centre Complex	37 000
Leases - Variation above 15% was not approved by National Treasury resulting in irregular expenditure	355 628
Operating lease payments running on a month to month	800 994
Expenditure in excess of 20% of the contract price not approved by National Treasury	27 690
Possible splitting of quotations	2 436
Misrepresentations by the winning bidder	10 703
Winning bidder is not responsive	44 438
Local content not implemented	60 855
Procurement and Contract Management	134 895
Deviations with Supply Chain Management Prescripts	21 111
	<hr/>
	1 560 005

Above are transactions that still need to be assessed to ensure that they meet the definition of irregular expenditure in line with National Treasury Guideline on Irregular Expenditure. Appropriate disclosures and adjustments will be made after Assessment.

Property Management Trading Entity

Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
33. Financial instruments disclosure		
Categories of financial instruments		
Financial assets at amortised cost		
Receivables from exchange transactions	3 734 832	3 963 423
Cash and cash equivalents	4 678	8 114
	3 739 510	3 971 537
Financial liabilities at amortised cost		
Bank overdraft	905 574	2 580 895
Payables from exchange transactions	3 459 047	4 506 776
Retention liabilities	367 449	342 357
Finance lease obligation	3 021	5 492
	4 735 091	7 435 520

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

2021	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	905 574	-	-	-	-	905 574
Accrued expenses - Assets	12	648 845	-	-	-	-	648 845
Accrued expenses - Cleaning and gardening	12	33 037	-	-	-	-	33 037
Accrued expenses - Leases	12	889 227	-	-	-	-	889 227
Accrued expenses - Maintenance	12	200 983	-	-	-	-	200 983
Accrued expenses - Municipal services	12	732 074	-	-	-	-	732 074
Accrued expenses - Other	12	116 520	-	-	-	-	116 520
Accrued expenses - Property rates	12	569 604	-	-	-	-	569 604
Accrued expenses - Scheduled maintenance	12	186 401	-	-	-	-	186 401
Accrued expenses - Security	12	12 704	-	-	-	-	12 704
Revenue claimed in advance - leases	12	116 087	-	-	-	-	116 087
Trade payables	12	64 144	-	-	-	-	64 144
Retention liabilities	13	262 445	46 988	20 858	37 158	-	367 449
Capital commitments - Projects		2 106 271	3 253 636	1 613 501	708 826	650 968	8 333 202
Operating maintenance commitments - Projects Agency		450 734	676 991	656 881	339 068	18 048	2 141 722
commitments - Projects		18 848	71 556	26 571	4 284	-	121 259
		7 313 498	4 049 171	2 317 811	1 089 336	669 016	15 438 832
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	563 257	-	-	-	-	563 257
Accrued expenses - Cleaning and gardening	12	17 788	-	-	-	-	17 788
Accrued expenses - Leases	12	853 442	-	-	-	-	853 442
Accrued expenses - Maintenance	12	329 834	-	-	-	-	329 834
Accrued expenses - Municipal services	12	1 835 408	-	-	-	-	1 835 408
Accrued expenses - Other	12	43 558	-	-	-	-	43 558
Accrued expenses - Property rates	12	408 046	-	-	-	-	408 046
Accrued expenses - Scheduled maintenance	12	175 672	-	-	-	-	175 672
Accrued expenses - Security	12	10 226	-	-	-	-	10 226
Revenue claimed in advance - leases	12	90 678	-	-	-	-	90 678
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 Agency		403 669	1 212 071	557 054	360 430	162 578	2 695 802
commitments - Projects		83 478	70 115	557 054	360 430	162 578	1 233 655
		9 490 161	3 957 175	2 484 541	1 423 156	532 676	17 887 709

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.

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:

	2021 R'000	2020 R'000
Cash and cash equivalents	4 678	8 114
Operating lease asset	421 423	645 619
Receivables from exchange transactions	3 734 832	3 963 423
Receivables from non-exchange transactions	1 411	109
	<hr/> 4 162 344	<hr/> 4 617 265

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.

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:	2021	2020
Accommodation charges - freehold intergovernmental		
Agriculture, Forestry and Fisheries	180 712	152 880
Arts and Culture	111 420	104 534
Correctional Services	1 312 851	1 242 899
Defence and Military Veterans	1 186 019	1 129 542
Higher Education	63	-
Environmental Affairs	35 480	30 852
Health	8 154	1 232
Home Affairs	77 735	73 613
Human Settlement	898	781
Independent Police Investigative Directorate	460	439
International Relations and Cooperation	714	732
Justice and Constitutional Development	438 303	418 246
Labour	76 946	72 866
Rural Development and Land Reform	55 054	42 179
Mineral Resources	4 259	4 027
National Treasury - SARS	45 104	42 712
Public Works	8 745	7 604
SA Police Services	1 467 768	1 397 874
Social Development	503	834
Statistics South Africa	4 825	-
Trade and Industry	10	10
Water and Sanitation	239 580	204 519
	5 255 603	4 928 375

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

	2021 R'000	2020 R'000
--	---------------	---------------

35. Related parties (continued)

Independent Development Trust (IDT) is the DPWI's Public Entity responsible for the delivery of social infrastructure programmes and projects and is being accommodated in the following Regional offices at no cost:

- Bloemfontein
- Nelspruit
- Mmabatho
- Kimberley
- Cape Town.

The IDT approached the DPWI in 2020/21 financial year with a view to implement cost containment measures, the DPWI therefore provided accommodation to the IDT at no cost during the 2020/2021 Financial Year.

Revenue from non-exchange transactions

Public Works - Augmentation	4 239 987	4 315 736
Public Works - Goods and service in-kind	-	20 726
	4 239 987	4 336 462

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 intergovernmental

Agriculture, Forestry and Fisheries	5 060	77 375
Arts and culture	1 253	26 292
Correctional Services	950 963	244 824
Health	27 174	19 020
International Relations and Cooperation	8 834	8 297
Mineral Resources	6	-
Social Development	-	834
Justice and Correctional Services	965	899
Rural Development	-	1
Statistics South Africa	1	-
Trade and Industry	125	117
Water and Sanitation	79	-
	994 460	377 659

Impairment relating to exchange transactions:

Accommodation charges - freehold intergovernmental

Agriculture, Forestry and Fisheries	1 417	2 861
Arts and culture	20	172
Correctional Services	231 251	168 058
Health	20 272	17 999
International Relations and Cooperation	8 834	7 573
Justice and Constitutional Development	959	11
Rural Development and Land Reform	1	1
	-	10
Statistics South Africa	1	-
Trade and Industry	125	107
	262 880	196 792

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

2021
R'000

2020
R'000

35. Related parties (continued)

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:

2021 Client depa	Gross receivable balance 31 March 2021				Impairment provision			
	Freehold Intergover nmental	Leasehold Intergover nmental	Municipal Services	Total	Freehold Intergover nmental	Leasehold Intergover nmental	Municipal Services	Total
Agriculture,	5 379	-49 250	71 711	27 839	1 418	-	70 449	71 867
Agriculture	-	-	484	484	-	-	365	365
Arts and Cu	94 216	-1 071	45 662	233 023	25 034	-	33 244	83 312
Basic Educa	46 590	-	-	93 180	46 590	-	-	93 180
Centre fo P	-	-139	1	-138	-	-	1	1
Companies	-	172	-5	167	-	145	-	145
Cooperative	-	-11 328	6 416	-4 912	-	-	910	910
Correctiona	990 559	10 945	1 301 194	3 293 257	232 378	109	1 165 964	1 630 829
Defence	103 558	176 386	2 036 018	2 419 520	23 288	176 386	1 731 144	1 954 106
Energy	-	46 223	-377	45 846	-	27 102	-	27 102
Environmen	4 183	45 405	34 767	84 355	4 183	31 547	28 316	64 046
Gender Equ	-	151	1 489	1 640	-	151	1 315	1 466
Governmen	1	-	-	2	-	-	-	-
Film and Pu	-	790	1 052	1 842	-	8	601	609
Financial An	-	-	3 706	3 706	-	-	3 706	3 706
Govt Comm	-	980	214	1 194	-	906	134	1 040
Governmen	-	-	972	972	-	-	307	307
Health	85 294	-902	25 417	109 810	24 370	-	17 312	41 681
Higher Educ	-	-4 705	3 397	-1 308	-	-	2 286	2 286
Home Affair	19 889	20 935	20 432	81 145	23	346	3 438	3 830
Human Sett	-	55 719	-273	55 446	-	52 020	-	52 020
Human Righ	-	151	95	246	-	151	76	227
Ind Police In	-	136 078	689	136 767	-	133 288	458	133 746
Internation	83 048	16 617	6 221	188 934	83 048	16 617	5 294	188 007
Justice & Co	-	-734	-	-734	-	-	-	-
Justice & Co	33 409	-6 053	187 921	215 278	1 634	-	164 376	166 010
Labour	93	-38 362	168	-38 008	-	-	34	34
Military Vet	-	4 393	404	4 797	-	373	86	459
Mineral Re	6	-866	1 528	674	-	-	475	475
National Pr	1 619	4 706	3 627	11 571	1 619	4 487	1 463	9 188
National Sc	-	-1 363	-492	-1 855	-	-	-	-
National Tr	41	162 393	7 107	169 582	-	162 393	2 905	165 298
Office of th	2 163	1 319	386	6 031	2 163	4	101	4 431

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

							2021 R'000	2020 R'000
35. Related parties (continued)								
Office Of Th	-	-758	293	-465	-	-	293	293
Parliament	1 024	1 953	-	4 001	1 024	1 906	-	3 954
Planning,M	-	1 412	-	1 412	-	29	-	29
Public Enter	-	-	579	579	-	-	125	125
Public Servi	6 078	5 513	649	18 318	5 681	5 513	204	17 079
Public Work	-	-8 259	124	-8 135	-	-	17	17
Rural Devel	6	-98 247	-5 588	-103 830	1	-	-	2
Sa Social Se	54	-5 751	-	-5 643	54	-	-	108
Sa Social Se	-	-	153	153	-	-	52	52
Sa Social Se	-	-	1 884	1 884	-	-	861	861
Sa Social Se	-	-	166	166	-	-	19	19
Sa Social Se	-	-	1 829	1 829	-	-	700	700
Sa Social Se	-	-	159	159	-	-	19	19
Sa Social Se	-	-	1 146	1 146	-	-	745	745
Sa Social Se	-	-	1 201	1 201	-	-	803	803
SASSA- Pret	-	-	270	270	-	-	241	241
SASSA- Umt	-	-	3 299	3 299	-	-	2 857	2 857
SASSA-Port	-	-	1 445	1 445	-	-	480	480
SASSA-Mma	-	-	281	281	-	-	40	40
Science And	-	6 677	171	6 848	-	6 677	171	6 848
Small Busin	-	1 067	219	1 286	-	1 067	219	1 286
Social Devel	-	1 921	1 049	2 970	-	136	614	750
South Africa	77	-	8 144	8 298	77	-	6 624	6 778
South Africa	23 985	-149 387	413 985	312 568	4 606	-	303 547	312 759
Sport And R	-	21 005	4 284	25 289	-	19 583	3 681	23 264
SITA	2 879	-	4 612	10 370	2 879	-	2 014	7 772
Statistics SA	65	70 217	8 703	79 050	65	15 306	6 983	22 419
Telecommu	-	95	1 176	1 271	-	95	411	506
Tourism	-	-	401	401	-	-	81	81
Trade And I	125	-136	1 380	1 494	125	-	1 223	1 473
Transport	-	127 293	2 855	130 148	-	70 030	658	70 688
Water And	79	-37 125	4 421	-32 546	-	-	1 976	1 976
Women	-	5 394	126	5 520	-	4 679	18	4 697
DIE AFRIKA	-	-25	-	-25	-	-	-	-
IZIKO MUSE	-	386	-	386	-	4	-	4
NATIONAL L	-	-874	-	-874	-	-	-	-
NATIONAL	-	-27	-	-27	-	-	-	-
PAN SOUTH	-	258	-	258	-	2	-	2
ROBBEN ISL	-	104	-	104	-	5	-	5
ROBBEN ISL	-	91	-	91	-	1	-	1
Ditsong Mu	-	-1 493	-	-1 493	-	-	-	-
Kwazulu-Na	-	-300	-	-300	-	-	-	-
Totals	1 504 420	509 594	4 219 349	6 233 363	460 260	731 066	3 570 435	4 761 758

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

						2021 R'000	2020 R'000	
35. Related parties (continued)								
2020		Gross receivable				Impairment provision		
Client	Freehold	Leasehold	Municipal	Total	Freehold	Leasehold	Municipal	Total
department	Intergovern	Intergovern	Services		Intergovern	Intergovern	Services	
	mental	mental			mental	mental		
Agriculture, F	84 701	87 916	114 516	287 133	2 884	13 851	91 284	108 019
Agriculture re	-	-	711	711	-	-	355	355
Arts and Cult	155 703	3 517	51 288	210 509	23 931	3 263	31 263	58 457
Basic Educat	43 759	-	-	43 759	40 044	-	-	40 044
Centre fo Pu	-	-139	1	-137	-	-	-	-
Companies A	-	129	-5	124	-	3	-	3
Cooperative	-	38	3 621	3 659	-	1	1 371	1 372
Correctional	285 632	6 035	958 453	1 250 120	168 919	125	869 653	1 038 697
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
Environment	4 176	30 552	28 015	62 743	4 167	21 312	26 003	51 482
Gender Equa	-	151	1 407	1 558	-	3	1 116	1 119
Government	-	-	-	-	-	-	-	-
Film and Pub	-	-9	476	467	-	-	179	179
Financial And	-	8 223	3 463	11 686	-	7 285	3 133	10 418
Govt Commu	-	2 539	394	2 932	-	764	210	974
Government	65	9	1 750	1 823	2	-	658	661
Health	47 931	-558	21 121	68 493	19 031	-	17 240	36 271
Higher Educa	-	-4 705	3 333	-1 372	-	-	2 444	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	72
Ind Police Inv	-	129 596	1 073	130 669	-	95 790	656	96 446
International	78 002	15 313	5 903	99 218	71 363	13 949	5 189	90 500
Justice & Co	-	-733	-	-733	-	-	-	-
Justice & Co	45 002	-35 462	225 780	235 320	593	-	168 254	168 847
Labour	232	-20 930	-2 219	-22 917	1	-	-	1
Military Veter	111	1 228	464	1 802	109	25	174	308
Mineral Res	-	2 913	9 045	11 958	-	60	8 511	8 571
National Pros	1 521	5 211	1 536	8 267	1 392	4 125	1 003	6 519
National Sch	-	-4 013	676	-3 337	-	-	473	473
National Trea	-	138 289	36 335	174 625	-	118 837	33 995	152 832
Office of the	77	24	272	373	70	1	148	219
Office Of The	-	1 402	293	1 695	-	1 402	283	1 685
Parliament	961	1 761	-	2 723	880	1 346	-	2 226
Planning,Mo	-	-264	-	-264	-	-	-	-
Public Enterp	-	-2	209	209	-	-2	138	138
Public Servic	5 660	5 513	263	11 436	4 237	5 513	182	9 932
Public Works	-2	-1 729	2 475	746	-	-	931	931
Rural Develo	533	-9 903	18 743	9 374	2	-	9 670	9 672
Sa Social Se	1 026	5 904	-	6 930	185	122	-	307
Sa Social Se	-	-	155	155	-	-	84	84
Sa Social Se	-	-	972	972	-	-	576	576
Sa Social Se	-	-12	264	264	-	-	99	99
Sa Social Se	-	-4	874	874	-	-	329	329
Sa Social Se	-	-11	60	60	-	-	22	22
Sa Social Se	-	-12	1 229	1 229	-	-	865	865
Sa Social Se	-	-10	730	730	-	-	702	702
SASSA- Pret	-	-	577	577	-	-	366	366
SASSA- Umt	-	-	2 996	2 996	-	-	2 773	2 773
SASSA-Port	-	-	1 151	1 151	-	-	433	433
SASSA-Mma	-	-	22	22	-	-	8	8
Science And	-	6 677	160	6 837	-	6 677	155	6 832

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

						2021 R'000	2020 R'000
35. Related parties (continued)							
Small Busine	-	1 067	219	1 286	-	1 067	1 283
Social Devel	72	-3 792	898	-2 822	66	-	522
South African	-	-	8 075	8 075	-	-	6 577
South African	40 672	-53 747	357 321	344 246	4 488	-	221 809
Sport And Re	2 704	25 639	4 452	32 795	2 474	17 196	23 370
SITA	-	-	22 512	22 512	-	-	20 903
Statistics SA	61	55 145	9 625	64 832	61	55 145	62 926
Telecommun	-	4 448	2 963	7 411	-	92	2 360
Tourism	-	5 637	96	5 732	-	116	154
Trade And In	117	-39	1 499	1 577	107	-	1 496
Transport	-	67 812	1 354	69 166	-	41 795	42 629
Water And S	-	-20 173	4 615	-15 558	-	-	2 333
Women	-	7 590	125	7 715	-	3 152	3 199
DIE AFRIKA	-	-26	-	-26	-	-	-
IZIKO MUSE	-	179	-	179	-	4	4
NATIONAL L	-	-874	-	-874	-	-	-
NATIONAL M	-	358	-	358	-	7	7
PAN SOUTH	-	-	-	-	-	-	-
ROBBEN ISL	-	95	-	95	-	2	2
ROBBEN ISL	-	91	-	91	-	2	2
Totals	1 307 487	698 952	3 641 292	5 647 731	364 317	472 974	3 921 555

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	4 926	8 583
Justice and Constitutional Development	276 447	223 414
	281 373	231 997

Accruals raised

Arts and Culture	359	79
Defence and Military Veterans	-	35
Justice and Constitutional Development	24 560	12 534
The Presidency	-	3 018
Tourism	-	83
Water and Sanitation	-	117
	24 919	15 866

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

35. Related parties (continued)

2021 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	10	73	114	225	1 298
Cape Town (Acting)	N Kani *	173	79	58	23	24	357
Cape Town (Acting)	TR Kolele **	338	69	-	44	27	478
Cape Town (Acting)	DE Dlamini ***	247	53	62	32	49	443
Durban	NN Vilakazi	751	340	63	98	14	1 266
Johannesburg	JM Monare	858	226	70	112	162	1 428
Kimberley	R Baulackey	876	121	73	114	81	1 265
Mmabatho	R Matlala	785	249	65	102	107	1 308
Nelspruit	PT Mashiane	874	351	-	114	119	1 458
Polokwane	M Ntshani	986	117	81	128	120	1 432
Port Elizabeth	JG Van Der Walt	898	459	-	117	31	1 505
Pretoria	TB Phiri	773	260	-	101	155	1 289
Mthatha (Acting)	MS Mabandla	703	188	-	91	41	1 023
Employees: Other Officials							
Chief Director: Construction Management Inland	W Hlabangwane	898	377	75	117	31	1 498
Chief Director: Financial Planning	J Prinsloo	871	373	72	113	22	1 451
Acting Chief Director: State Owned	GS Ncoane	740	97	62	96	66	1 061
Exco Members: Head of units							
Head of Operationalisation and Financial Sustainability	PJ Maroga ****	353	150	-	-	-	503
Construction Project Management	B Mokhothu	1 200	358	-	156	-	1 714
Small Harbours	MS Thobakgale *****	355	152	-	-	-	507
Real Estate Management Services (Acting)	SMM Mabinja	751	283	63	98	185	1 380
Supply Chain Management (Acting)	R Naidoo	957	206	79	124	76	1 442
Exco Members: Deputy Director General:							
Real Estate Investment Services	S Subban	1 065	158	89	138	93	1 543
Facilities Management	NC Makhubele	1 065	143	89	138	87	1 522
Project Management Office (Acting)	NP Kubeka	930	93	77	121	196	1 417
		18 323	4 912	1 151	2 291	1 911	28 588

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2021

35. Related parties (continued)

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 movement's occurred in key management positions during 2020/21

* Ms N Kani acted from April 2020 to June 2020.

** Ms TR Kolele acted from July 2020 to November 2020.

*** Mr DE Dlamini acted from December 2020 to March 2021.

**** Mr P Maroga was appointed as Head of Operationalisation and Financial Sustainability on contract from 03 December 2020.

***** Mr MS Thobakgale resigned on 31 July 2020 and there was no acting appointment to the post of DDG Small Harbours

The following employees were not remunerated by the PMTE, however they play a key role in management decision making:

- Mr. M Sithole occupies the position of Chief Financial Officer which is on the structure of the DPWI Main Vote.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

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: Operationalisatio and Financial Sustainability	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

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

Figures in Rand

35. Related parties (continued)

Real Estate Investment Services (Acting)	SMM Mabinja	188	71	-	-	50	309
Technical Finance Expert	B Van Der Merwe	799	342	-	-	41	1 182
Facilities Management (Acting)	NC Makhubele	1 065	143	89	138	101	1 536
Operational and financial sustainability programme	GB Mokgoro	799	342	-	-	111	1 252
		-	21 202	6 471	1 091	2 145	3 226
							34 135

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 movement's 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.

36. Events after the reporting date

There are no material susequent events identified to be disclosed.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

37. Prior period errors

Material differences relating to prior years and the prior year financial statements will only be restated at year end.

	Restated
Statement of financial position	
	2020
	R'000
Decrease in Receivables from exchange transactions	(621 491)
Decrease in Operating lease assets	(252 787)
Increase in Property Plant and equipment	17 521 247
Increase in Investment Property	131 875
Increase in Heritage assets	1 007 997
Decrease in Intangible assets	(435)
Decrease in Operating lease liabilities	253 158
Decrease in Deferred Revenue (Current)	2 556 514
Decrease in Payables from exchange transactions	804 663
Increase in Deferred Revenue (Non-current)	(3 140 474)
Increase in net assets	18 260 267
Statement of Financial Performance	
Increase in Revenue from exchange transactions	339 636
Decrease in Revenue from non-exchange transactions	(9 211)
Increase in Construction revenue	801
Increase in Construction revenue	(801)
Increase in Depreciation, amortisation and impairment	(519 527)
Decrease in Impairment loss on receivables	162 428
Increase in Loss on transfer/disposals	(70 382)
Decrease in Operating leases	24 079
Decrease in Property maintenance	322 261
Increase in Property rates	(6 081)
Decrease in Sundry operating expenses	315
Increase in profit	243 518
Increase in opening accumulated surplus	18 016 749
	18 260 267

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

37. Prior period errors (continued)

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, property maintenance, construction cost and revenue, deferred revenue, revenue from accommodation charges and donation revenue.

Management identified errors in the calculation of the operating lease portfolio. The reassessed rand values was deemed to be materially erroneous and as a result it was restated. The correction of the operating lease assets also affected the depreciation, impairment, amortisation, deferred revenue, revenue from accommodation charges and donation revenue.

Management identified errors in relation the accumulated depreciation and accumulated amortisation that was disclosed in 2020. The reassessed rand values was deemed to be materially incorrect. The correction of this error affected the carrying values of PPE and Intangible Assets, depreciation expense and revenue from non-exchange transactions.

Management identified errors relating to the Deferred Revenue which was exclusively disclosed as current liabilities. Management proceeded to calculate the non-current portion for the comparative year and reclassified a portion thereof to non- current liabilities.

Management identified the incorrect classification of revenue from contractor fines/ penalties as revenue from non-exchange transactions. Management corrected this incorrect classification and adjusted the comparative disclosure.

In 2020, Management incorrectly applied the requirements of GRAP 19 for Contingent Assets resulting from Legal claims by the PMTE. As a result, the previously disclosed contingent asset of R240 526 000 has been restated to R0.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

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 R905 million (2020: R2,6 billion) and the current liabilities exceed the current assets by R4,5 billion (2020: R6.2 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 R3.6 billion (2020: R3.1 billion) and other non-financial instruments of R903 million (2020: R367 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 R658 Million was received relating to these outstanding debts. Refer to note 35 for more detail relating to outstanding debt owed by client departments.

Property Management Trading Entity

Annual Financial Statements for the year ended 31
March 2021

ANNEXURE A – Entity wide disclosure

31-Mar-21	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	(3 507)	-	-	6 741	-	-	-	-	-	-	192	3 782	7 209
Employee costs	453 517	110 832	218 470	204 633	152 841	73 081	79 244	91 086	103 564	116 180	233 530	77 549	1 914 526
Depreciation and Armotisation	3 029 560	-	-	-	-	-	-	-	-	-	-	-	3 029 560
Receivables Impairment	738 729	223	62	(19)	2 265	4 631	903	1 226	698	214	6 654	4 598	760 185
Operating leases	5 095 243	1 852	10 550	3 689	3 066	1 379	1 538	1 404	1 943	1 856	2 565	(2 559)	5 122 527
Property maintenance (contracted services)	(520 003)	50 292	723 292	217 014	403 344	72 961	99 199	46 057	54 661	275 233	620 297	71 384	2 113 731
Property Rates	(191 360)	84 136	251 463	224 776	201 079	78 365	2 254	81 797	48 561	139 458	302 915	25 523	1 248 964
Loss on disposal	38 444	-	-	-	-	-	-	-	-	-	-	-	38 444
Sundry operating expenses	275 044	30 604	143 400	79 564	101 560	37 123	56 288	27 674	33 540	50 959	739 285	13 137	1 588 179
Construction expenses	83 381	-	-	-	-	-	-	-	-	-	-	-	83 381
Total segment expenditure	8 999 048	277 939	1 347 236	736 398	864 154	267 541	239 425	249 244	242 967	583 901	1 905 438	193 414	15 906 706

