

2021 - 22 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 2021 to 31 March 2022

Dr Alec Moemi
Acting Director-General
30th September 2022

TABLE OF CONTENTS

Chapter		Page
Chapter 1 – General Information		7
Chapter 2 – Performance Information		30
Chapter 3 – Governance		84
Chapter 4 – Human Resource Information		100
<i>Part A – Main Vote</i>	101	
<i>Part B – PMTE</i>	135	
Chapter 5 – Financial Information		173
<i>Part A – Main Vote</i>	185	
<i>Part B – PMTE</i>	292	

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



Emerging from the Covid-19 pandemic, yet remaining in one of the most unfavourable economic conditions our country has ever been in, this past financial year has caused the Department of Public Works and Infrastructure (DPWI) to embrace new ways of thinking and begin implementing a changed methodology of implementation, starting with the introduction of the Sustainable Infrastructure Development System (SIDS) Methodology, which is an adaptation of the UK-based 5-Case Model for Strategic Integrated Projects.

In the year under review, the SIDS Methodology has also been successfully introduced for projects requiring project preparation, a critical step that is so often foregone in public sector infrastructure projects to the detriment of the State.

In the financial year under review, the country experienced devastating floods, particularly in the KwaZulu Natal (KZN) and Eastern Cape provinces. DPWI was involved in five work streams and interventions to assist in the reconstruction efforts in KZN and the Eastern Cape to mitigate the effects of the flood disaster.

Over 300 built environment professionals were made available to COGTA to help assess, scope, cost, design and implement the critical reconstruction and building of damaged infrastructure. Further, DPWI assessed 53 government-owned buildings in KZN and 12 government-owned buildings in the Eastern Cape damaged by the floods. DPWI identified a total of 258 land parcels to undergo suitability assessment by the Housing Development Agency (HDA) for the resettlement of displaced communities. An additional 25 land parcels were then identified by the KZN Department of Public Works & Human Settlements to undergo the same assessment.

The lack of economic growth, high levels of unemployment and poverty continue to be at the forefront of the problems in our country, plus resultant needs are ever-increasing as economic conditions worsen. Within the property and infrastructure sectors, we are looking at different and innovative ways to create the conditions conducive to creating jobs by investing in infrastructure, partnering with landlords to transform the property space and speeding up infrastructure delivery. We believe that the spin-offs will have significant multiplier effects on job creation and contribute to addressing poverty and inequalities facing the country.

The occurrences of Gender Based Violence and Femicide (GBV-F) have escalated due to the pandemic. In the year under review, DPWI's NPO Programme managed to provide income transfers through EPWP wages to just over 100 000 participants and delivered services, including the mitigation of GBV-F to communities in need. Further, in consultation with the Department of Social Development (DSD), DPWI has managed to earmark one GBV-F facility per district. With the assistance of the provinces and municipalities, the aim is to ensure that at least one GBV-F facility is identified per municipality by the end of the coming financial year.

In the 2021/22 financial year, there have been great strides made by DPWI in addressing the problems within the leasing portfolio. Firstly, through my intervention, especially due to the Auditor General of South Africa stating that month-to-month leases were essentially irregular expenditure, there has been substantial reduction in month-to-month leases starting from an estimated 2000. The aim is to eradicate this problem by the end of the coming financial year.

Secondly, to bring innovation into the lease portfolio, DPWI has developed a Refurbishment Operate and Transfer Programme (ROTP). The ROTP intends to bring in the capacity of the private sector in the form of capital and skills to assist Government in improving the conditions of specific government-owned properties. The ROTP was conceptualised in the year under review and will be piloted on four to six properties in the next financial year.

In the year under review, substantial progress has been made with Strategic Integrated Project 28 (SIP28), our Programme to reduce energy and water consumption and waste production in government buildings. This Programme will thrust South Africa along an environmentally sustainable path while contributing significantly to social and economic development, energy and water security of supply, budget sustainability, and improved governance of utilities.

Infrastructure South Africa (ISA) developed the National Infrastructure Plan (NIP 2050) during this financial year, which was approved by Cabinet and then gazetted.

I want to take this opportunity to thank the Deputy Minister for her support and assistance in overseeing the Department and leading change management. Further, would like to thank the acting Director General, the Executive Management and Staff for their hard work and contributions to the Department in the year under review.

I hereby present the Department of Public Works and Infrastructure's Annual Report for the 2020/21 financial year and Audited Financial Statements ending 31 March 2022.



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

1.2 REPORT BY THE ACCOUNTING OFFICER



1.2.1 Overview

The Department delivered its programmes under weak conditions of economic growth and rising unemployment. The Department's contribution to the 6th administration priorities, Economic Recovery and Reconstruction Plan (ERRP) and National Strategic Plan on Gender Based Violence and Femicide (NSP GBV-F) sought to respond to the challenges brought about by the pandemic and the general weak socio-economic conditions facing the country. It also took advantage of the opportunities brought about by the pandemic such as reorganising the Department's operations and driving them through innovative ICT platforms.

1.2.3 Significant events and major projects

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 the provision of administrative support to the entire Department, coordination of activities with various stakeholders and spheres of government (Intergovernmental Coordination), provision of technical support and coordination of the EPWP programmes, policy regulation and research in the built environment. 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 user departments, Real Estate Management Services, Construction Project Management, management of the Immovable Asset Register and Facilities Management.

With regards to Infrastructure and Infrastructure South Africa, the Department signed a Memorandum of Agreement (MOA) with the Industrial Development Cooperation (IDC) in the period under review. The IDC houses the Technical Task Team that provides technical support to the Presidential Infrastructure Coordination Commission (PICC). This team was initially under the then

Economic Development Department and its administration, powers and functions have since been transferred to the Department with the Minister as the chairperson of the PICC secretariat. This MOA sought to ensure continuity of work done by the team including the analysis, unblocking issues preventing progress on strategic infrastructure as well as monitoring and tracking progress on the National Infrastructure Plan. The task team has built competencies in the integration, coordination and alignment of strategic infrastructure projects. These competencies are being converted into State capacity available to the entire State machinery regarding infrastructure under the leadership of the head of the Infrastructure South Africa (ISA).

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:

- **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. The Department is looking onot the ICT space and ways to improve efficiencies within ooperations. A number of modules including asset register and facilities management have been identified. In relations to ethics, the Department started the process of conducting a lifestyle audit starting with senior management as phase 1.

Integrated Planning & Co-ordination – coordinating and incorporating stakeholder needs into infrastructure and spatial planning where government service delivery is enhanced. The department contributes to the broader government outcome of integrated services, settlement transformation and inclusive growth in rural and urban places. This was done through the release of land for socio economic initiatives and contributions to the ‘One plan’ of government through the District Development Model. A total of 32 895, 0903 hectares were processed for release in support of land reform programme.

The Department developed a 5-Year Sector Plan that incorporates the public works and related infrastructure needs of the National and Provincial public works sector. This approach creates a platform and mechanism for mutual support, consultation and information sharing, while also recognising the powers and functions of each sphere of government in line with the concurrent responsibilities. The Sector Plan was supported by MINMEC.

Beyond National and Provincial departments – is the local government’s role in public works related infrastructure delivery in which an integrated approach will be essential through the District Development Model (DDM). The 5-Year Sector Plan further provides a linkage to local government, with the aim of coherent government service delivery inclusive of the 44 Districts and 8 Metros, with the focus being on economic development, job creation and poverty alleviation.

Further, Infrastructure South Africa (ISA), which serves as a single point of entry for infrastructure, focusing on the development of a sustainable and viable project pipeline of infrastructure projects that meet the needs of all across the country, no matter what sector, whether rural or urban. Further in driving this integrated approach, the ISA Frequently Designed Public Assets project now

forms part of the Accelerated Social Infrastructure programme focusing initially on schools infrastructure in the Eastern Cape and Northern Cape provinces.

In the period under review, the government gazetted the National Infrastructure Plan 2050. The plan spells out the government's intentions to build, manage and maintain infrastructure to enable South Africa to grow and address inequality. The current phase of the NIP 2050 focuses on the energy, freight transport, and water and digital infrastructure network.

ISA has also identified the need for project preparation in many of the critical infrastructure projects. During the year under review, the Sustainable Infrastructure Development System (SIDS) Methodology, which is based on the internationally renowned UK 5-Case Model, was approved and came into operation. This will ensure that appropriate planning, project preparation, coordination, funding, implementation and alignment of infrastructure projects takes place and that stakeholders are included at the outset.

- **Sustainable Infrastructure Investment** – By delivering sustainable infrastructure and creating a growing economy through infrastructure investment as means to stimulate an inclusive growing industry. ISA is charged with the role of coordinating and driving a national infrastructure investment programme, with the intent of improving infrastructure investment and delivery. Part of this process is to build private sector confidence in the capacity and capability of the state to deliver bankable public infrastructure projects, enhancing the quality and efficacy of the preparation phases of public infrastructure projects and creating greater accountability and transparency in respect of the progress and status of public infrastructure projects. As part of championing critical infrastructure projects, ISA monitors the level of implementation of Strategic Integrated Projects (SIPs), which were gazetted in July 2020.

In 2020, 50 projects and 12 special programmes were gazetted. These projects were valued at an estimated R340 billion. At the Sustainable Infrastructure Development Symposium (*SIDSSA*) held in 2021, ISA announced that out of the R340 billion, 29 projects to the value of R119 billion were either in implementation stages, have reached financial closure or are completed. These projects are mostly in the Transport Sector, Human Settlements and Energy Sector. Other strategic integrated projects include the Welisizwe Rural Bridges where the department responded to the floods in the KwaZulu Natal and Eastern Cape provinces by re-assigned more capacity to assist the KZN Department of Transport and affected municipalities. Working together with the Department of Defence and Military Veterans, three completed bridges were handed over to Empageni, *Mtubatuba* and Okhahlamba municipalities.

- **Productive Assets** - Managing the asset portfolio with a productive strategic intent to enable better service delivery. This process includes the provision of accommodation to client departments. In terms of construction, about 58% (R547 million) was spent on the Department's capital projects and 70% (R1.5 billion) was spent on client capital projects. With regard to planned maintenance, a total of R1.6 billion was spent. This translate to 72% of expenditure. The leasing portfolio in cases where leases were running on a month-to-month basis have significantly been reduced.
- **Transformed Built Environment** – By transforming the built industry for mutual and sustainable socio-economic benefit. In transforming the built environment, the Department works with the

entities. Quarterly sessions are held driven by the Deputy Minister to discuss strategies to transform the sector.

The Department is also implementing and managing the Skills Pipeline Strategy which is aimed at building capacity in the State and attracting young people into built environment professions. Further, the Department awarded 173 Bursaries to students to study in built environment fields focussing on scarce and critical skills required for Construction, Maintenance of the Infrastructure and Property Portfolio Management, electrical, mechanical and civil Engineering, Actuarial Science, Property Management, Construction Studies, Quantity Surveying, Architect, Landscape Architect and Urban Design and Town Planning.

- **Optimised Job Opportunities** – By creating job opportunities and sustainable jobs for better living conditions.

A total of R1.181 billion was transferred to Provinces and Municipalities through the EPWP Integrated Grants to Provinces and Municipalities in the 2021/22 financial year to fund 1,491 projects that provide assets and services in the Infrastructure, Environment & Culture and Social Sectors. Projects funded through the EPWP Integrated Grant to Provinces and Municipalities include construction of road projects, water reticulation and parks beautification projects. Through the EPWP Integrated Grant transferred to Provinces and Municipalities a total of 91,259 Work Opportunities in the 21/22 financial year.

In the period under review, the National Treasury allocated an amount of R 413.237 million as the Social Sector EPWP Incentive Grant for Provinces. The allocation was disbursed among 34 eligible provincial sector departments which implemented 341 projects with services delivered ranging from home community-based care, early childhood development, safety, school nutrition etc. By the end of the financial year, the Social Sector EPWP Incentive Grant for Provinces had delivered the following outputs and impacts, that is, 16 913 FTE's created, 18 774 people were employed, an average duration of 200 person days for work were achieved and 311 766 beneficiaries received the services.

The Non-State Sector (NSS) Non-Profit Organisation (NPO) programme was allocated an amount of R1.020 billion ear-marked funding. As a result thereof, Three Hundred and Forty One (341) NPOs were contracted by the Independent Development Trust (IDT) to appoint 52 198 EPWP participants in all district municipalities nationally. By the end of the financial year, the NPO programme managed to provide income transfers through EPWP wages to 100 202 participants and delivered services among communities in the form of gender based violence mitigation, early childhood services, gardening, safety and food production services etc.

- **Dignified Client Experience** – By delivering sustainable services where stakeholders are satisfied. To bring innovation into the lease portfolio, the Department has developed a Refurbishment Operate and Transfer Programme (ROTP), which aims to attract capacity - capital and skills - from private sector to assist Government to improve the condition of specific facilities as a pilot project.

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.

1.3 Overview of Financial Results

- **Departmental revenue 2021/22**

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

Table 1.1: Programme Receipts

Departmental receipts	2021/22			2020/21		
	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	283	319	(36)	323	316	7
Interest, dividends and rent on land	600	11 056	(10 456)	600	7 553	(6 953)
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	1 300	4 093	(2 793)	1 300	1 207	93
Total Departmental receipts	2 183	15 468	(13 285)	2 223	9 076	(6 853)

The Department collected R15.4 million as per different categories reflected in Table 1.1. Revenue collection mainly relates to interest generated through programmes implemented on behalf of the Department.

- **Budget Allocation 2021/22**

The Department's adjusted appropriation for the year under review was R8.354 billion, which is an increase of 8% compared to the 2020/21 financial year's adjusted appropriation of R7.724 billion. The increase in the budget allocation was mainly for current payments and transfers and subsidies and payments 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	Allocation as %
	R'000	
Programme 1: Administration	504 598	6%
Programme 2: Intergovernmental Coordination	58 541	1%

Programme 3: Expanded Public Works programme	2 921 000	35%
Programme 4: Property and Construction Industry Policy and Research	4 780 965	57%
Programme 5: Prestige Policy	89 106	1%
Total	8 354 210	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

	2021/22	2020/21
	R'000	R'000
Budget allocation	8 354 210	7 724 379
Actual Expenditure	8 082 195	7 531 034
Actual: Spent Budget %	96.7%	97.5%
Unspent funds	272 015	191 345
Actual: Unspent Budget %	3.3%	2.5%

TABLE 1.4: Expenditure Analysis per Programme

	2021/22				2020/21		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as %	Final Appropriation	Actual Expenditure	Expenditure as %
	R'000	R'000	R'000	%	R'000	R'000	%
Administration	504 598	416 494	88 104	82.5%	456 902	384 339	84.1%
Intergovernmental Coordination	58 541	44 202	14 339	75.5 %	58 219	42 296	72.7%
Expanded Public Works Programme	2 921 000	2 811 509	109 491	96.3%	2 468 846	2 412 105	97.7%
Property And Construction Industry Policy and Research	4 780 965	4 757 194	23 770	99.5%	4 676 490	4 643 784	99.3%
Prestige Policy	89 106	52 796	36 311	59.3%	63 922	48 510	75.9%
Totals	8 354 210	8 082 195	272 015	96.7%	7 724 379	7 531 034	96.7%

TABLE 1.5: Spending Per Economic Classification – DPW

	2021/22				2020/21		
	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	578 887	497 360	81 527	85.9%	558 559	484 989	86.8%
Goods and services	392 955	279 591	113 364	71.2%	346 013	236 411	68.3%
Transfers & subsidies							
Provinces & municipalities	1 595 629	1 594 154	1 475	99.9%	1 582 393	1 580 545	100.0%
Departmental agencies & accounts	4 526 375	4 526 375	-	100.0%	4 402 071	4 402 071	100.0%
Foreign governments & international organisations	28 265	28 265	-	100.0%	29 013	29 013	100.0%
Public corporations & private enterprises	180 972	180 972	-	100.0%	209 301	209 301	100.0%
Non-profit institutions	1 020 414	956 134	64 280	93.7%	578 484	578 484	100.0%
Households	13 256	13 256	-	100.0%	7 628	7 628	100.0%
Payment for capital assets							
Machinery & equipment	17 322	5 953	11 369	34.4%	10 747	2 422	22.5%
Payment for financial assets	135	135	-	100.0%	170	170	100.0%
Total	8 354 210	8 082 195	272 015	96.7%	7 724 379	7 531 034	97.5%

Departmental spending for the period under review is R8.082 billion which represents 96.7% of the adjusted budget of R8.354 billion. Underspending of R272 million mainly relates to compensation of employees, goods and services, transfers and subsidies and machinery and equipment.

Details of underspending per programme and economic classifications are discussed below:

○ **Programme 1: Administration**

The underspending of R88 million in Programme 1 relates to:

- Compensation of employees underspending of R32 million is mainly due to delay in the filling vacant positions.
- Goods and services underspending of R52 million mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure.
- Machinery and equipment underspending of R4 million is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

○ **Programme 2: Intergovernmental Coordination**

The underspending of R14 million in Programme 2 relates to:

- Compensation of employees underspending of R7 million is mainly due to delays in the filling of funded prioritised positions and those vacated during the financial year.
- Goods and services underspending of R5 million mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure.
- Machinery and equipment underspending of R2 million is due to a delay in procuring boardroom systems and other assets aligned to the projected filling of vacant priority positions.

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

The underspending of R109 million in Programme 3 relate to:

- Compensation of employees underspending of R22 million is mainly due to delays in filling of funded prioritised positions and those vacated during the financial year.
- Goods and services underspending of R21 million is mainly due to intermediary management fee payment relating to EPWP Non-State Sector Programme and outsourced services supporting the EPWP projects.
- Transfers and subsidies underspending of R66 million mainly due to EPWP Non-State Sector programme payment being withheld as a result of unfulfilled contractual obligations.
- Machinery and equipment under spending of R488 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 underspending of R24 million in Programme 4 relates to:

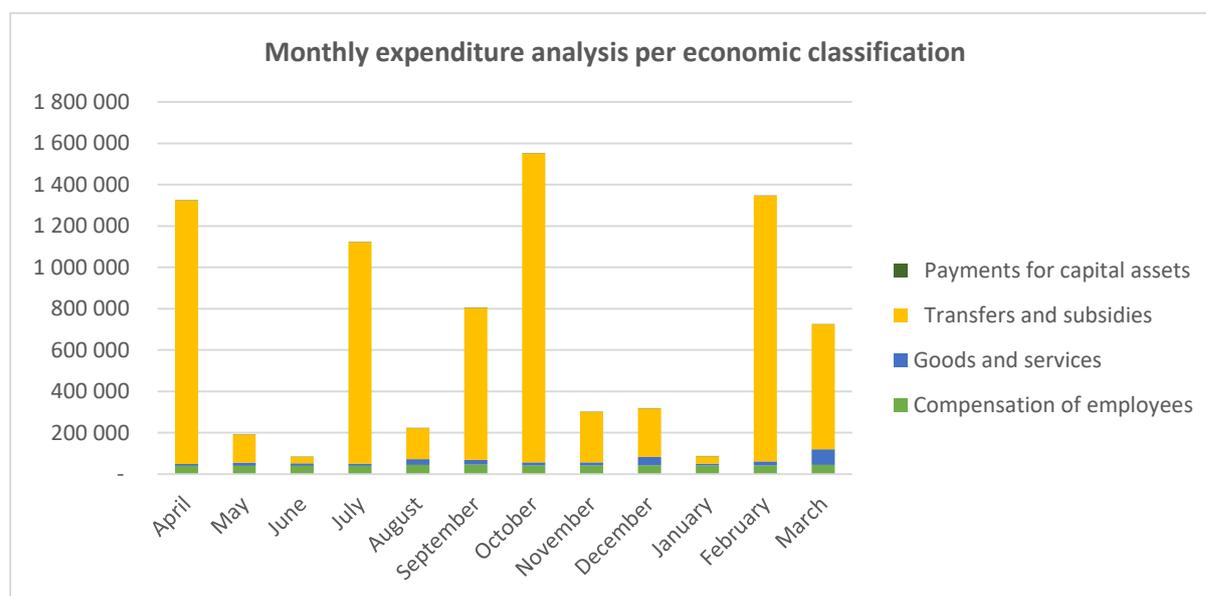
- Compensation of employees underspending of R17 million is mainly due to delays in the filling of funded prioritised positions and those vacated during the financial year.
- Goods and services underspending of R6 million mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure.
- Machinery and equipment underspending of R293 000 is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

○ **Programme 5: Prestige Policy**

The underspending of R36 million in Programme 5 relates to:

- Compensation of employees underspending of R2 million is mainly due to delays in the filling of funded prioritised positions and those vacated during the financial year.
- Goods and services underspending of R30 million mainly due to nation-wide lockdown restrictions which affected spending on state events.
- Machinery and equipment underspending of R4 million is mainly due to lower than projected spending on the planned acquisition of assets.

● **Spending trends**



The monthly expenditure was in the average region of R674 million with high spending of R1.325 billion, R1.553 billion and R1.347 billion in April 2021, October 2021 and February 2022 respectively. High expenditure relates to the transfer payment to the PMTE, Agrément SA, CIDB, CBE and EPWP Grants for provinces.

● **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 2021/22

Programmes	Adjusted Appropriation 2021/22	Virement of Funds	Final Appropriation 2021/22
	R`000	R`000	R`000
Prog 1: Administration	504 532	66	504 598
Prog 2: Intergovernmental Coordination	58 541		58 541
Prog 3: Expanded Public Works Programme	2 921 066	(66)	2 921 000
Prog 4: Property and Construction Industry Policy and Research	4 780 965		4 780 965
Prog 5: Prestige Policy	89 106		89 106
TOTAL	8 354 210	-	8 354 210

The following virement of funds was applied between and within the Programmes:

- Programme 1 has increased with an amount of R66 000 to transfers and subsidies for households to offset higher than projected expenditure relating to settlements of arbitration awards and leave gratuity payment for exit packages.
- Programme 3 has decreased with an amount of R66 000 from transfers and subsidies for households due to lower than projected expenditure for leave gratuity payments relating to exit packages.

Unauthorised Expenditure

No unauthorised expenditure was incurred. The report for the total cumulative unauthorised expenditure of R261.2 million has been submitted to the National Treasury and condonement by the Standing Committee of Public Accounts (SCOPA).

1.4 Property Management Trading Entity

- PMTE revenue 2021/22

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

	2021/22				2020/21			
	Final budget	Actual receipts	Variance	% recovered	Final budget	Actual receipts	Variance	% recovered
Revenue	R'000	R'000	R'000		R'000	R'000	R'000	
Accommodation charges-leasehold	5 371 909	5 069 279	302 630	94%	4 802 987	5 064 584	-261 597	105%
Accommodation charges – state owned	8 057 366	6 626 292	1 431 074	82%	6 922 694	6 588 809	333 885	95%
Accommodation charges freehold- private	68 026	56 524	11 502	83%	62 987	53 455	9 532	85%
Augmentation	4 349 655	4 349 655	-	100%	4 239 987	4 239 987	-	100%
Interest, fines, recoveries and other receipts	63 000	1 350	61 650	2%	60 000	24 880	35 120	41%
Municipal Services Management Fees	252 476	164 634	87 842	65%	287 185	181 113	106 072	63%
Construction revenue	-	67 741	-67 741	0%	-	83 381	-83 381	0%
Cash Received in Advance	-	-	-	0%	-	311 330	-311 330	0%
Total	18 162 432	16 335 475	1 826 957	90%	16 375 840	16 547 539	-171 698	101%
Municipal Services recovered	4 479 745	3 292 673	1 187 072	74%	5 743 699	3 622 268	2 121 431	63%
Total revenue	22 642 177	19 628 148	3 014 029	87%	22 119 539	20 169 807	1 949 733	91%

The actual receipts for the period ended 31 March 2022 amounts to R19.7 billion which represents 87% of the projected annual receipts. This is mainly due to unpaid invoices for the State owned accommodation charges and Municipal Services paid on behalf of the Client Departments.

Budget allocation per programme -PMTE

Programme	R'000	Allocation as %
Administration	895 670	4%
Real Estate Investment Services	199 845	1%
Construction Project Management	5 851 154	26%
Real Estate Management Services	12 634 428	56%
Real Estate Information & Registry Services	59 499	0%
Facilities Management Services	3 001 581	13%
Total	22 642 177	100%

Overall expenditure analysis – PMTE

	2021/22	2020/21
	R'000	R'000
Budget allocation	22 642 177	22 119 538
Actual expenditure	19 747 484	18 497 962
Actual: spent budget %	87%	84%
(Over)/ under spending	2 894 693	3 621 576
Actual: budget (over)/ under spend %	13%	16%

Expenditure analysis per programme: PMTE

Programme	2021/22				2020/21			
	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	895 670	864 938	30 732	97%	1 299 568	1 015 191	284 377	78%
Real Estate Investment Services	199 845	171 358	28 487	86%	181 360	177 700	3 660	98%
Construction Project Management	5 851 154	4 190 729	1 660 425	72%	4 248 179	2 980 979	1 267 200	70%
Real Estate Management Services	12 634 428	11 547 487	1 086 941	91%	12 770 725	11 558 965	1 211 760	91%
Real Estate Information & Registry Services	59 499	57 006	2 493	96%	96 395	59 998	36 397	62%
Facilities Management Services	3 001 581	2 915 966	85 615	97%	3 523 311	2 705 128	818 183	77%
Total	22 642 177	19 747 484	2 894 693	87%	22 119 538	18 497 962	3 621 576	84%

Spending per economic classification – PMTE

Economic Classification	2021/22				2020/21			
	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	383 244	346 451	36 793	90%	322 418	307 542	14 876	95%
Admin Goods and Services	424 637	383 417	41 220	90%	434 755	298 372	136 383	69%
Maintenance	2 724 230	2 486 053	238 177	91%	2 447 925	1 645 995	801 930	67%
Municipal Services recovered	4 479 745	4 479 745	0	100%	5 743 699	4 696 256	1 047 443	82%
Leasing (Private owned)	5 526 170	4 639 244	886 926	84%	4 941 586	4 933 887	7 699	100%
Property Rates	1 918 660	1 838 706	79 954	96%	1 528 318	1 273 334	254 985	83%
Compensation of Employees	2 030 733	1 969 628	61 105	97%	1 896 057	1 867 317	28 740	98%
Municipal Services non-recoverable	564 053	471 562	92 491	84%	411 039	411 033	6	100%
Covid 19- Requirements	31 255	18 399	12 856	59%	447 711	335 510	112 201	75%
Construction costs	0	67 741	-67 741	0%	0	83 381	-83 381	0%
Total current payments	18 082 727	16 700 946	1 381 781	92%	18 173 508	15 852 627	2 320 882	87%
<i>Capital payments</i>								
Capital recoverable	2 261 789	1 648 904	612 885	73%	1 488 987	1 332 750	156 237	90%
Capital non-recoverable	2 235 541	1 360 744	874 797	61%	2 386 563	1 294 647	1 091 916	54%
Machinery & Equipment	62 120	33 674	28 446	54%	70 480	15 192	55 288	22%
Finance Leases	-	3 216	-3 216	0%	-	2 746	-2 746	0%
Total capital payments	4 559 450	3 046 538	1 512 912	67%	3 946 030	2 645 335	1 300 695	67%
Total	22 642 177	19 747 484	2 894 693	87%	22 119 539	18 497 962	3 621 577	84%

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

The total expenditure for the period ended March 2021 was R 19.7b which represents 87% of the total budget. This is mainly due to under-expenditure against infrastructure projects, Property Rates and Goods and Services. The expenditure level is above the level of performance of the previous year.

Programme 1: Administration

The underspendig is attributable to the unspent funds which were allocated for the acquisition of laptops. These acquisitions were delayed due to a shortage of stock in the country. The delivery of the laptops has improved, but payments will only be made in the next financial year.

Programme 2: Real Estate Investment Services

The underspendig on this programme was due to the unspent funds which were allocated for the Development of Standard Guidelines for Architectural Services; delays were experienced during the procurement process. The delay in the filling of vacant funded positions has also contributed to under spending.

Programme 3: Construction Management Services

The underspendig is attributable to the delay in the execution and finalization of the projects which was caused by poor performance by some of the contractors as well as the delays due to the extension of time on some of the projects. The other reason was the delay in finalizing some of the final accounts and the non or late submission of the final invoices by the contractors.

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 are a major cause of underspendig. 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 delay in the filling of the vacant funded positions have also contributed to under spending.

Programme 4: Real Estate Management Services

The underspendig was because of the property valuations which property rates are based on, came in lower than anticipated. The other reasons were due to the Property Rates and Municipal Services invoices which could not be paid before the end of the financial year due to the late submission of the invoices, the moratorium to stop payments on month to month leases and the unspent R35 million which was allocated to the project on the rectification of illegally occupied properties.

The delay in the filling of the vacant funded positions has also contributed to under spending.

Programme 5: Real Estate Information & Registry Services

The underspending was due to the delay in the filling of the vacant funded positions.

Programme 6: Facilities Management

The underspend was attributable to the delay in the execution and finalization of the repair projects which was caused by poor performance by some of the contractors as well as the delays of the extension of time on some of the projects. The other reasons for under expenditure were due the delay in finalizing some of the final accounts, this was mainly due to none or late submission of the final invoices by the contractors and the delay in the procurement of new cleaning and gardening contracts where the existing contracts have expired.

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 charge in terms of any of the professions' Acts,

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
			<p>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.
<p>CONSTRUCTION INDUSTRY DEVELOPMENT BOARD</p>	<p>Schedule 3A public entity</p>	<p>Transfer payment from grant allocation statutorily made available to the entity by way of a Parliamentary budget vote</p>	<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 achievement of desired outcomes of transformation and development

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
			<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>	<p>Receives supplementary financial support from line Department to make up for operating cost shortfalls</p>	<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 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.

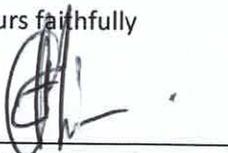
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made on this information.

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



Dr Alec Moemi

Acting Accounting Officer

Date: 29/09/2022

CHAPTER 2

PERFORMANCE INFORMATION



Infrastructure-led Growth

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 the largest Real Estate portfolio in South Africa. As the custodian and manager of the Government's immovable assets, the PMTE directly impacts the 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.

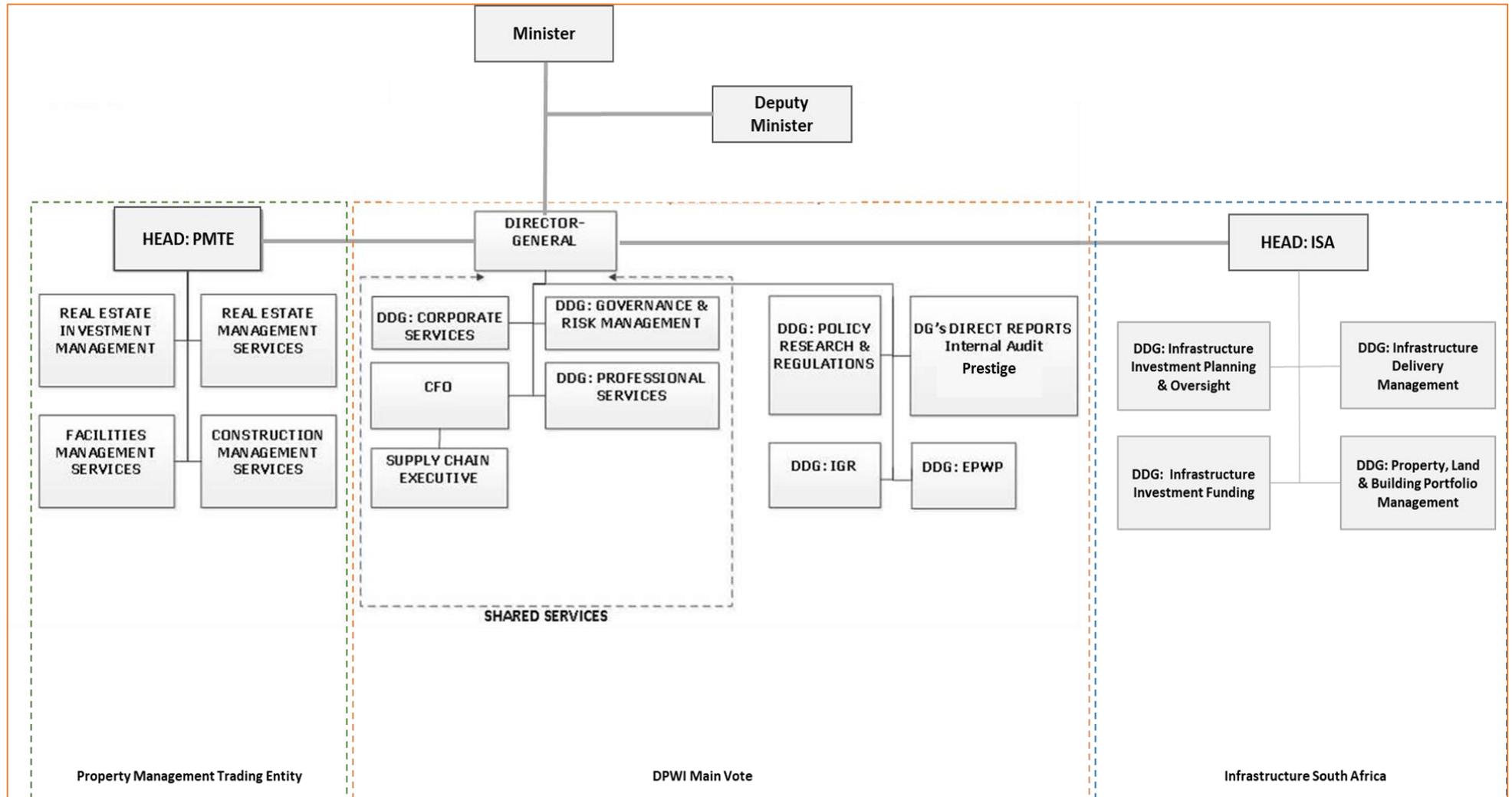
In line with the thematic analysis of a High Performing Organisation and its precondition, i.e. A Resilient, Ethical and Capable DPWI, it is demonstrable that Human Resources play a pivotal role in ensuring that the Department of Public Works and Infrastructure is adequately resourced with the proper 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 the 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 the Infrastructure Development Regulations. The Infrastructure Development Regulations went out for consultation from September to December 2021. The purpose of the Expropriation Bill is to repeal the existing Expropriation Act 63 of 1975, and 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 the 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 the 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.
-------------------	---

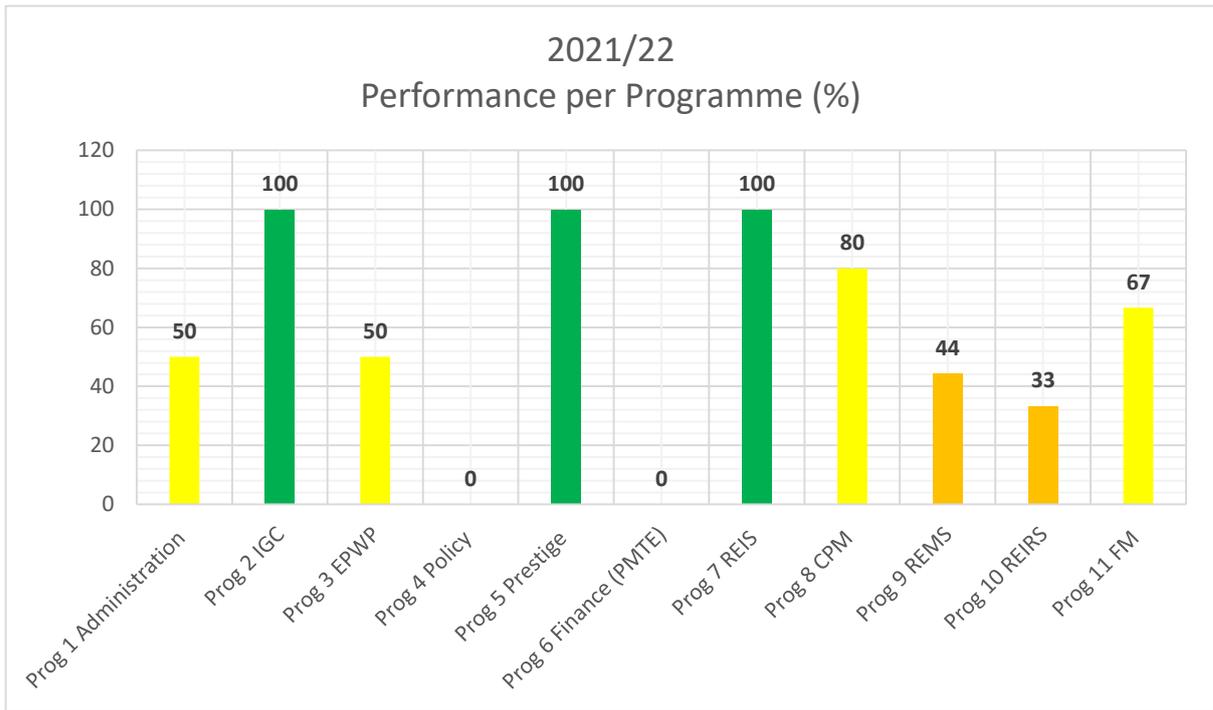
Outcome 6: Optimised Job Opportunities

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 60%. This demonstrate a slight improvement from the previous financial year at 54%.

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 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for Deviation
Resilient, Capable and Capable DPWI	Good governance	Ethics and fraud perception rating	New indicator	17.8 good progress, 67,8% in progress, 14.2% interventions required	41-60% Ethics and Fraud perception surveys	35,4% (Moving from a base of 37% in 2014)	35,4% falls outside the range of 41-60% in a positive way.	The perception survey reflect low perception on the Department. The 35% is lower than anticipated at a moderate level of 41-60%. The survey is based on 7 categories.
	Good governance	Compliance rate (Management practices)	New indicator	No compliance rate to be determined, compliance policy drafted Compliance universe	61-80% compliance rate	92% compliance rate	92% way above the 61%-80% range.	A total of 20 compliance matters have been identified for the FY. 12 of the 20 archived 100% and the others

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 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for Deviation
				development in progress				experiencing internal control weaknesses
	Performance measurement	Percentage Performance Information Level	New indicator	55%	61%-80%	70% (30 of 43)	-12,6 although overall performance for the FY is within the range	Preliminary performance pending complete reporting one Prestige KPI
Resilient, Ethical and Capable DPWI	Spent of allocated budget	Percentage Financial Performance Level	99,5%	97,5%	100%	97%	3%	Underspending on compensation of employees due to delays in filling of vacant positions, goods and services and

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 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for Deviation
								machinery and equipment due to nation-wide lockdown affecting planned activities and acquisition of assets, non-transfer of the EPWP Non-State Sector NPO programme payment due to unfulfilled contractual obligations.
	Vacancy rate	Percentage vacancy rate	New indicator	10%	11%	11%	-	-

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 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for Deviation
	Designated groups empowerment and opportunities	Designated groups in SMS level in the Department (Women and PWD)	New indicator	Women 38,46% towards 50% national target Youth 1,04% towards 2 National target	Women 40% and PWD 2%	40% women	-	-
						1.18% people with disabilities	0,82%	Unavailability of suitable applicants with disabilities
	CT architecture to enable modernization of systems	Percentage business process automation	New indicator	100%	35%	10%	25%	The department requested NT for a deviation in line with National Treasury Practice Note 7 of 2006 for systems with the same functionality as

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 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/222	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for Deviation
								IFMS for modernisation. The deviation was granted however very which then affected the initial project plan resulting in further delays in execution of the project. To date, the Department has commenced with the final configuration and data upload from Persal.

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 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for Deviation
	CT architecture to enable modernization of systems	Number of business solutions for digitization	New indicator	1 digital enterprise architecture	62%	42%	20%	The ERP project at some stage had to be put on hold to allow for a detailed analysis of the project implementation with additional stakeholder inputs. A detailed business case was developed and approved in December 2021. Procurement commenced thereafter and submitted to NT for approval in March 2022. Conclusion of the process is

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 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for Deviation
								expected in the new 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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
Integrated planning and coordination	National Infrastructure Plan	Approved Sector Plan	New indicator	New indicator	5 Year Sector Plan Approved	5 Year Sector Plan Approved	-	-
	Sector Performance	Sector performance Reports	New indicator	New indicator	2 Sector Performance reports	Three (3) Governance Cluster Reports tabled to Technical MinMEC	1 sector performance report	The sector had more expectations to deliberate on infrastructure related performance within the Operations Cluster.
Transformed Built Environment	Reduced Built Environment Skills Gap	Number of beneficiaries participating in	1 212	1 009	1 000	2 008	1 008	The figure includes the enrolment of ERRP Beneficiaries

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
		the DPWI skills pipeline interventions programme 1 395						which were initially not targeted for at the time of planning. Funding for this additional number of beneficiaries was concluded after the APP process.
	Reduced Built Environment Skills Gap	Percentage of the implementation of Provincial Department of Public Works capacity	New Indicator	78%	75%	100%	25%	Target exceeded as Provincial Public Works implementing all phases of the pipeline within the 2021/22 FY due to support provided

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
		building programmes						by National DPWI in the development of the Capacity Building strategy

Programme: Programme 3: Expanded Public Works Programme

Purpose: coordinate the implementation of expanded public works programme which aims to create job opportunities and provide training for the unskilled, marginalized and unemployed people in South Africa

Sub-Programme: Operations, Monitoring and Evaluation, Partnership Support and Coordinating Commission

Outcome	Output	Output Indicator	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
Optimized job opportunities	Work opportunities reported	Number of Work Opportunities Reported in EPWP-RS by the Public Bodies	994 699	938 688	1 009 972	1 016 646	6 674	Marginal overachievement due to the overachievement by the Social and Non-State Sectors.
		Percentage EPWP participation amongst designated groups (Women, Youth and People With Disabilities)	68.33 Women	68.7% Women	60% Women	69% Women	9% Women	This indicator is impacted by the types of programmes implemented. Participation of people with disabilities is not yet mainstreamed across programmes.
			41.94 Youth	41.7% Youth	55% Youth	41% Youth	14% Youth	
0.96 PWD	0.98% PWD	2% PWD	1% PWD	1% PWD				

Programme: Programme 3: Expanded Public Works Programme

Purpose: coordinate the implementation of expanded public works programme which aims to create job opportunities and provide training for the unskilled, marginalized and unemployed people in South Africa

Sub-Programme: Operations, Monitoring and Evaluation, Partnership Support and Coordinating Commission

Outcome	Output	Output Indicator	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
		reported on the EPWP RS by the Public Bodies						

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
		Public Works Bill	New indicator	New indicator	1 draft Public Works Bill Gazetted	Draft Public Works Bill was not Gazetted	1 draft Public Works Bill	The challenge experienced in the first quarter (i.e. failure of the SP to develop the memorandum of objects and Draft Bill and their debriefing) had a ripple effect to all the other quarters and annual target

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
Dignified client experience	Norms and standards	Number of planned state events supported with movable structures	New indicator	New indicator	6	6 planned state visits 1. France State visit 2. Cabinet Lekgotla 3. National Orders Awards Ceremony 4. Kenya State Visit 5. Cabinet Lekgotla 6. SONA	-	-
		Percentage of movable asset provided within 60 working days after approval	No request received	83,3%	60%	100%	40%	1 request received in the financial year under review and processed within the stipulated timeframes

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
		by prestige clients						

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
A resilient, Ethical and Capable DPWI	Spent of the allocated budget	Percentage financial performance level	99,5%	100%	100%	89%	11%	Underspending on compensation of employees due to delays in filling of vacant positions, goods and services and machinery and equipment due to nation-wide lockdown affecting planned activities and acquisition of assets

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	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	32 143, 8356 hectares	21 132	20 102,3419 hectares of projects were closed	1 029.65	32 895, 0903 hectares were processed for release in support of land reform programme.
	C-AMP approved	Approved C-AMP submitted to the NT	1 CAMP submitted to National treasury	1 CAMP submitted to National treasury	1 CAMP submitted to the National treasury	1 CAMP submitted to the National Treasury	None	None
		Number of cities identified for	New indicator	New indicator	1 city identified	1 Government Precinct Development Plan	None	None

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
		redesign and refurbishment as small cities				completed for Salvokop		

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2221	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Integrated Planning and Coordination	Accessible Building	No. of design solution completed for identified user departments	New indicator	1	1	2	1	Additional Capacity brought in (candidate engineers)
		No. of projects completed within agreed construction period	78	56	85	76	9	Delays experienced in the following areas - processing of extension of times approvals, Delivery of ordered materials, Offices closed as a COVID and handing over site on time.

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2221	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Productive Assets	Completed Project Spend	No. of projects completed within approved budget	125	78	85	129	44	Budget controls on infrastructure projects
		No. of infrastructure sites handed over for construction	116	88	90	112	22	Some sites were delayed in being handed over in the past quarters and were then handed over in Q3 and Q4.
Sustainable infrastructure Investment	Completed Projects	No. of infrastructure projects completed	145	103	95	128	33	A number of projects that were planned for completion in the past financial year were extended to complete in the 2021/22 FY.

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2221	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
								Small projects such as installations of generators, air conditioners and disability projects were prioritized for speedy completion.

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Productive Assets	Lease portfolio size	Number of private leases reduced within the security cluster	0	0	3 private leases	3	-	-
	Rand value savings on the identified portfolio of assets	Savings realized on identified private leases	New indicator	R1 595 025,95	R100 Million	R273 220 668,65	R173 220 668,65	The lease renewal and renegotiation project went into overdrive after a period of almost 12 months it was on hold (in previous years)
	Rand value Revenue Generated	Percentage change in revenue generation through letting of State-owned properties (excluding harbours properties)	0	0	8%	2,8% (R11 590 727.03)	5,2%	The target was initially based on a general list of properties. Upon investigation it emerged that some of the properties may have been prioritised to meet other government priorities such as land reform and/or human

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
								<p>settlements and also determine if they are not environmentally protected.</p> <p>This process is quite involved and took longer than expected. This process has now been finalized resulting in revised targets. The properties will be released as and when they are cleared in the new financial year.</p>

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Number of unutilized vacant state owned properties let out	Number of unutilized vacant state owned properties let out	105	63	70	37	33	<p>The target was initially based on a general list of properties. Upon investigation it emerged that some of the properties may have been prioritised to meet other government priorities such as land reform and/or human settlements and also determine if they are not environmentally protected.</p> <p>This process is quite involved and took longer than expected. This process has now been finalized resulting in revised targets. The</p>

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
								properties will be released as and when they are cleared in the new financial year.
Transformed Built Environment	Empowered designated groups (women, Youth and PWD)	Percentage leases awarded to companies with categories A, B and D of the approved property empowerment policy	New indicator	New indicator	35%	55%	20%	Constitutional court ruling on Preferential Procurement Regulations impacted the process
Dignified Client Experience	Customer centric organisations	Percentage of new private leases signed with a maintenance plan	New indicator	100%	100%	100% (46 leases signed with maintenance plan)	-	-

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
		Percentage leases let out to companies with BBBEE of 4 and above	New indicator	New indicator	5%	0.028		<p>The target was initially based on a general list of properties. Upon investigation it emerged that some of the properties may have been prioritised to meet other government priorities such as land reform and/or human settlements and also determine if they are not environmentally protected.</p> <p>This process is quite involved and took longer than expected. This process has now been finalized resulting in revised targets.</p>

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
								The properties will be released as and when they are cleared in the new financial year.
Productive Assets	Signed lease agreements	Number of business Opportunities that will contribute job creation (small harbours and state coastal properties)	New indicator	9	10	0	10	No new coastal leases have been signed during the financial year, however, proposals to lease coastal properties were received from prospective tenants. The proposals to lease coastal properties were submitted to the REMS branch for further action as the custodians of the lease function at both Head

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 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
								Office and the Regional Offices.
	Revenue increased through letting out of vacant surplus State Owned 99coastal properties	Percentage rental change through the letting out of small harbours and state coastal properties	20%	12,55%	10%	8.4% (R20.17m)	1,6%	A cumulative revenue of R20.17m for the entire financial year was generated which equates to an increase of 8.4% against the 2020/21 baseline. The planned target of 10% was almost achieved however could not be achieved due to no new lease agreements being signed in the current financial year.

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
Integrated Planning and Coordination	Compliance verifications	Number of provincial Immovable Asset Registers assessed for compliance	9	9	9	9 Provincial immovable asset registers assessed for compliance	-	-
Productive Assets		Number of immovable assets physically verified to validate existence and	21 401	12 035	21 000	18 692 Immovable assets physically verified to validate existence and	2 308	Limitations in terms of officials employed on contract and challenges with provisioning of software and vehicles

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
		assess conditions				assess condition		
Productive Assets	Land parcels vested	Number of land parcels vested (confirmation of ownership)	528	241	1 000	200 State land parcels vested	800	Dependency on other National and Provincial custodians for processing and approval of vesting applications as per requirements of LAW system (Title deed numbers, SG diagrams, land use, etc.)

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
Productive Assets	Conditions of buildings and critical components	Number of conditions assessments conducted on identified/prioritized properties	New indicator	118	200	236	36	200 vs 236 Development of a Condition Assessments Template and training to resources resulted in the over achievement on FCAs - Annually
		Number of critical components assessed to determine conditions of components (lists and boilers)	New indicator	209	400	300	100	400 vs 300 The Critical Components require enhanced technical specialized skills and therefore there was non-achievement of the annual target

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 2019/20	Actual Achievement 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement 2021/22	Reasons for deviations
		Number of preventative maintenance contracts to reduce maintenance	New indicator	New indicator	165	238	73	165 vs 238 Implementation of preventative maintenance term contracts to reduce reliance on reactive maintenance as a result of term contract directive

2.5 Strategy to overcome areas of under performance

- **The 10 Principles to improve performance**

The Department has developed the top ten general interventions also referred to as the 10 Commandments in order to address the persistent underperformance. Key to the interventions is the change management programme run by the Deputy Minister's office which will look at these 10 point plan and track implementation and progress on the identified interventions.

The interventions will focus on the following key management areas:

- Change Management Programme
- Service Delivery Improvement Programme
- Business Process Management Programme
- ERP Fast Track Programme
- Macro Business and Delivery Model of the DPWI
- Ethics & Compliance, Infrastructure and Consequence Management Unit
- Contract Management and Monitoring Capacity
- Organisation Wide Skills Assessment
- Organisation-Wide Maturity In Strategic Management
- Clean Audit

Human Resource Capacity

The COVID-19 placed multiple restrictions on the capacity and capacitation efforts of the Department to deliver on its mandate as well as the relevance and effectiveness of the approved Integrated Human Resource Plan of the Department. The Department is continuing with its intensive recruitment drive to ensure that it has the required skills and competencies to deliver on its mandate and objectives and to proactively address the Department's prioritised focus areas. More emphasis and focus has been and will be placed on the filling of critical senior management positions to ensure stability and accountability.

The Department will conduct an Organisation Wide Skills Assessment to determine the current skills mix and the interventions, including an expedited capacitation drive, required to optimise service delivery.

- **Recognition of Designated Groups and Promotion of Women and Persons with Disabilities**

The Department continues in its strides towards empowerment of Women, Youth and Persons with Disabilities and the achievement of the National Employment Equity targets of 50% for women in SMS and 2% respectively for Persons with Disabilities. In demonstrating its commitment to meeting these targets, the Department will elevate these interventions into the Strategic and Annual Performance plans.

- **Information and Communication Technology (ICT)**

The COVID-19 pandemic has disrupted all areas of business operations – from how officials interact with each other to how they consume ICT resources. In this regard, ICT has played a critical role in

enabling remote working and ensuring business continuity to minimize the impact of the change brought about by the pandemic. In addition, to shape the DPWI's digital future, ICT is putting in place interventions to ensure proper governance, risk management and IT security. In this regard, there is an emerging consideration for putting in place cybersecurity controls.

In strengthening the DPWI's resilience and driven by a risk-based approach, ICT has sourced a credible partner to implement IT backup and recovery solutions. ICT has completed the solution and hardware configuration at the Head Office and the 11 Regional Offices. The system will be in production in the next financial year. The ERP solution is the cornerstone of the ICT digital transformation strategy. In this regard, the ICT EXCO has endorsed the ERP solution business case. The next step is to source a capable service provider to digitalise the IAR and complete and integrate the ERP solution modules. It is anticipated that this process will be finalised in the fourth quarter of 2022/23.

The department plans to pilot the block chain project. The block chain project offers the opportunity to test the Fourth Industrial Revolution (4IR) digital technology application. The project will be focusing on the IAR and SCM processes. The project team has completed the requirements gathering and business case, and approval from the National Treasury is expected before the financial year-end.

2.6 Linking performance with budgets

- **Budget Allocation 2021/22**

The Department's adjusted appropriation for the year under review was R8.354 billion, which is an increase of 8% compared to the 2020/21 financial year's adjusted appropriation of R7.724 billion. The increase in the budget allocation was mainly for current payments and transfers and subsidies and payments for capital assets.

As depicted in Table 2.1, 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 2.1 Budget allocation

Table 1.2: Budget Allocation per Programme Programmes	Allocation	Allocation as %
	R`000	
Programme 1: Administration	504 598	6%
Programme 2: Intergovernmental Coordination	58 541	1%
Programme 3: Expanded Public Works programme	2 921 000	35%
Programme 4: Property and Construction Industry Policy and Research	4 780 965	57%
Programme 5: Prestige Policy	89 106	1%
Total	8 354 210	100%

- **Expenditure Analysis**

A summary of the Department’s financial performance is provided in the tables below which show the overall budget and expenditure as well as spending per economic classification.

Table 2.2 Expenditure Analysis

	2021/22	2020/21
	R'000	R'000
Budget allocation	8 354 210	7 724 379
Actual Expenditure	8 082 195	7 531 034
Actual: Spent Budget %	96.7%	97.5%
Unspent funds	272 015	191 345
Actual: Unspent Budget %	3.3%	2.5%

Table 2.3 Expenditure Analysis per Programme

	2021/22				2020/21		
	Final Appropriation	Actual Expenditure	Variance	Expenditure as %	Final Appropriation	Actual Expenditure	Expenditure as %
	R'000	R'000	R'000	%	R'000	R'000	%
Administration	504 598	416 494	88 104	82.5%	456 902	384 339	84.1%
Intergovernmental Coordination	58 541	44 202	14 339	75.5 %	58 219	42 296	72.7%
Expanded Public Works Programme	2 921 000	2 811 509	109 491	96.3%	2 468 846	2 412 105	97.7%
Property And Construction Industry Policy and Research	4 780 965	4 757 194	23 770	99.5%	4 676 490	4 643 784	99.3%
Prestige Policy	89 106	52 796	36 311	59.3%	63 922	48 510	75.9%
Totals	8 354 210	8 082 195	272 015	96.7%	7 724 379	7 531 034	96.7%

Table 2.4 Spending Per Economic Classification – DPW

	2021/22				2020/21		
	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	578 887	497 360	81 527	85.9%	558 559	484 989	86.8%
Goods and services	392 955	279 591	113 364	71.2%	346 013	236 411	68.3%
Transfers & subsidies							
Provinces & municipalities	1 595 629	1 594 154	1 475	99.9%	1 582 393	1 580 545	100.0%
Departmental agencies & accounts	4 526 375	4 526 375	-	100.0%	4 402 071	4 402 071	100.0%
Foreign governments & international organisations	28 265	28 265	-	100.0%	29 013	29 013	100.0%
Public corporations & private enterprises	180 972	180 972	-	100.0%	209 301	209 301	100.0%
Non-profit institutions	1 020 414	956 134	64 280	93.7%	578 484	578 484	100.0%
Households	13 256	13 256	-	100.0%	7 628	7 628	100.0%
Payment for capital assets							
Machinery & equipment	17 322	5 953	11 369	34.4%	10 747	2 422	22.5%
Payment for financial assets	135	135	-	100.0%	170	170	100.0%
Total	8 354 210	8 082 195	272 015	96.7%	7 724 379	7 531 034	97.5%

Departmental spending for the period under review is R8.082 billion which represents 96.7% of the adjusted budget of R8.354 billion. Under spending of R272 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 underspending of R88 million in Programme 1 relates to:

- Compensation of employees underspending of R32 million is mainly due to the delay in the filling vacant positions.
- Goods and services underspending of R52 million mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure.
- Machinery and equipment underspending of R4 million is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

○ **Programme 2: Intergovernmental Coordination**

The underspending of R14 million in Programme 2 relates to:

- Compensation of employees underspending of R7 million is mainly due to delays in the filling of funded prioritised positions and those vacated during the financial year.
- Goods and services underspending of R5 million mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure.
- Machinery and equipment underspending of R2 million is due to delay in procuring boardroom systems and other assets aligned to the projected filling of vacant priority positions.

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

The underspending of R109 million in Programme 3 relate to:

- Compensation of employees underspending of R22 million is mainly due to delays in filling of funded prioritised positions and those vacated during the financial year.
- Goods and services underspending of R21 million is mainly due to intermediary management fee payment relating to EPWP Non-State Sector Programme and outsourced services supporting the EPWP projects.
- Transfers and subsidies underspending of R66 million mainly due to EPWP Non-State Sector programme payment being withheld as result of unfulfilled contractual obligations.
- Machinery and equipment under spending of R488 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 underspending of R24 million in Programme 4 relates to:

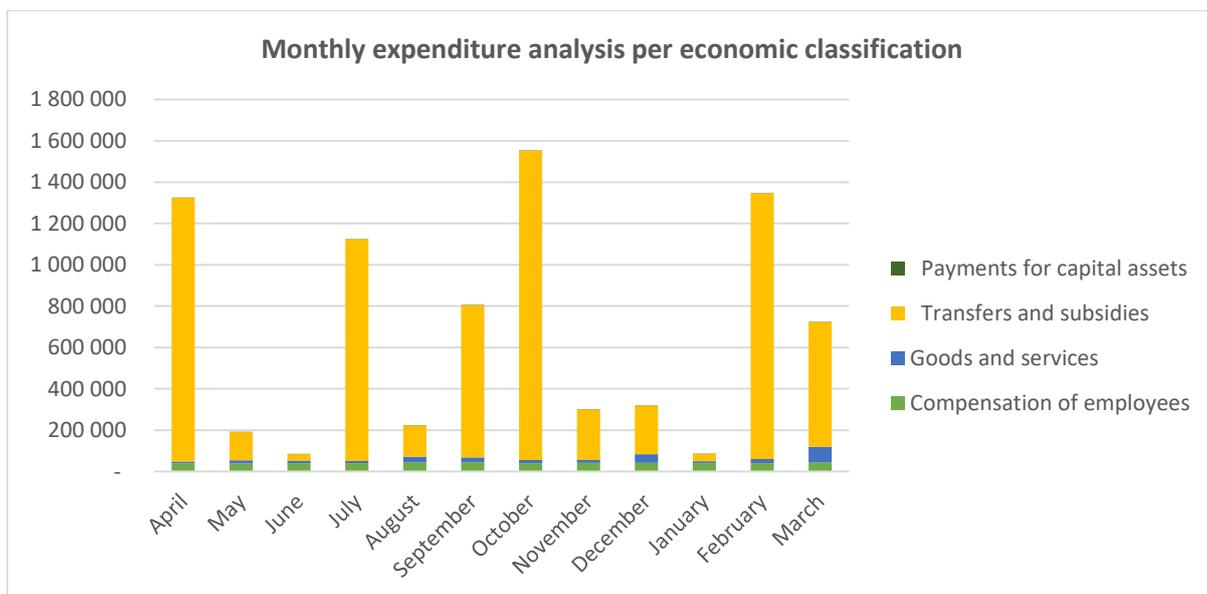
- Compensation of employees underspending of R17 million is mainly due to delays in the filling of funded prioritised positions and those vacated during the financial year.
- Goods and services underspending of R6 million mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure.
- Machinery and equipment underspending of R293 000 is due to a delay in the planned acquisition of assets resulting from unfilled vacant positions.

o **Programme 5: Prestige Policy**

The underspending of R36 million in Programme 5 relates to:

- Compensation of employees underspending of R2 million is mainly due to delays in the filling of funded prioritised positions and those vacated during the financial year.
- Goods and services underspending of R30 million mainly due to nation-wide lockdown restrictions which affected spending on state events.
- Machinery and equipment underspending of R4 million is mainly due to lower than projected spending on the planned acquisition of assets.

• **Spending trends**



The monthly expenditure was in the average region of R674 million with high spending of R1.325 billion, R1.553 billion and R1.347 billion in April 2021, October 2021 and February 2022 respectively. High expenditure relates to the transfer payment to the PMTE, Agrément SA, CIDB, CBE and EPWP Grants for provinces.

2.7 Transfer Payments

Table 2.5 Transfer payment

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"> • Implementation of Eco Label Scheme. • Agrément certification projects managed and finalized within timeframes. • Quality Assurance on all certificates in use. • Public Buildings Green Building Certification Framework and Rating tool developed 	R33 078 000	R23 264 015	<ul style="list-style-type: none"> • 3 Eco Label Scheme specifications approved • Approved Marketing and Communications strategy followed by features on community radio stations and collaborations formed with key stakeholder, e.g. Department of Human Settlements and National Home Builders Registrations Council (NHBC) • Unqualified external audit report with emphasis of matters • Zero percent of fruitless and wasteful incurred of the approved budget
Council for the Built Environment	<ul style="list-style-type: none"> • Provision of advisory services to the 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 	R53 528	R53 528	<ul style="list-style-type: none"> • CBE received a clean audit for 2021/22 financial year. • An enhanced CBE procedures manual for quality assurance was produced • Ten baseline /analysis reports were developed. • Three functional databases of women-owned Built Environment Professionals and Built Environment companies were sourced • CBE submitted inputs on the procurement bill recommending a differentiation between procurement of built environment professionals and procurement of goods • CBE convened stakeholders to investigate the resuscitation of the Roster System in procuring Built Environment professional services • Thirty-two workplaces were monitored and evaluated in implementing the Structured Candidacy Programme • Oversight report on the CBEP' accreditation of Built Environment

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
	<p>professions with regard to: 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 charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition; v. standards of health, safety and environmental protection within the built environment; vii. recognition of voluntary associations for the built environment professions, by approving the framework for that recognition</p>			<p>Academic programmes and institutions was developed</p> <ul style="list-style-type: none"> • Twenty-seven research papers aligned to the CBE Research Agenda were published on the Built Environment Research Hub • Four research discussion papers were developed in line with the CBE Research Agenda • Hundred percent of the recommended Built Environment Legislative Updates action plan was implemented • Hundred percent of lodged appeals were finalised within the statutory 60 days from the date of lodgement. A total of six appeals were finalised in the 2021/22 financial year • Corporate Governance assessment of six Councils for the Built Environment Professions (CBEP) on compliance with the provisions of the adopted Governance Framework was developed. • 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 • Broad-based long-term strategy for the transformation of the built environment

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
	<p>submitted by the councils for the professions,</p> <ul style="list-style-type: none"> Act as an appeal body on matters referred to it in terms of the law regulating the Built Environment Professions. 			
Construction Industry Development Board	<ul style="list-style-type: none"> Ongoing administration and management of the National Register of Contractors and Register of Projects Implementation of the B.U.I.L.D Programme. Stakeholder capacitation conducted countrywide. Produced four industry construction monitors providing insight into the construction industry for policy makers and industry stakeholders National Stakeholder Forum convened for industry to advise Minister on matters affecting the construction industry 	R78,166 000	R194 372 406	<ul style="list-style-type: none"> Achieved 93% performance against Annual Performance Plan targets Produced five Master's degree graduates and two PhD candidates through the cidb Centre of Excellence partnership with the University of Johannesburg. Produced, through the cidb Centre of Excellence the first documented construction-related fourth industrial revolution research in South Africa. The second study examined the causes and effects on stakeholders of construction tender cancellation. 153 learners offered experiential learning opportunities 367 contractors provided with contractor development support 108 client departments capacitated on Infrastructure Delivery Management System (IDMS) Partnered with the University of Johannesburg to host a virtual seminar on the state of the South African construction industry Hosted the Empowerment and Recognition of Women in Construction (ERWIC) awards The cidb maintained its lead role in construction-related skills competition, WorldSkills South Africa
Independent Development Trust	<ul style="list-style-type: none"> Number of new or replacement facilities that comply with 	R93 million	R93 million	<ul style="list-style-type: none"> Seventeen (17) new facilities were completed during the period under review against a target of Fifteen (15) facilities.

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
	<p>infrastructure norms completed</p> <ul style="list-style-type: none"> • Percentage of weighted B-BBEE Spend (Based on total programme spend) • Percentage of projects completed on time • Number of work opportunities created through EPWP (EPWP-NSS excluding IDT programme portfolio) • Number of construction work opportunities created (IDT Portfolio) • Value of programme spend 			<ul style="list-style-type: none"> • The percentage of BBEE expenditure stood at 44 percent against a target of 70 percent expenditure (R999.0713 million). • Hundred percent (100%) of all facilities that reached final completion stage were completed. • A total of 100 212 work opportunities were created through EPWP Non-State Sector Programme against a target of 42 868 work opportunities. • A further 3 960 work opportunities were created through the IDT programme portfolio against a target of 4 572 • The entity achieved R 2.3 billion in the total value of programme spending against a target of R 2.634 billion for the 2021/22 financial year • Seventeen (17) new facilities were completed during the period under review against a target of Fifteen (15) facilities • The percentage of BBEE expenditure stood at 44 percent against a target of 70 percent expenditure (R1 billion) • Hundred percent (100%) of all percent of all facilities that reached final completion stage were completed. within budget whilst fifty-six percent (56%) of all facilities that reached the practical completion during the 2020/21 financial year were completed on time against the targeted 70% • A total of 100 212 work opportunities were created through EPWP Non-State Sector Programme against a target of 42 868 work opportunities • A further 3 960 work opportunities were created through the IDT programme portfolio against a target of 4 572

2.8 Conditional Grants

EPWP Integrated Grant for Performance

The EPWP Integrated Grant for Provinces had an allocation of R422.486 million. As at 31st of March 2022, a total of R421.016 million was transferred to eligible public bodies, which is 99.7% of the allocation. The variance of R1.4 million was withheld due to non-compliance with conditions of the grant framework. The Provincial Departments reported expenditure of R412.361 million, which was 98% 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 Expanded Public Works Programme (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 • 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 • Number of full-time equivalents (FTEs) to be created through the grant
Actual outputs achieved	The total FTE's created is 79 414
Amount per amended DORA	R422.486 million
Amount transferred	R421.016 million
Reasons if amount as per DORA not transferred	R1.4 million was not transferred to one department in Gauteng Province due to failure to spend the transferred first tranche amount.
Amount spent by the provincial Departments	R412.361 million
Reasons for the funds unspent by the entity	The unspent funds is as a result of delays in the implementation of grant funded projects.
Monitoring mechanism by the, transferring department	The EPWP Integrated Grant for Provinces is monitored through the In-Year Monitoring (IYM) reports submitted on a monthly basis by Provincial Departments, public

	body visits and reports on work opportunities, as extracted from the EPWP reporting system.
--	---

The EPWP Integrated Grant for Municipalities had an allocation of R758.693 million. By the 31st of March 2022, a total of R758.693 million was transferred to municipalities and this is 100% of the allocation. The municipalities reported expenditure to the amount of R 649.752 million which is 86% of the allocation.

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 • 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 • community safety programmes
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of Full-Time Equivalent (FTEs) to be created through the grant • 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 81 609
Amount per amended DORA	R758.693 million
Amount transferred	R758.693 million
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Municipalities	R649.752 million
Reasons for the funds unspent by the entity	The implementation of projects is in line with the municipal financial year. Remaining balance will be spent in the fourth quarter of municipal financial year.
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 allocation for the Social Sector EPWP Incentive grant was R 414.444 million and 100% of the allocation was transferred to eligible provincial departments. The total expenditure reported by provinces is R403.111 million and this is equivalent to 97% 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 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"> • 9 634 Full-Time Equivalents (FTEs) funded through the grant • A minimum of 11 079 people are employed and receiving income through the EPWP grant • A minimum average duration of 200 person days for work opportunities created • A minimum of 150 000 beneficiaries are provided with social services
Actual outputs achieved	<ul style="list-style-type: none"> • 16 913 FTE's created • 18 774 people were employed • Average duration of 200 person days for work were achieved • 311 766 beneficiaries received the services
Amount per amended DORA	R 414 444 million
Amount transferred	R 414 444 million
Reasons if amount as per DORA not transferred	R346 thousand was not transferred to the department in Northern Cape due to the underspending of transferred allocation.
Amount spent by the provincial Departments	R403.111 million
Reasons for the funds unspent by the entity	Some Provincial Departments could not spent the full allocation due to late start of some projects.
Monitoring mechanism by the transferring department	The Social Sector EPWP Incentive Grant for Provinces is monitored through the In-Year Monitoring (IYM) reports submitted on a monthly basis by the provincial

Departments, quarterly performance reports and reports on work opportunities as extracted from the EPWP reporting system. The department also conducted public body visits, as part of monitoring.

Challenges experienced in the 2021/22 financial year

- As with any other sector of the economy, the EPWP was also negatively affected by the Covid-19 pandemic because the implementation of some EPWP projects could not start on time.
- While the 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 with the Covid-19 protocols before implementation.
- In some instances there was poor technical capacity in public bodies to implement projects.
- Poor and under-reporting of work opportunities by public bodies.

Measures 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.

2.9 Capital Investment

A total of 135 project were completed during the 2021/2022 FY. One hundred and twenty nine (129) of these were completed within the allocated budget and seventy six (76) 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	36	6,5%	2794	10%	9517	23,1%	549	10,6%	95	5,8%	12 991
Defence	3	0,5%	19493	67%	3698	9,0%	732	14,1%	303	18,6%	24 229
Justice	44	8,0%	538	2%	1892	4,6%	233	4,5%	53	3,3%	2 760
Other User Depts.	166	30,1%	2518	9%	11612	28,2%	1832	35,4%	530	32,6%	16 658
SAPS	303	54,9%	3591	12%	13334	32,3%	1549	29,9%	311	19,1%	19 088
Unutilised	-	0,0%	-	0%	1170	2,8%	285	5,5%	336	20,6%	1 791
Grand Total	552	100%	28 934	100%	41 223	100%	5 180	100%	1 628	100%	77 517

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 be 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 the funded Maintenance Programme on an annual basis.

CHAPTER 3 GOVERNANCE



Infrastructure-led Growth

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 organisation 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. This chapter focuses largely on outcomes 1: **Resilient, Ethical and Capable DPWI with** 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.

3.2 Risk Management

Risk Management in the Department is supported by the Risk Management Policy and Risk Management Strategy. The policy is reviewed every three years whilst the strategy is reviewed annually to take into account changes in the environment with the intention to reflect the current stance on risk management.

The Department adopted an outcomes approach as a planning methodology. This process allows for risk identification during the planning stages. The Department has conducted risk workshops and assessments sessions for the review of risk registers. This consultative process took into account challenges that may hinder the achievements of departmental outcomes and identified strategies to mitigate such. Further, the Department has enhanced its risk management approach with the inclusion of the key risk indicators, risk tolerance, appetite and risk limits.

Risk assessment/reviews are conducted by the Department annually. This process evaluates the status of risks identified with regard to the progress on the implementation of action plans and determine the risk exposure at the residual level against the objective/outcomes of the Department. Emerging risks are identified during the quarterly monitoring process and where changes have occurred in the Department's operations, the risk register is updated accordingly.

The risks of the Department are discussed at the quarterly Risk Management Committee (RMC). The Committee is responsible for the oversight of the Department's risk management activities. It is chaired by an independent Chairperson and fully adheres to its Charter. A report detailing the discussion and resolutions taken at RMC meetings are presented to the Executive Committee (EXCO) meetings for further action to improve management decision making. The same report is presented to the Audit Committee. The Audit Committee uses the report and provides an independent and objective view of the effectiveness of the Department's risk management function. Furthermore, the Audit Committee monitors the implementation of risk management processes and advise management on ways to improve risk management in the Department.

3.3 Fraud and Corruption

The Department has an approved Fraud Prevention Strategy. The Strategy outlines a high level plan on how the Department implements 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.

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

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

The whistle-blowing policy provides for employees and external stakeholders to report without fear of victimisation, subsequent discrimination or disadvantage. Reports (open reporting) are received through Walk-in, emails, and telephone via Director: Fraud Awareness and Investigations; Deputy Director-General: Governance, Risk and Compliance; Director-General; Deputy Minister and Minister. Closed reporting is through the National Anti-Corruption Hotline (Anonymous) on 0800 701 701.

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.

Since 2009/10 financial year, the Department has conducted over 481 investigations on a series of allegations of fraud and corruption. As a result of these investigations, 452 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 73 cases which consist of criminal acts related to misrepresentation, fraud and corruption have also been referred to the South African Police Services for further investigation and possible prosecution of the perpetrators.

3.4 Minimising Conflict of Interest

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

- All SCM officials and every other departmental official who is involved in any supply chain processes are required to annually sign a “Code of Conduct for all DPW Officials Engaged in Supply Chain Management” Form (PA00). This requires the officials to declare in writing all business, commercial and financial interests.
- Officials involved in tender processes which include the development of specifications, evaluation and recommendation of tender awards, are required to complete and sign a “Declaration of Interest and Confidentiality” form (PA18). This is a mandatory requirement and no tender specification, evaluation or adjudication meeting convenes if this requirement is not adhered to.
- No official of the department is permitted to participate in any supply chain processes if that official is not duly appointed in writing or delegated to do so.
- All SCM officials are required to also submit on a quarterly basis a “Related Party Disclosure” form which requires them to disclose in detail the participation of spouses and close family members in any partnerships, close corporations and/or companies.
- In instances where an official declares a conflict of interest, the members at the meeting then deliberate on the nature of the conflict of interest to determine if it is material to the item under discussion. Legal services opinion is also sought where required. If a declared conflict is considered material, the member is immediately recused from the meeting and the disclosed conflict is recorded.
- All SCM officials are also subjected to a security vetting and screening process.
- The SCM Policy prohibits employees of the State from conducting business with any organ of the state. Bidder(s) that are found to be employed by the State are thus disqualified from the bidding process.
- To promote segregation of duties and to minimise collusive practices, the department processes electronic nomination and rotation of suppliers through the use of a sourcing system that interfaces with the National Treasury Central Supplier Database (CSD). The CSD is also utilised to scrutinize the 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 cases and implements restriction or 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 the Bid Adjudication Committees are rotated annually whilst members serving in Bid Specification and Bid Evaluation Committees are rotated per project. This dilute interest.
- Members that serve in the Bid Specification Committee and Bid Evaluation Committee are not permitted to serve in the Bid Adjudication Committee which adjudicates and awards tenders. This is 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. It is against this background that the Code of Conduct for the Public Service was promulgated under the Public Service Act in Chapter 2 of the Public Service Regulations as amended. The Code of Conduct contained in chapter 2 Part 1 of the Public Service Regulations as amended provides employees with sets of rules and standards of conduct expected from Public Servants. The purpose of the Code is to ensure that employees conform to the basic values and principles that govern public administration as provided for in various legislations and prescripts.

The Code of Conduct in the Public Service provides a set of rules, values and ethical principles that public servants should adhere to. The Code also provide sets standards on how public servants should conduct themselves from an ethical point of view both their individual conduct, the performance of their duties and their relationship with others.

The purpose of the Code is to promote ethical conduct, good governance and enhance professionalism in the public service. It serves to promote ethical and professional behaviours

among employees in the Public Service in order to enhance service delivery, and to restore confidence and trust in the public service.

In the period under review, the Department adhered to the Code of Conduct and the service charter because employees are subjected to disciplinary processes for contravention of the same. The Code of Conduct and Service Charter is circulated to all Departmental users to serve as a reminder of their obligation to comply with same. Further, training on the Code of Conduct is conducted for newly appointed employees as part of the induction with an intention to establish and maintain an ethical culture in the Department.

The Department reported some degree of compliance with the Code of Conduct among employees. The extent of compliance confirms good administration and efficient management of discipline in the Department. Areas of non-compliance with the Code of Conduct include employees who often engage themselves on unethical behaviours such as fraud, corruption, maladministration and other forms of general contraventions of the Code, which in turn prejudice the administration, efficiency and discipline of the Department and have a negative impact on its operations and integrity.

In terms of the Disciplinary Code and Procedure for the Public Service (Resolution 1 of 2003) and for SMS members (Chapter 7 of the SMS Handbook), all employees in the Public Service have the responsibility to comply with the prescribed Code of Conduct.

The Department follows the disciplinary processes contained in the above Disciplinary Code and Procedures to deal with any breach of the Code of Conduct in its employment. This code serves as the 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 the contravention of same.

3.6 Health Safety and Environmental Issues

The Occupational Health and Safety Compliance is a Directorate within the Facilities Management Branch responsible for ensuring compliance with the Occupational Health and Safety Act & Regulations (OHS Act), Act 85 of 1993, South African National Standards, and the Municipal By-Laws in the respective local authorities as well as the National Railway Safety Regulator Act no 16 of 2002.

This is achieved through continuous scheduled and unscheduled building inspections as well as construction inspections. The Department of Public Works and Infrastructure, through its Occupational Health and Safety Compliance directorate 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 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 State and Leased facilities as well as Construction Projects to monitor the level of compliance. Most of the Facilities which are found not complying with the requirements of the OHS legislation, Reports with recommendations are prepared and shared with the responsible unit to address the findings.

One of the Departmental strategic risk is loss of life. Either from construction or maintenance incidents or within our state and leased facilities as well as occupational diseases with serious reputational damage, possibly lawsuits/litigations, to the Department. Part of our controls put in

place is to conduct inspections to monitor the level of compliance in all facilities that we provide to our client departments or construction projects that we implement on their behalf.

The OHS Compliance Directorate in accordance with the current PMTE reporting structure is placed under the Facilities Management Branch. The OHS Compliance directorate regards the following internal stakeholders as its clients,

- Construction project management – Construction projects compliance inspections
- Real Estate Management Services – Building inspections (state/leased)
- User Demand Management – Leased building inspections
- Facilities Management – Projects or emergency work compliance inspections &
- Real Estate Investment Services – building compliance inspections

Compliance Inspection are also conducted 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 (SANAS) 30001. Some of the 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 fuel for Presidency. The Department applies for a Railway Safety Permit annually 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. 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.

The Department is in possession of (14) railway sidings in different regions and only (5) 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 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 interface agreements with interfacing operators such as Transnet Freight Rail and Senwes who are also responsible for the maintenance of their railway lines. The relationship between the Department of Public Works and Infrastructure, Senwes and Transnet Freight Rail is managed by the Interface Agreement signed by all interfacing parties. Furthermore, the Department has a service level agreement with private operators such as Saflog and Aplorox and are both responsible to maintain the Railway sidings that they are utilizing. The Railway Safety Nominated Manager has since been appointed to handle all railway related activities in all the regions where the Department is the custodian of sidings.

- **Covid-19 Pandemic**

Covid-19 pandemic has imposed additional responsibilities to the OHSC directorate, both at head Office and Regional level.

It was mandatory that each department must appoint a Compliance Officer, The Director OHSC was appointed in writing, as the Departmental Compliance Officer by the Director-General on the 13th of May 2020. Part of the responsibilities of the Compliance Officer are:

- To ensure safety of all NDPWI employees by putting safety measures in place to prevent the spread of COVID-19 in the workplace.
- Review the Risk Assessment and monitor the effectiveness of the controls put in place.
- Review the Health and Safety Policy.
- Develop a protocol and safe working procedure.
- Ensure that employees have appropriate PPE to protect them against the transmission of COVID-19.
- Appointment of regional Compliance Employees.
- Establishment of Health and Safety Committees.

3.7 Portfolio Committees

Item	Date	Subject
Meeting: Portfolio Committee on Public Works and Infrastructure	16 March 2022	Consideration of the Expropriation Bill [B23-2020] clause by clause
Meeting: Portfolio Committee on Public Works and Infrastructure	16 March 2022	Consideration of the Expropriation Bill [B23-2020] clause by clause
Meeting: Portfolio Committee on Public Works and Infrastructure	29 March 2022	Responses by the DPWI Legal Branch on issues raised during the consideration of the Expropriation Bill [B23-2020] clause by clause
Meeting: Portfolio Committee on Public Works and Infrastructure	30 March 2022	Responses by the DPWI Legal Branch on issues raised during the consideration of the Expropriation Bill [B23-2020] clause by clause

3.8 SCOPA Resolutions

SCOPA Resolution	Date of Meeting	Departmental Response
<p>The purpose of the meeting was for the Department of Public Works and Infrastructure (DPWI) to present a progress report on the implementation of the ten specific recommendations tabled by SCOPA on 17 November 2020 in the report to Parliament on its oversight visit to Beitbridge Border Post, from 4 to 6 September 2020</p> <ul style="list-style-type: none"> • The Chairperson said the Committee would process the information from the relevant entities on all pertinent matters to relating to the Beitbridge Border Post. • The Committee would set a date for an engagement, and as there would be the Budget Vote, the Committee might have to have a graveyard session for the stakeholders to come in and provide explanations. • He said the Committee wanted a timeline for when the disciplinary processes would be happening. • The Committee would determine, the following week, after receiving input, as to how much more time would be given for the disciplinary processes. • The Minister would be held directly accountable if the processes did not move with the necessary speed. She had to employ the necessary resources to deal with the matter, as a failure to do so would set the precedent that consequence management was negotiable. 	<p>11 May 2021</p>	<ul style="list-style-type: none"> • The Minister said she had asked the DPWI to review all the contracts to increase the penalties for poor performance and service delivery. • The legal department had to look at the type of contracts entered into. She was unsure of what criteria were used to determine which contractor received which contract. • The internal audit team had to speed up the review process of all of the contracts to strengthen them and build in penalty clauses to protect the government and not only the service provider. • She said that Mr Mandla Sithole, Chief Financial Officer, DPWI, had introduced a system whereby he made sure that before the finance department transferred payment to the service provider, he verified that the necessary work was received. • The DPWI also had independent companies to assist in the doing of due diligence on these companies. • She had also instructed the legal department to be involved in the tender process right from the start. • She agreed that the contracts had to be looked at and the speed of work had to be increased in terms of working on the recommendations. • She said that she would write to the Chairperson in a weeks' time explaining how this would be done, so that the Committee was satisfied with the reports at the next engagement. • The DPWI acknowledged its weaknesses and would work with the Committee in improving its performance.

SCOPA Resolution	Date of Meeting	Departmental Response
<ul style="list-style-type: none"> This was a black mark on the DPWI of epic proportions. 		
<p>Beitbridge border fence irregularities: progress report with Minister</p> <ul style="list-style-type: none"> The Standing Committee on Public Accounts (SCOPA) convened in a virtual meeting for a progress report by the Department of Public Works and Infrastructure (DPWI) on the investigations into the Beitbridge border irregularities. While SCOPA appreciated the progress made by DPWI following the Committee recommendations, it was frustrated by the slow progress in consequence management. The Committee asked for the material steps taken to expedite getting the MoU signed as it seemed to be taking a while. Members were also concerned about the Department's argument in the declaratory order. SCOPA will meet with DPWI in the first term of 2022 about the conclusion of the disciplinary process. 	<p>30 November 2021</p>	<ul style="list-style-type: none"> DPWI explained that the State Attorney and counsel were instructed to finalise charges against all the officials during the first week of February 2021. The charges were served on all the officials. The hearing was held on 8 March 2021, where parties agreed to the hearing date. A pre-hearing meeting was held on 30 March 2021 between the employer and employee parties, and it was agreed that the bundle of documents be served on employee representatives by 6 April 2021. The hearing for the senior officials was scheduled for May 2021. However, it was postponed due to the failure of the legal representative of one of the officials to attend the hearing. DPWI said that the court is bound to declare a contract invalid if the facts presented are clear that indeed an irregular procurement process was followed. In this case, the court application dealt with the declaratory order that the contracts were invalid and for DPWI to recover the overpayment. The jurisprudence is that once the court makes a declaratory order, it is not automatic that the other party will be entitled to repayment. The court retains the discretion to order what is just and equitable. In most cases, even if the contract is illegal, the court may still grant a relief that requires one to honour the repayments.
<p>The purpose of the meeting was to examine and interrogate the 2020-2021 Annual Report and Financial Statements.</p> <p>The SCOPA meeting with the Department of Public Works and Infrastructure (DPWI) was on areas of the Property Management Trading Entity (PMTE).</p> <p>A hearing was held on the financial outcomes, and qualified audit opinion of the entity, i.e. on the annual report</p>	<p>22 February 2022</p>	<p>The Deputy Minister Ms Noxolo Kiviet made brief closing remarks in the absence of the Minister who had left early. She appreciated the leadership of the Chairperson – his last comments would help the Department – it was useful for the Department to hear those comments from someone other than the Executive. It provided objectivity.</p> <ul style="list-style-type: none"> The DM said there needed to first be acknowledgement of wrong-doing to be able to find the correct solutions and implement it for a better way forward. Furthermore, she thanked SCOPA for the insistence on good governance as well as the fact that one should not 'manage' audit outcomes; and that She would ensure that the additional responses would be provided in-writing timeously;

SCOPA Resolution	Date of Meeting	Departmental Response
<p>and financial statements of PMTE for the financial year 2020/21, as well as irregular, fruitless and wasteful expenditure</p> <ul style="list-style-type: none"> • The Chairperson was concerned about the incoherence in the responses and mentioned that the Committee would probably need to do more follow-up meetings with the Department. • He noted that a lot of the time was taken up with the Beitbridge matter as well as consequence management around the funerals. The Committee may not have given adequate attention to the other day-to-day issues of the Department. • The Department was requested to submit responses in writing by the following Wednesday; • The Chairperson did not think the Acting DGs statements about the system were contrary to what the Minister had said – otherwise the system would have already been implemented; • Furthermore he state that the fact that there was an over-reliance on a paper-based system was fundamentally a risk to document management in this day and age. It created a conducive and enabling environment for corruption to take place. It allowed for documents to go missing, where there would be no accountability. There needed to be a core-front on the root causes on the dilemmas that the Department was in and Ms van Minnen was right that there was too much defending and justification.– ‘finger 		<ul style="list-style-type: none"> • Everything would be done to ensure a clean audit.

SCOPA Resolution	Date of Meeting	Departmental Response
<p>pointing' was the order of the day.</p> <ul style="list-style-type: none"> The Chairperson further mentioned that the Department had been like this for the longest of time, because of that 'wrong mentality.' It was unprofessional. He hoped the ten-point plan would yield results alongside the audit action plans; and that Audit outcomes were not a negotiation. 		

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 2022, 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, CGMA, ATC, B Com (Hons), B Com.	01/12/2019	9
Ms AMM Badimo	MBA, MSc, BSc Hons (CS), BSc (CS), CISM, Cert.IT.Audit, CGEIT, CISA, CRISC, COBIT.5, PMP, CBE,ITIL	01/12/2019	9
Mr P Heeger	Pr CPM, Pr TECH(ENG), Pr TECH (ARCH), MSAICE (JSD)	01/12/2019	9
Mr E Kerst	Pr Eng., FSAICE, AffM.ASCE, MSc Eng, BSc Eng	01/12/2019	8

Name of member	Qualifications	Date appointed	Number of meetings attended
Ms SFS Makhathini	CA(SA), B Compt (Hons), CTA, B Com	01/12/2019	9
Mr SM Mamotheti	MBA, CIA, CCSA, B Compt, PGD., HDip Tax,	01/12/2019	9
Ms MM Phiri	CA(SA), B Compt (Hons), B Com	01/12/2019	9
Ms N Sonjani	CA (SA), CTA, B Compt	01/12/2019	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 of the Entity is still 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 below. The key significant areas where the system of internal controls was inadequate or ineffective based on the reports from the Internal Audit Unit, AGSA and other assurance providers include the following: -

- A major regression was noted with property, plant and equipment regarding the opening balances that were subject to significant restatements in the current year. Management was not able to provide sufficient and appropriate supporting documents for the restatements made on the Immovable Assets Register within the pre-agreed audit timeline.
- Despite the management's good intervention in strengthening the controls around the lease management, overpayments and misstatements on recorded lease transactions continued to occur during the year.
- There has been improvement regarding the implementation of the previous years' audit action plans but significant work is still required to improve the overall audit outcome for the Entity.

- Overall improvements in the internal control environment continued to be hampered by inadequate automation of business processes, poorly implemented ICT systems, dependency on the legacy & outdated systems and the absence of integrated systems.
- Instability of the Entity's leadership has also contributed to hampering the improvements of the overall control environment. Progress was noted in filling key positions like Head of PMTE, Head of Facilities Management and Head of ICT
- There are cases where PMTE incurred financial losses due to inadequate project management of contracts. These losses resulted from the extension of time claimed by contractors due to delays experienced on the projects.

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:

- Financial Performance Controls.
- Pre-Determined Objectives
- Infrastructure Projects.
- Governance (IT Governance, Financial Governance, Project Governance, Compliance, and Ethics).
- Information and Communication Technology (ICT).
- Archibus: ERP Implementation.
- Oversight on Public Entities.

The effectiveness of the Internal Audit Function

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

Finance Function

The effectiveness of the Finance function is being compromised by the vacancies of the following key positions: - Chief Director Financial Accounting and Reporting, Chief Director Revenue and Debt Management and various Financial Directors in some of the Regions.

The reporting structure concerning the financial management of the Immovable Asset Register is complex and it creates confusion regarding roles and responsibilities and therefore it should be reviewed to allow for effective management of accounting processes for Immovable Asset Register.

To eliminate the remaining challenges of lease overpayments, the Entity should consider reconciling the lease suppliers' statements on a regular basis.

To shorten the timeframes for preparation of Annual Financial Statements at year-end, the Entity should consider preparing the full set of financial statements quarterly or half yearly.

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 regarding the embedment of the risk management in the daily activities of the Entity, remains outstanding.

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 are 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 2021/2022 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 2020/21 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 shortcomings of the entity.

Signed on behalf of the Committee by:



Mr AN Mhlongo CA (SA), ACMA, CGMA
Chairman of the Audit Committee
Date: 31 July 2022

3.10 B-BBEE Compliance Performance Information

The Department's SCM Policy provides for the implementation of BBBEE in the procurement practices and SCM Circular No 6 of 2018 on empowerment decrees how the BEE levels will be applied as prequalification criteria when soliciting quotations and tenders.

CHAPTER 4: HUMAN RESOURCE INFORMATION

Part A	Main Vote
Part B	PMTE



Infrastructure-led Growth

CHAPTER 4

HUMAN RESOURCE INFORMATION

4. Introduction

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

4.2 Status of Human Resources in the Department (DPW)

The Department employed 670 Individuals out of the 761 posts, inclusive of 30 additional employees to the organisational structure. Personnel expenditure as a percentage of total expenditure stood at 6, 1% in the period under review. A healthy staff turnover of 11.50 % was maintained during the current reporting period.

Additional descriptive statistics are provided in the Tables below.

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

4.3 Workforce Planning

The Department has an approved HR Plan for the MTEF period 2021/2022. 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 financial year under review. The Department also offered **175** new bursaries to serving employees for the 2021/22 academic year. This brought the total number of employees studying part-time at various institutions 361.

4.4 Performance Management

The Department 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 stood at an aggregate of 83% (1st semester assessments stands at an aggregate of 86% and 2nd semester assessments stands at an aggregate of 73%. This improvement is as a result of the enhanced alignment between the individual performance agreements and PMTE performance plans (Strategic Plan and Operational Plans).

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

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

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

4.1 Personnel related expenditure

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

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

Table 4.1.1 Personnel expenditure by programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training 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	416 494	257 617	970	61,85	664	394
DPW:EXP&ED PUBLIC WORK PROGRAMME	2 811 509	164 111	20	5,84	363	452
DPW:INTERGOVERNMENTLE COORDINTION	44 202	31 953	137	72,29	999	32
DPW:PRESTIGE POLICY	52 796	27 550	-	52,18	745	37
DPW:PROPERT&CONST IND POL & REG	4 757 194	16 129	-	0,34	1008	16
Total as on Financial Systems (BAS)	8 082 194	497 360	1 127	6,20	538	931

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, 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)	31 416,00	6,20	266 237,00	118
Highly skilled production (Levels 6-8)	81 081,00	16,00	479 769,00	169
Highly skilled supervision (Levels 9-12)	242 213,00	47,70	887 227,00	273
Senior management (Levels >= 13)	111 487,00	22,00	1 343 217,00	83
Contract (Levels 1-2)	20,00	0,00	0,00	0
Contract (Levels 3-5)	1 022,00	0,20	255 500,00	4
Contract (Levels 6-8)	1 236,00	0,20	412 000,00	3
Contract (Levels 9-12)	8 845,00	1,70	1 263 571,00	7
Contract (Levels >= 13)	19 236,00	3,80	1 479 692,00	13
Contract Other	601,00	0,10	0,00	0
Periodical Remuneration	4 723,00	0,90	18 165,00	260
Abnormal Appointment	7,00	0,00	7 000,00	1
TOTAL	501 886,00	98,90	539 083,00	931

* NB Compensation of Employees including transfer cost is. R501 886 000 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 **931** (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	217 493,00	82,70	3 657,00	1,40	7 909,00	3,00	10 548,00	4,00	262 989,00
DPW: EXPANDED PUBLIC WORKS PROGRAMME	139 667,00	82,80	0,00	0,00	5 922,00	3,50	4 093,00	2,40	168 600,00
DPW:INTERGOVERNMENTAL COORDINATION	28 036,00	84,50	0,00	0,00	1 027,00	3,10	525,00	1,60	33 198,00
DPW:PRESTIGE POLICY	20 940,00	80,60	1 108,00	4,30	541,00	2,10	983,00	3,80	25 969,00
DPW: PROP & CONS INDUS POLICY REG	14 315,00	85,80	78,00	0,50	651,00	3,90	166,00	1,00	16 675,00
TOTAL	420 451,00	82,90	4 842,00	1,00	16 051,00	3,20	16 316,00	3,20	507 431,00

* **Note Table 4.1.3** Compensation of Employees including transfer cost is R501 886 000. 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)	21 051,00	66,90	1 708,00	5,40	1 982,00	6,30	4 077,00	13,00	31 459,00
Highly skilled production (Levels 6-8)	63 030,00	77,50	2 084,00	2,60	2 875,00	3,50	5 613,00	6,90	81 287,00
Highly skilled supervision (Levels 9-12)	206 809,00	83,90	919,00	0,40	5 977,00	2,40	5 615,00	2,30	246 454,00
Senior management (Levels 13)	95 567,00	85,10	0,00	0,00	5 217,00	4,60	1 011,00	0,90	112 340,00
Contract (Levels 1-2)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	21,00
Contract (Levels 3-5)	986,00	96,50	0,00	0,00	0,00	0,00	0,00	0,00	1 022,00
Contract (Levels 6-8)	1 167,00	94,40	68,00	5,50	0,00	0,00	0,00	0,00	1 236,00
Contract (Levels 9-12)	8 196,00	91,80	64,00	0,70	0,00	0,00	0,00	0,00	8 925,00
Contract (Levels >= 13)	18 316,00	94,80	0,00	0,00	0,00	0,00	0,00	0,00	19 325,00
Contract Other	599,00	99,70	0,00	0,00	0,00	0,00	0,00	0,00	601,00
Periodical Remuneration	4 723,00	99,30	0,00	0,00	0,00	0,00	0,00	0,00	4 754,00
Abnormal Appointment	7,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00	7,00
TOTAL	420 451,00	82,90	4 842,00	1,00	16 051,00	3,20	16 316,00	3,20	507 431,00

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	437	386	51	12%	22
DPW:EXPANDED PUBLIC WORKS PROGRAMME	223	200	23	10%	3
DPW:INTERGOVERNMENTAL COORDINATN	40	32	8	20%	4
DPW:PRESTIGE POLICY	40	37	3	8%	0
DPW:PROP & CONS INDUS POLICY REG	29	15	14	48%	1
TOTAL	769	670	99	13%	30

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
Political Office Bearers	2	2	0	0%	0
Skilled (Levels 3-5)	124	118	6	5%	0
Highly Skilled Production (Levels 6-8)t	185	169	16	9%	0
Highly Skilled Supervision (Levels 9-12)	315	273	42	13%	2
Senior Management (Levels 13-16)	118	83	36	31%	4
Contract (Levels 3-5)	4	4	0	0%	3
Contract (Levels 6-8)	3	3	0	0%	3
Contract (Levels 9-12)	7	7	0	0%	6
Contract (Levels 13-16)	11	11	0	0%	12
TOTAL	769	670	100	13%	30

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	129	96	32	24,80	15

4.3. Filling of Senior Management Service (SMS) Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 4.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	0		0
Salary Level 16	7	6	14.3	1	14
Salary Level 15	8	5	37.5	3	38
Salary Level 14	29	23	20.7	6	21
Salary Level 13	78	61	21.8	17	22
Total	123	96	22	27	22

Table 4.3.2 SMS post information as on 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Political Office Bearers	2	2	100%	0	0%
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	4	3	75%	1	25%
Salary Level 15	10	3	30%	7	70%
Salary Level 14	37	25	68%	12	32%
Salary Level 13	86	65	76%	21	24%
Total	140	99	71%	41	29%

Table 4.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	0
Salary Level 13	2	0	0
Total	3	0	0

Table 4.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
These are mostly historical vacancies which were affected by the prioritization of critical vacancies and the impact of COVID 19

Reasons for vacancies not filled within twelve months
These are mostly historical vacancies which were affected by the prioritization of critical vacancies and the impact of COVID 19
Delays in panel approvals

Notes: In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

4.4. Job Evaluation

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

Salary Band	Number of Posts	Number of posts Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Skilled (Levels 3-5)	124	9	7,30	1	13,70	0	0,00
Highly Skilled Production (Levels 6-8)	185	101	54,60	0	0,00	0	0,00
Highly Skilled Supervision (Levels 9-12)	315	82	26,00	0	0,00	0	0,00
Senior Management Service Band A	70	36	51,40	0	0,00	0	0,00
Senior Management Service Band B	28	17	60,70	0	0,00	0	0,00
Senior Management Service Band C	8	0	0,00	0	0,00	0	0,00
Senior Management Service Band D	4	0	0,00	0	0,00	0	0,00
Contract (Levels 3-5)	4	0	0,00	0	0,00	0	0,00
Contract (Levels 6-8)	3	0	0,00	0	0,00	0	0,00
Contract (Levels 9-12)	7	0	0,00	0	0,00	0	0,00
Contract Band A	8	0	0,00	0	0,00	0	0,00
Contract Band B	1	1	100,00	0	0,00	0	0,00
Contract Band D	4	0	0,00	0	0,00	0	0,00
TOTAL	761	246	32,30	1	3,10	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 4.4.2 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 4.4.3 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 4.4.4 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

4.5. Employment Changes

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

Table 4.5.1 Annual turnover rates by salary band

Salary Band	Employment at Beginning of Period (April 2021)	Appointments	Terminations	Turnover Rate %
Skilled (Levels 3-5)	117	4	2	1,70
Highly Skilled Production (Levels 6-8)	175	2	5	2,90
Highly Skilled Supervision (Levels 9-12)	269	9	12	4,50
Senior Management Service Band A	55	1	4	7,30
Senior Management Service Band B	22	2	1	4,50
Senior Management Service Band C	3	0	0	0,00
Senior Management Service Band D	3	0	0	0,00
Other	10	29	39	390,00
Contract (Levels 3-5)	4	2	2	50,00
Contract (Levels 6-8)	3	0	0	0,00
Contract (Levels 9-12)	11	5	7	63,60
Contract Band A	11	4	6	54,50
Contract Band B	1	1	1	100,00
Contract Band D	3	1	0	0,00
TOTAL	687	60	79	11,50

Table 4.5.2 Annual turnover rates by critical occupation

Occupation	Employment at Beginning of Period (April 2021)	Appointments	Terminations	Turnover Rate %
Senior Managers	98		8	12,20

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 4.5.3 Reasons why staff left the department

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment at the end of the period
Death	2	2,50	0,30
Resignation	46	58,20	6,90
Expiry of contract	23	29,10	3,40
Dismissal-misconduct	2	2,50	0,30
Retirement	6	7,60	0,90
TOTAL	79	100,00	11,80

Resignation consists of permanent and contract employees who resigned during 2021/2022 financial year.

Table 4.5.4 Promotions by critical occupation

Occupation	Employment at Beginning of Period (April 2021)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
------------	--	------------------------------------	--	---	---

Senior Managers	98	5	5,10	94	95,90
-----------------	----	---	------	----	-------

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

Table 4.5.5 Promotions by salary band

Salary Band	Employment at Beginning of Period (April 2021)	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)	117	0	0,00	119	101,70
Highly Skilled Production (Levels 6-8)	175	2	1,10	170	97,10
Highly Skilled Supervision (Levels 9-12)	269	12	4,50	275	102,20
Senior Management (Levels 13-16)	83	5	6,00	82	98,80
Contract, Other	10	0	0,00	0	0,00
Contract (Levels 3-5)	4	0	0,00	4	100,00
Contract (Levels 6-8)	3	0	0,00	3	100,00
Contract (Levels 9-12)	11	0	0,00	9	81,80
Contract (Levels 13-16)	15	0	0,00	12	80,00
TOTAL	687	19	2,80	674	98,10

4.6. 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		1	96
Professionals	40	1	1	2	64	1		2	111
Technicians and Associate Professionals	70	2		1	97	5	1	3	179
Clerks	53	2		1	114		3	7	180
Service Shop and Market Sales Workers	52		1		43				96

Craft and Related Trade Workers	1		1						2
Labourers and Related Workers	2				4				6
TOTAL	268	6	4	6	361	8	4	13	670
Employees with disabilities	1	0	0	1	2	0	0	0	4

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

Table 4.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2022

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	4	1	0	0	8
Senior Management	41	0	1	1	30	1	0	1	75
Professionally qualified and experienced specialists and mid-management	120	3	3	2	136	3	2	4	273
Skilled technical and academically qualified workers, junior management, supervisors, foremen	40	2	0	0	115	2	2	8	169
Semi-skilled and discretionary decision making	53	0	0	0	64	1	0	0	118
Contract (Top Management)	2	0	0	1	1	0	0	0	4
Contract (Senior Management)	5	1	0	1	2	0	0	0	9
Contract (Professionally Qualified)	2	0	0	1	4	0	0	0	7
Contract (Skilled Technical)	1	0	0	0	2	0	0	0	3
Contract (Semi-Skilled)	1	0	0	0	3	0	0	0	4
TOTAL	268	6	4	6	361	8	4	13	670

Table 4.6.3 Recruitment

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	3	0	1	0	5	0	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making	1	0	0		3	0	0	0	4
Not Available	10	0	0		17	2	0	0	29
Contract (Top Management)	1	0	0		0	0	0	0	1
Contract (Senior Management)	1	0	0	1	3	0	0	0	5
Contract (Professionally qualified)	3	0	0	1	1	0	0	0	5
Contract (Semi-skilled)	0	0	0	0	2	0	0	0	2
Total	23	0	1	2	32	2	0	0	60

Employees with disability	0	0	0	0	0	- 0	0	0	0
---------------------------	---	---	---	---	---	-----	---	---	---

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

Table 4.6.4 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	
Top Management	3	0	0	0	3	2	0	0	8
Senior Management	43	0	1	1	32	1	0	1	79
Professionally qualified and experienced specialists and mid-management	124	3	3	2	146	3	2	4	287
Skilled technical and academically qualified workers, junior management, supervisors, foremen,	40	2	0	0	118	2	2	8	172
Semi-skilled and discretionary decision making	55	0	0	0	63	1	0	0	119
Contract (Top Management)	2	0	0	0	1	0	0	0	3
Contract (Senior Management)	5	1	0	1	2	0	0	0	9
Contract (Professionally qualified)	4	0	0	1	4	0	0	0	9
Contract (Skilled technical)	1	0	0	0	2	0	0	0	3

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Semi-skilled)	1	0	0	0	3	0	0	0	4
TOTAL	278	6	4	5	374	9	4	13	693
Employees with disability	1	0	0	1	3	0	0	0	5

Table 4.6.5 Terminations

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	3	0	0	0	2	0	0	0	5
Professionally qualified and experienced specialists and mid-management	4	0	0	0	8	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen	4	0	0	0	1	0	0	0	5
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	0	2
Not Available	14	0	0	0	23	2	0	0	39
Contract (Senior Management)	2	0	0	1	4	0	0	0	7
Contract (Professionally qualified)	3	0	0	1	3	0	0	0	7
Contract (Semi-skilled)		0	0	0	2	0	0	0	2

Total	32	0	0	2	43	2	0	0	79
--------------	----	---	---	---	----	---	---	---	----

Table 4.6.6 Disciplinary action

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
SUSPENSION FROM WORK WITHOUT PAYMENT	0	0	0	0	1	0	0	0	1
FINAL WRITTEN WARNING	5	1	0	0	3	0	0	0	9
WRITTEN WARNING	0	0	0	0	1	0	0	0	1
VERBAL WARNING	1	0	0	0	0	0	0	0	1
CASES WITHDRAWN/ NOT GUILTY/CASES NOT PURSUED DUE TO INCONCLUSIVE EVIDENCE	0	0	0	0	2	0	0	0	2
RETIREMENT / RESIGNATION, TRANSFER and DEATH	7	1	0	0	4	0	0	0	12
TOTAL	13	2	0	0	11	0	0	0	26

Table 4.6.7 Skills development

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	23	0	1	0	16	3	0	0	43
Professionals	19	0	0	0	32	1	0	0	52

Technicians and Associate Professionals	0	0	0	0	0	0	0	0	-
Clerks	10	0	0	0	45	0	2	-0	57
Service and Sales Workers	0	0	0	0	1	0	0	0	1
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	0	0	0	0	0
TOTAL	52	0	1	0	93	4	3	0	153

4.7 Signing of Performance Agreements by SMS Members

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

Table 4.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	0	0
Salary Level 16	2	2	Not required to submit the PA	Not required to submit the PA
Salary Level 15	4	4	3	3
Salary Level 14	23	23	21	21
Salary Level 13	54	54	50	50
Total	85	85	73	73

Notes

In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2020.

Table 4.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021

Reasons
Not applicable due to the fact that the 2021/2022 PMDS Cycle has not been concluded yet

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021

Reasons
Not applicable due to the fact that the 2021/2022 PMDS Cycle has not been concluded yet In terms of section 12.4.1 of Chapter 4 of the SMS handbook, SMS members who failed to comply with the due dates of PMDS documentation during a specific PMDS cycle will be excluded from performance related benefits.

4.8. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, 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	121	359	33,70	1 252,56	10 352,00
African, Male	68	267	25,50	919,52	13 522,00
Asian, Female	3	4	75,00	59,46	19 819,00
Asian, Male	0	4	0,00	0,00	0,00
Coloured, Female	1	8	12,50	4,43	4 432,00
Coloured, Male	1	6	16,70	36,89	36 893,00

Total Blacks, Female	125	371	33,70	1 316,45	10 532,00
Total Blacks, Male	69	277	24,90	956,41	13 861,00
White, Female	9	13	69,20	121,32	13 480,00
White, Male	0	5	0,00	0,00	0,00
Employees with a disability	2	4	50,00	10,85	5 424,00
TOTAL	205	670	30,60	2 405,03	11 732,00

Table 4.8.2 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)	27	118	22,90	134,60	4 985,00
Highly Skilled Production (Levels 6-8)	70	169	41,40	587,83	8 398,00
Highly Skilled Supervision (Levels 9-12)	107	273	39,20	1 665,73	15 568,00
Contract (Levels 3-5)	0	4	0,00	0,00	0,00
Contract (Levels 6-8)	0	3	0,00	0,00	0,00
Contract (Levels 9-12)	0	7	0,00	0,00	0,00
TOTAL	204	574	35,50	2 388,17	11 707,00

Table 4.8.3 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	2	96	2,10	32,97	16 487,00

No SMS received Performance Bonus for 2020/2021 financial year.

Notes

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

Table 4.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R')	% of SMS Bill	Personnel Cost SMS (R'000)
Band A	1	61	1,60	16,86	16 861,50	0,00	78 174,45
Band B	0	23	0,00	0,00	0,00	0,00	33 752,73
Band C	0	5	0,00	0,00	0,00	0,00	5 918,23
Band D	0	7	0,00	0,00	0,00	0,00	13 819,25
TOTAL	1	96	1,00	16,86	16 861,50	0,00	131 664,65

4.9. Foreign Workers

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

Table 4.9.1 Foreign workers by salary band

Salary Band	1 April 2021		31 March 2022		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Skilled (Levels 3-5)	0	0,00	0	33,30	0	0,00

Highly skilled supervision (Levels 9-12)	1	33,30	1	66,70	0	0,00
Senior management (Levels 13-16)	2	66,70	2	0,00	0	0,00
TOTAL	3	100,00	3	100,00	0	0,00

Table 4.9.2 Foreign workers by major occupation

Major Occupation	1 April 2021		31 March 2022		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

4.10. 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 4.10.1 Sick leave

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Number of days with Medical Certification
Contract (Levels 3-5)	5	80,00	3	1,30	2	4,00	4
Contract (Levels 6-8)	5	40,00	3	1,30	2	7,00	2
Contract (Levels 9-12)	4	0,00	2	0,90	2	11,00	0
Contract (Levels 13-16)	6	100,00	1	0,40	6	24,00	6

Skilled (Levels 3-5)	333	85,00	57	25,00	6	242,00	283
Highly skilled production (Levels 6-8)	341	83,60	58	25,40	6	562,00	285
Highly skilled supervision (Levels 9-12)	475	90,10	78	34,20	6	1 488,00	428
Senior management (Levels 13-16)	169	91,10	26	11,40	7	812,00	154
TOTAL	1 338	86,80	228	100,00	6	3 149,00	1 162

Table 4.10.2 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)	24	100,00	1	50,00	24	47,00	24
Highly skilled supervision (Levels 9-12)	9	100,00	1	50,00	9	41,00	9
TOTAL	33	100,00	2	100,00	17	88,00	33

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 4.10.3 Annual Leave

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Contract (Levels 1-2)	3	2	2
Contract (Levels 3-5)	20	4	5
Contract (Levels 6-8)	72	24	3
Contract (Levels 9-12)	127	13	10
Contract (Levels 13-16)	165	15	11
Skilled (Levels 3-5)	1 818	15	120
Highly skilled production (Levels 6-8)	3 771	21	176

Highly skilled supervision (Levels 9-12)	6 283	22	284
Senior management (Levels 13-16)	1 607	19	85
TOTAL	13 866	20	696

Table 4.10.4 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	28	0	562	20
Highly skilled supervision (Levels 9-12)	0	0	31	0	1 180	38
Senior management (Levels 13-16)	0	0	43	0	946	22
TOTAL	0	0	35	0	2 833	82

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

Table 4.10.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	1 257,00	44	28 568,00
ANNUAL - DISCOUNTING: CONTRACT EXPIRY (WORK DAYS)	3,00	2	1 500,00
ANNUAL - DISCOUNTING: UNUSED VAC CREDITS (SUSPENSION)	17,00	1	17 000,00
ANNUAL - DISCOUNTING: UNUSED VACATION CREDITS (WORK DAYS)	81,00	1	81 000,00
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	487,00	7	69 571,00
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	15,00	2	7 500,00
TOTAL	1 861,00		

4.11. HIV/AIDS & Health Promotion Programmes

Table 4.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Construction workers as they categorized as vulnerable population because of migration	HIV/AIDS strategy on the construction sector is in place

Table 4.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr. R. 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		11 EHW Practitioners based at the regions and 3 Assistant Directors in Head Office
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		Pro - active programmes are conducted on regular basis, attendance has been impacted by COVID 19 restrictions
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 HIV/AIDS, 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, Health and Productivity and Wellness management policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Human Rights based approach to HIV Management; Advocacy and Stigma Mitigation Programmes are in place.

Question	Yes	No	Details, if yes
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. Due to the COVID 19 regulations the numbers have 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 DSOP submitted to DPSA on annually basis and the Systems Monitoring Tool developed by the DPSA are used as guidelines for monitoring and evaluation. Indicators include: Utilization rate of Health and Wellness Services; Sick leave Utilization; Number of employees living openly with HIV .

4.12. Labour Relations

Table 4.12.1 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 4.12.2 Misconduct and disciplinary hearings finalized

Outcomes of disciplinary hearings	Number	Percentage (%) of Total	Total
SUSPENSIONS FROM WORK WITHOUT PAY	1	4,00%	1
FINAL WRITTEN WARNINGS	9	35,00%	9
WRITTEN WARNINGS	1	4,00%	1
VERBAL WARNINGS	1	4,00%	1
CASES WITHDRAWN/ NOT GUILTY/CASES NOT PURSUED DUE TO INCONCLUSIVE EVIDENCE	2	8,00%	2
RETIREMENT / RESIGNATION, TRANSFER and DEATH	12	46,00%	12
TOTAL	26	100,00%	26

Table 4.12.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage of Total (%)	Total
NON-COMPLIANCE WITH SCM/PROCUREMENT PROCEDURES	11	42,00%	11
ABSENT FROM WORK WITHOUT REASON OR PERMISSION	4		4
PREJUDICED THE ADMINISTRATION DISCIPLINE AND EFFICIENCY OF THE DEPARTMENT	1	4,00%	1
NEGLIGENCE / DERELICTION OF DUTIES	4	15,00%	4
GAVE FALSE STATEMENTS	2	8,00%	2
UNLAWFUL BENEFIT FROM STATE ALLOWANCE	1	4,00%	1
MISUSE, ABUSE OR UNAUTHORISE USE OF STATE VEHICLE OR PROPERTY	1	4,00%	1
DISPLAYED DISRESPECTFUL AND IMPROPER CONDUCT	1	4,00%	1
FAILURE TO CARRY-OUT LAWFUL INSTRUCTIONS/INSUBORDINATION	1	4,00%	1
TOTAL	26	100,00%	26

Table 4.12.4 Grievances logged

Number of grievances addressed	Number	% of Total	Total
Not resolved	0	0,00%	0
Resolved	7	100,00%	7
TOTAL	7	100,00%	7

Table 4.12.5 Disputes logged

Number of disputes addressed	Number	% of total
Upheld	2	70,00%
Dismissed	1	30,00%
Total	3	100%

Table 4.12.6 Strike actions

Strike Actions_	
None	0

Table 4.12.7 Precautionary suspensions

Number of Employees placed on precautionary suspension	Number of employees whose suspension exceeded 30 days	Cost (R) of suspensions
Number of Employees whose suspension exceeded 30 days	1	2 008 212,00
Number of Employees whose suspension did not exceed 30 days	1	2 238,00
TOTAL:	2	2 010 450,00

4.13. Skills development

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

Table 4.13.1: 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 4.13.2 Training provided for the period

Occupational Categories	Gender	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13	6	19
Legislators, senior officials and managers	Male	9	15	24
Professionals	Female	25	8	33
Professionals	Male	13	6	19
Technicians and associate professionals	Female	0	0	0
Technicians and associate professional	Male	0	0	0
Clerks	Female	37	10	47
Clerks	Male	8	2	10
Service and sales workers	Female	1	0	1

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	76	24	100 -
Gender sub totals	Male	30	23	53 -
TOTAL		106	47	153

Table 4.14.1 Injury on duty

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

Fatal	0	0,00
Total	0	0,00

Part B: 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)	Training (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	895 670	542 519	7 692	60,57%	508	1 066
Construction Project Management	5 851 154	381 044	18	6,51%	733	520
Facilities Management Services	3 001 581	725 770	10	24,18%	238	3 050
Real Estate Information And Registry Services	59 499	53 022	0	89,11%	515	103
Real Estate Investment Services	199 845	164 389	0	82,26%	727	226
Real Estate Management Services	12 634 428	102 884	1	0,81%	639	161
Total	22 642 177	1 969 628	7 721	8,70%	384	5 126

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, Leaners, 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)	10 952,00	0,60	96 920,00	113
Skilled (Levels 3-5)	474 305,00	24,00	246 264,00	1 926
Highly skilled production (Levels 6-8)	486 717,00	24,60	446 939,00	1 089
Highly skilled supervision (Levels 9-12)	613 897,00	31,10	825 130,00	744
Senior management (Levels >= 13)	98 234,00	5,00	1 227 925,00	80
Other	576,00	0,00	576 000,00	1
Contract (Levels 1-2)	488,00	0,00	162 667,00	3
Contract (Levels 3-5)	27 762,00	1,40	259 458,00	107
Contract (Levels 6-8)	15 072,00	0,80	538 286,00	28
Contract (Levels 9-12)	143 760,00	7,30	768 770,00	187
Contract (Levels >= 13)	8 745,00	0,40	1 093 125,00	8
Contract Other	59 579,00	3,00	365 515,00	163
Periodical Remuneration	16 803,00	0,90	25 079,00	670
Abnormal Remuneration	5,00	0,00	714,00	7
TOTAL	1 956 894,00	99,10	381 758,00	5 126

Note: Compensation of Employees including transfer cost is R1 956 894 000. 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	440 899,00	81,90	9 719,00	1,80	15 018,00	2,80	27 776,00	5,20	538 437,00
Construction Project Management	340 979,00	88,10	78,00	0,00	5 562,00	1,40	6 204,00	1,60	386 984,00
Facilities Management Services	538 285,00	74,30	18 816,00	2,60	36 129,00	5,00	64 318,00	8,90	724 869,00
Real Estate Information And Registry Services	46 148,00	86,10	39,00	0,10	886,00	1,70	1 154,00	2,20	53 619,00
Real Estate Investment Services	132 906,00	83,80	38,00	0,00	3 725,00	2,30	5 304,00	3,30	158 624,00
Real Estate Management Services	92 686,00	81,90	758,00	0,70	3 201,00	2,80	5 006,00	4,40	113 109,00
Total	1 591 902,00	80,60	29 448,00	1,50	64 522,00	3,30	109 762,00	5,60	1 975 641,00

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)	8 547,00	77,10	196,00	1,80	510,00	4,60	745,00	6,70	11 079,00
Skilled (Levels 3-5)	331 691,00	69,80	15 041,00	3,20	30 987,00	6,50	55 838,00	11,80	475 185,00
Highly skilled production (Levels 6-8)	377 355,00	77,20	10 296,00	2,10	17 899,00	3,70	34 876,00	7,10	489 060,00
Highly skilled supervision (Levels 9-12)	521 375,00	83,20	3 486,00	0,60	11 991,00	1,90	17 204,00	2,70	626 783,00
Senior management (Levels 13-16)	85 532,00	86,30	0,00	0,00	2 977,00	3,00	1 058,00	1,10	99 137,00
Other	462,00	80,20	7,00	1,20	18,00	3,10	35,00	6,10	576,00
Contract (Levels 1-2)	479,00	98,20	0,00	0,00	0,00	0,00	0,00	0,00	488,00
Contract (Levels 3-5)	26 801,00	96,20	157,00	0,60	0,00	0,00	0,00	0,00	27 872,00
Contract (Levels 6-8)	14 323,00	94,70	12,00	0,10	0,00	0,00	0,00	0,00	15 119,00
Contract (Levels 9-12)	141 046,00	97,40	209,00	0,10	0,00	0,00	5,00	0,00	144 784,00
Contract (Levels 13-16)	8 222,00	93,80	0,00	0,00	140,00	1,60	0,00	0,00	8 761,00
Other Contracts	59 262,00	98,80	44,00	0,10	0,00	0,00	0,00	0,00	59 973,00
Periodical Appointments	16 803,00	99,90	0,00	0,00	0,00	0,00	0,00	0,00	16 814,00
Abnormal Appointments	5,00	62,50	0,00	0,00	0,00	0,00	0,00	0,00	8,00
TOTAL	1 591 902,00	80,60	29 448,00	1,50	64 522,00	3,30	109 762,00	5,60	1 975 641,00

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	1 205	1 049	156	12,90	154
Construction Project Management	613	520	93	15,20	195
Facilities Management Services	2 709	2 392	317	11,70	101
Real Estate Information And Registry Services	109	103	6	5,50	35
Real Estate Investment Services	275	226	49	17,80	5
Real Estate Management Services	184	159	25	13,60	3
Total	5 095	4 449	646	12,70	493

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)	277	113	164	59,20	0
Skilled (Levels 3-5)	2 047	1 926	121	5,90	1
Highly Skilled Production (Levels 6-8)t	1 245	1 089	156	12,50	1
Highly Skilled Supervision (Levels 9-12)	913	744	169	18,50	1
Senior Management (Levels 13-16)	116	80	36	31,00	0
Contract, Other	164	164	0	0,00	163
Contract (Levels 1-2)	3	3	0	0,00	1
Contract (Levels 3-5)	107	107	0	0,00	107
Contract (Levels 6-8)	28	28	0	0,00	27
Contract (Levels 9-12)	187	187	0	0,00	184
Contract (Levels 13-16)	8	8	0	0,00	8
TOTAL	5 095	4 449	646	12,70	493

“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	86	73	13	15,10	43
Civil Engineering Technicians	32	29	3	9,40	19
Engineers and Related Professionals	183	139	44	24,00	34
Mechanical Engineering Technicians	14	11	3	21,40	9
Quantity Surveyors & Related Professionals	14	14	0	0,00	0

4.3. Filling of Senior Management Service (SMS) Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 4.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	2	1	50	1	50
Salary Level 15	7	4	57	3	43
Salary Level 14	30	25	83	5	17
Salary Level 13	86	58	67	28	33
Total	125	88	70	37	30

Head of PMTE reports to the Director-General (HOD) in DPW

Table 4.3.2 SMS post information as on 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1		0	1	100
Salary Level 16	0	0	0		0
Salary Level 15	8	5	63	3	37.5
Salary Level 14	29	24	83	5	17.2
Salary Level 13	87	56	64	31	35.6
Total	125	85	68	40	32

Table 4.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	0
Salary Level 13	1	0	0
Total	2	0	0

Table 4.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
These are mostly historical vacancies which were affected by the prioritization of critical vacancies and the impact of COVID 19

Reasons for vacancies not filled within twelve months
These are mostly historical vacancies which were affected by the prioritization of critical vacancies and the impact of COVID 19
Delays in panel approvals

Notes: In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with his regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

4.4. Job Evaluation

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

Table 4.4.1 Job Evaluation by salary band

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)	277	0	0,00	0	0,00	0	0,00
Skilled (Levels 3-5)	2 047	0	0,00	0	0,00	0	0,00
Highly Skilled Production (Levels 6-8)	1 245	600	48,20	0	0,00	7	1,20
Highly Skilled Supervision (Levels 9-12)	913	225	24,60	0	0,00	0	0,00
Senior Management Service Band A	81	47	58,00	0	0,00	0	0,00
Senior Management Service Band B	28	22	78,60	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	164	0	0,00	0	0,00	0	0,00
Contract (Levels 1-2)	3	0	0,00	0	0,00	0	0,00
Contract (Levels 3-5)	107	0	0,00	0	0,00	0	0,00
Contract (Levels 6-8)	28	0	0,00	0	0,00	0	0,00
Contract (Levels 9-12)	187	0	0,00	0	0,00	0	0,00
Contract Band A	4	0	0,00	0	0,00	0	0,00
Contract Band B	2	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	1	0	0,00	0	0,00	0	0,00
TOTAL	5 095	894	17,50	0	0,00	7	1,20

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 4.4.2 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 4.4.3 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
Senior Admin Officer: Cleaning Services	3	7	8	They have been employed on SL 8 prior the re-evaluation of the job.	3
Total	3	0	0		0

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

Table 4.4.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	0	3
Male	0	0	0	0	0
Total	3	0	0	0	3
Employees with a Disability	0	0	0	0	0

4.5. Employment Changes

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

Table 4.5.1 Annual turnover rates by salary band

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 (e.g. Presidential Stimulus Programme) employees were not appointed against a specific salary level. Employees are paid a stipend.

Table 4.5.2 Annual turnover rates by critical occupation

Salary Band	Employment at Beginning of Period (April 2021)	Appointments	Terminations	Turnover Rate %
Lower Skilled (Levels 1-2)	8	106	0	0,00
Skilled (Levels 3-5)	1 970	59	90	4,60
Highly Skilled Production (Levels 6-8)	1 077	58	44	4,10
Highly Skilled Supervision (Levels 9-12)	707	56	39	5,50
Senior Management Service Band A	51	2	1	2,00
Senior Management Service Band B	23	1	2	8,70
Senior Management Service Band C	3	0	0	0,00
Contract, Other	191	1 382	1 301	681,20
Contract (Levels 1-2)	0	5	2	0,00
Contract (Levels 3-5)	64	196	131	204,70
Contract (Levels 6-8)	56	44	62	110,70
Contract (Levels 9-12)	201	164	158	78,60
Contract Band A	1	4	1	100,00
Contract Band B	1	3	2	200,00
Contract Band C	2	2	2	100,00
Contract Band D	0	1	0	0,00
TOTAL	4 355	2 083	1 835	42,10
Occupation	Employment at Beginning of Period (April 2021)	Appointments	Terminations	Turnover Rate %
Architects Town And Traffic Planners	80	40	30	37,50
Civil Engineering Technicians	27	14	14	51,90
Engineers and Related Professionals	132	44	36	27,30
Mechanical Engineering Technicians	16	7	12	75,00
Quantity Surveyors & Related Professionals	15	0	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 4.5.3 Reasons why staff left the department

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment
Death	32	1,70	0,70
Resignation	189	10,30	4,20
Expiry of contract	1 537	83,80	34,50
Discharged due to ill health	3	0,20	0,10
Dismissal-misconduct,	7	0,40	0,20
Retirement	67	3,70	1,50
TOTAL	1 835	100,00	41,20

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

Table 4.5.4 Promotions by critical occupation

Occupation	Employment at Beginning of Period (April 2021)	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	80	0	0,00	66,00	82,50
Civil Engineering Technicians	27	0	0,00	29,00	107,40
Engineers and Related Professionals	132	5	3,80	125,00	94,70
Mechanical Engineering Technicians	16	0	0,00	13,00	81,30
Quantity Surveyors & Related Professionals	15	0	0,00	15,00	100,00

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

Table 4.5.5 Promotions by salary band

Salary Band	Employment at Beginning of Period (April 2021)	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
Lower Skilled (Levels 1-2)	8	0	0,00	79	987,50
Skilled (Levels 3-5)	1 970	16	0,80	1 991	101,10
Highly Skilled Production (Levels 6-8)	1 077	33	3,10	1 116	103,60
Highly Skilled Supervision (Levels 9-12)	707	38	5,40	753	106,50
Senior Management (Levels 13-16)	77	4	5,20	80	103,90
Contract, Other	191	0	0,00	13	6,80
Contract (Levels 1-2)	0	0	0,00	3	0,00
Contract (Levels 3-5)	64	0	0,00	93	145,30
Contract (Levels 6-8)	56	0	0,00	13	23,20
Contract (Levels 9-12)	201	0	0,00	151	75,10
Contract (Levels 13-16)	4	0	0,00	8	200,00
TOTAL	4 355	91	2,10	4 300	98,70

4.6. Employment Equity

Table 4.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2022

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials And Managers	41	2	2	6	28	0	4	2	85
Professionals	222	16	20	48	162	12	6	14	500
Technicians And Associate Professionals	265	18	4	14	333	21	3	50	708
Clerks	290	19	5	13	491	19	8	44	889
Service Shop And Market Sales Workers	116	5	1	1	120	3	0	0	246
Craft And Related Trade Workers	141	42	6	28	48	1	0	0	266
Plant And Machine Operators And Assemblers	37	3	2	0	3	2	0	0	47
Labourers And Related Workers	543	119	5	3	965	71	1	1	1 708
Total	1 655	224	45	113	2 150	129	22	111	4 449
Employees with disabilities	20	6	1	6	13	2	0	8	56

Table 4.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2022

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	39	1	2	5	25	0	3	2	77
Professionally qualified and experienced specialists and mid-management	354	22	23	50	241	15	4	35	744
Skilled technical and academically qualified workers, junior management, supervisors, foremen	332	44	4	36	566	26	8	73	1 089
Semi-skilled and discretionary decision making	688	144	8	8	995	81	1	1	1 926
Unskilled and defined decision making	31	3	0	0	79	0	0	0	113
Contract, Unavailable	69	1	1	1	90	2	0	0	164
Contract (Top Management)	1	1	0	0	0	0	0	0	2
Contract (Senior Management)	2	0	0	1	3	0	0	0	6
Contract (Professionally qualified)	89	4	7	12	66	4	5	0	187
Contract (Skilled technical)	11	2	0	0	15	0	0	0	28
Contract (Semi-skilled)	37	2	0	0	67	1	0	0	107
Contract (Unskilled)	1	0	0	0	2	0	0	0	3

Total	1 655	224	45	113	2 150	129	22	111	4 449
--------------	--------------	------------	-----------	------------	--------------	------------	-----------	------------	--------------

Table 4.6.3 Recruitment

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	1	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management	28	0	2	-0	25	1	0	0	56
Skilled technical and academically qualified workers, junior management, supervisors, foremen	19	0	0	0	39	0	0	0	58
Semi-skilled and discretionary decision making	34	0	0	0	25	0	0	0	59
Unskilled and defined decision making	29	3	0	0	74	0	0	0	106
Not Available	560	6	1	2	806	6	1	0	1 382
Contract (Top Management)	1	2	0	0	0	0	0	0	3
Contract (Senior Management)	2	0	0	1	4	0	0	0	7
Contract (Professionally qualified)	80	4	10	12	50	3	5	0	164
Contract (Skilled technical)	21	0	0	0	23	0	0	0	44
Contract (Semi-skilled)	72	3	0	0	120	1	0	0	196
Contract (Unskilled)	1	0	0	0	4	0	0	0	5
Total	847	18	13	16	1 172	11	6	0	2 083
Employees with disabilities	1	1	0	1	0	0	0	0	3

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 4.6.4 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	
Top Management	1	0	0	0	1	0	1	0	3
Senior Management	40	1	2	5	28	0	3	2	81
Professionally qualified and experienced specialists and mid-management	376	23	22	61	255	15	4	35	791
Skilled technical and academically qualified workers, junior management, supervisors, foremen	347	47	4	38	603	28	8	74	1 149
Semi-skilled and discretionary decision making	717	149	8	8	1 041	82	1	1	2 007
Unskilled and defined decision making	17	3	0	0	59	0	0	0	79
Contract, Not available	4	0	0	0	9	0	0	0	13
Contract (Top Management)	1	1	0	0	0	0	0	0	2
Contract (Senior Management)	2	0	0	1	3	0	0	0	6
Contract (Professionally qualified)	68	4	4	11	58	4	2	0	151
Contract (Skilled technical)	4	2	0	0	7	0	0	0	13
Contract (Semi-skilled)	33	2	0	0	58	0	0	0	93
Contract (Unskilled)	1	0	0	0	2	0	0	0	3
TOTAL	1 611	232	40	124	2 124	129	19	112	4 391
Employees with disability	26	6	1	7	15	2	0	8	65

Table 4.6.5 Terminations

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	0	0	0	1	1	0	0	3
Professionally qualified and experienced specialists and mid-management	14	2	2	8	11	2	0	0	39
Skilled technical and academically qualified workers, junior management, supervisors, foremen	12	5	0	2	18	1	0	6	44
Semi-skilled and discretionary decision making	40	8	0	0	38	4	0	0	90
Contract, Not available	534	5	0	3	756	2	1	0	1 301
Contract (Top Management)	1	1	0	0	0	0	0	0	2
Contract (Senior Management)	2	0	0	0	1	0	0	0	3
Contract (Professionally qualified)	73	3	15	10	52	0	5	0	158
Contract (Skilled technical)	21	0	0	0	41	0	0	0	62
Contract (Semi-skilled)	53	2	0	0	76	0	0	0	131
Contract (Unskilled)	0	0	0	0	2	0	0	0	2
TOTAL	751	26	17	23	996	10	6	6	1 835
Employees with disabilities	5	1	0	2	1	0	0	0	9

Table 4.6.6 Disciplinary action

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	5	0	0	0	1	0	0	0	6
Suspension From Work Without Pay	3	1	0	1	2	0	0	1	8
Final Written Warning	5	1	0	0	4	0	0	0	10
Written Warning	13	1	0	1	11	0	0	1	27
Verbal Warning	3	0	0	0	1	0	0	0	4
Cases Withdrawn/ Not Guilty	4	0	0	1	1	0	0	0	6
Cases Not Pursued/Retirement/Resignations/Death	9	0	0	3	2	1	0	0	15
TOTAL	42	3	0	6	22	1	0	2	76

Table 4.6.7 Skills development

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	16	1	2	2	8	0	1	1	31
Professionals	57	6	4	12	49	6	2	9	145
Technicians and Associate Professionals	19	1	1	2	10	0	1	0	34
Clerks	67	3	2	0	113	3	2	6	196
Service and Sales Workers	0	0	0	0	1	0	0	0	1
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	18	6	-0	2	5	1	0	0	32
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	5	0	1	0	4	1	0	0	11
Employees with disabilities	3	1	0	0	1	0	0	0	5
TOTAL	182	17	10	18	190	11	6	16	450

4.7 Signing of Performance Agreements by SMS Members

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

Table 4.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary Level 16	0	0	0	0
Salary Level 15	5	5	4	4
Salary Level 14	24	24	23	23
Salary Level 13	66	66	50	50
Total	95	95	77	77

Notes

In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2020.

Table 4.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022

Reasons
Not applicable due to the fact that the 2021/2022 PMDS Cycle has not been concluded yet

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

Reasons
Not applicable due to the fact that the 2021/2022 PMDS Cycle has not been concluded yet
In terms of section 12.4.1 of Chapter 4 of the SMS handbook, SMS members who failed to comply with the due dates of PMDS documentation during a specific PMDS cycle will be excluded from performance related benefits.

4.8 Performance Rewards

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

Table 4.8.1 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	604	2 137	28,30	3 120,91	5 167,00
African, Male	427	1 635	26,10	2 751,38	6 444,00
Asian, Female	3	22	13,60	38,43	12 811,00
Asian, Male	4	44	9,10	54,80	13 701,00
Coloured, Female	64	127	50,40	337,87	5 279,00
Coloured, Male	80	218	36,70	366,50	4 581,00
Total Blacks, Female	671	2 286	29,40	3 497,21	5 212,00
Total Blacks, Male	511	1 897	26,90	3 172,68	6 209,00
White, Female	40	103	38,80	572,93	14 323,00
White, Male	27	107	25,20	365,82	13 549,00
Employees with a disability	12	56	21,40	89,38	7 448,00
TOTAL	1 261	4 449	28,30	7 698,02	6 105,00

Table 4.8.2 Performance Rewards by salary band for personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment per Salary Band	Percentage of Total Employment per Salary Band	Cost (R'000)	Average Cost per Beneficiary (R')
Lower Skilled (Levels 1-2)	0	113	0,00	0,00	0,00
Skilled (Levels 3-5)	804	1 926	41,70	2 641,26	3 285,00
Highly skilled production (Levels 6-8)	292	1 089	26,80	2 388,08	8 178,00
Highly skilled supervision (Levels 9-12)	162	744	21,80	2 627,10	16 217,00
Other	0	164	0,00	0,00	0,00
Contract (Levels 1-2)	0	3	0,00	0,00	0,00
Contract (Levels 3-5)	0	107	0,00	0,00	0,00
Contract (Levels 6-8)	1	28	3,60	4,57	4 566,00
Contract (Levels 9-12)	2	187	1,10	37,01	18 506,00
TOTAL	1 261	4 361	28,90	7 698,02	6 105,00

Table 4.8.3 Performance Rewards by critical occupation

Critical Occupations	Number of Beneficiaries	Number of Employment per Occupation	% of Total Employees per Occupation	Cost (R'000)	Average Cost per Beneficiary (R')
Architects Town And Traffic Planners	14,00	73,00	19,20	266,35	19 025,00
Civil Engineering Technicians	1,00	29,00	3,40	9,94	9 942,00
Engineers and Related Professionals	12,00	139,00	8,60	281,22	23 435,00
Quantity Surveyors & Related Professionals	4,00	14,00	28,60	62,77	15 693,00
Mechanical Engineering Technicians	0,00	11,00	0,00	0,00	0,00

Notes

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

Table 4.8.4 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')	Personnel Cost SMS (R'000)
Band A	0	58	0	0	0	64 769,91
Band B	0	25	0	0	0	34 869,30
Band C	0	4	0	0	0	7 401,05
Band D	0	1	0	0	0	857,98
TOTAL	0	88	0	0	0	107 898,24

This table reflect payment of performance bonuses of SMS during 2021/2022 financial year. No SMS was paid performance bonus

4.9. 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 2021		31 March 2022		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Lower skilled (Levels 1-2)	0	0	0	0,00	0	0,00
Highly skilled supervision (Levels 9-12)	37	97,40	29	96,70	-8	100,00
Other	0	0	0	0,00	0	0,00
Skilled (Levels 3-5)	1	2,60	1	3,30	0	0,00
Senior management (Levels 13-16)	0	0	0	0,00	0	0,00
TOTAL	38	100,00	30	100,00	-8	100,00

22 Cuban Professionals employed as Technical Advisors.

Table 4.9.2 Foreign workers by major occupation

Major Occupation	1 April 2021		31 March 2022		Change	
	Number	%age of Total	Number	% of Total	Number	% Change
Administrative office workers	3	7,90	2	6,70	1,00	12,50
Elementary occupations	1	2,60	1	3,30	0,00	0,00
National security and custodian personnel	1	2,60	0	0,00	1,00	12,50
Professionals and managers	33	86,80	27	90,00	6,00	75,00
TOTAL	38	100,00	30	100,00	8,00	100,00

4.10. Leave utilisation

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

Table 4.10.1 Sick leave

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Number of days with Medical Certification
Contract (Levels 3-5)	114	64,00	39	2,30	3	90,00	73
Contract (Levels 6-8)	17	76,50	6	0,30	3	24,00	13
Contract (Levels 9-12)	227	90,70	35	2,00	6	554,00	206
Contract (Levels 13-16)	4	100,00	1	0,10	4	23,00	4
Contract Other	144	56,30	77	4,50	2	69,00	81
Unskilled (Levels 1-2)	86	84,90	24	1,40	4	46,00	73
Skilled (Levels 3-5)	5 718	83,90	827	47,90	7	4 119,00	4 800
Highly skilled production (Levels 6-8)	2 897	84,20	453	26,20	6	4 542,00	2 440
Highly skilled supervision (Levels 9-12)	1 712	88,40	244	14,10	7	5 227,00	1 513
Senior management (Levels 13-16)	151	90,70	19	1,10	8	705,00	137
Other	2	100,00	1	0,10	2	4,00	2
TOTAL	11 072	84,40	1 726	100,00	6	15 405,00	9 342

Table 4.10.2 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)	430	100,00	14	50,00	31	313,00	430
Highly skilled production (Levels 6-8)	299	100,00	9	32,10	33	515,00	299
Highly skilled supervision (Levels 9-12)	277	100,00	5	17,90	55	1 041,00	277
TOTAL	1 006	100,00	28	100,00	36	1 868,00	1 006

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 4.10.3 Annual Leave

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Contract (Levels 1-2)	15	4	4
Contract (Levels 3-5)	988	7	135
Contract (Levels 6-8)	251	7	37
Contract (Levels 9-12)	1 792	10	184
Contract (Levels 13-16)	49	7	7
Contract Other	3 984	6	646
Lower Skilled (Levels 1-2)	211	6	35
Skilled (Levels 3-5)	36 948	19	1 952
Highly skilled production (Levels 6-8)	23 975	22	1 112
Highly skilled supervision (Levels 9-12)	16 128	21	752
Senior management (Levels 13-16)	1 663	21	81
Other	14	14	1
TOTAL	86 017	17	4 946

Table 4.10.4 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 (Level 1-2)	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Contract Other	0	0	0	0	0	0
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	20	3	52	7	19 610	378
Highly skilled production (Levels 6-8)	50	8	30	6	6 597	223
Highly skilled supervision (Levels 9-12)	11	11	41	1	6 132	149
Senior management (Levels 13-16)	0	0	22	0	445	20
Other	0	0	0	0	0	0
Total	81	6	43	14	32 784	770

Table 4.10.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	5 741,00	295	19 461,00
ANNUAL - DISCOUNTING: CONTRACT EXPIRY (WORK DAYS)	466,00	19	24 526,00
ANNUAL - DISCOUNTING: UNUSED VAC CREDITS (SUSPENSION)	110,00	3	36 667,00
ANNUAL - DISCOUNTING: UNUSED VACATION CREDITS (WORK DAYS)	214,00	11	19 455,00
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	2 754,00	86	32 023,00
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	3 507,00	54	64 944,00
TOTAL	12 792,00		

4.11. HIV/AIDS & Health Promotion Programmes

Table 4.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Construction workers as they categorized as vulnerable population because of migration	HIV/AIDS strategy on the construction sector is in place

Table 4.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr. R. 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		11 EHW Practitioners based at the regions and 3 Assistant Directors in Head Office
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		Pro - active programmes are conducted on regular basis, attendance has declined due to COVID 19 restrictions
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 HIV/AIDS, Wellness and Sports Committees in Head Office and 11 Regional Offices. Wellness Practitioners serve as coordinators.

Question	Yes	No	Details, if yes
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, Health and Productivity and Wellness management policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Human Rights based approach to HIV Management; Advocacy and Stigma Mitigation Programmes are in place.
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 Quaterly on site HIV Counselling and Testing and Health Screenings. Due to the COVID 19 regulations the numbers have 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 DSOP submitted to DPSA on annualy basis and the Systems Monitoring Tool developed by the DPSA are used as guidelines for monitoring and evaluation. Indicators include: Utilization rate of Health and Wellness Services; Sick leave Utilization; Number of employees living openly with HIV .

4.12. 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 4.12.2 Misconduct and disciplinary hearings finalized

Outcomes of disciplinary hearings	Number	Percentage (%) of Total	Total
Dismissal	6	8,00%	6
Suspension from Work without Payment	8	11,00%	8
Final Written Warning	10	13,00%	10
Written Warning	27	35,00%	27
Verbal Warning	4	5,00%	4
Cases Withdrawn/ Not Guilty/Cases Not Pursued Due To Inconclusive Evidence	6	8,00%	6
Retirement / Resignation, Transfer and Death	15	20,00%	15
TOTAL	76	100,00%	76

Table 4.12.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage (%) of Total	Total
Bribes or commit Fraud, Corruption and Nepotism	3	4,00%	3
Absent from Work without reason or permission	4	5,00%	4
Non-Compliance with SCM/Procurement Procedures	14	18,00%	14
Misuse, Abuse or Unauthorized Use Of State Vehicle or Property	1	1,30%	1
Negligence / Dereliction Of Duties	32	42,00%	32
Failure To Carry-Out Lawful Instructions/Insubordination	10	13,00%	10
Conducted Business With The State	2	3,00%	2
Non-Compliance with PMDS and Leave Policy	4	5,00%	4
Unlawful Benefit from State Allowance	2	3,00%	2

Gave false statements	2	3,00%	2
Others	2	3,00%	2
TOTAL	76	100%	76

Table 4.12.4 Grievances logged

Number of grievances addressed	Number	% of Total	Total
Not resolved	1	8,00%	1
Resolved	13	92,00%	13
TOTAL	14	100%	14

Table 4.12.5 Disputes logged

Number of disputes addressed	Number	% of total
Upheld	2	100,00%
Dismissed	0	0,00%
Total	2	100%

Table 4.12.6 Strike actions

Strike Actions	
— None of the employees participated in strike actions	0

Table 4.12.7 Precautionary suspensions

Precautionary Suspensions	
–	
Number of Employees placed on precautionary suspension	Cost (R)
1	869 892.00
Total	869 892.00

4.13 Skills development

This section highlights the efforts of the department with regard to skills development. Skills development in terms of Learnerships are included under Human Capital Investment (HCI) Programmes.

Table 4.13.1: 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 4.13.2 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	9	10
Legislators, senior officials and managers	Male	7	14	21
Professionals	Female	37	29	66
Professionals	Male	37	42	79
Technicians and associate professionals	Female	5	6	11
Technicians and associate professionals	Male	15	8	23
Clerks	Female	85	39	124
Clerks	Male	51	21	72
Service and sales workers	Female	0	1	1
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	2	4	6
Craft and related trades workers	Male	11	15	26
Plant and machine operators and assemblers	Female	0	0	0
Plant and machine operators and assemblers	Male	0	0	0
Elementary occupations	Female	5	0	5
Elementary occupations	Male	6	0	6
Gender sub totals	Female	135	88	0
Gender sub totals	Male	127	100	0
TOTAL		262	188	450

4.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 4.14.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	75,00
Temporary Total Disablement	1	25,00
Permanent Disablement	0	0,00
Fatal	0	0,00
Total	4	

CHAPTER 5: FINANCIAL INFORMATION

Part A	Main Vote
Part B	PMTE



Infrastructure-led Growth

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 171 to 243 which comprise the appropriation statement, statement of financial position as at 31 March 2022, 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by the 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 matters

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

Impairment of Receivables

7. As disclosed in note 11.5 of the annual financial statements, Estimate of impairment of receivables amounting to R62 026 000 is disclosed as a result of long outstanding debts which may not be recovered. This represents 72% of total receivables.

Details of fruitless and wasteful expenditures under assessment (not included in the mainnote)

8. As disclosed in note 25.2 of the annual financial statements, an amount of R54 541 470 which was spent on behalf of the Department of Basic Education (DBE) in relation to the school beautification programme has been referred for investigation subsequent to year end. This was as a result of a statement made by the DBE prior to year-end indicating that no school benefitted from this programme. Furthermore, DBE has indicated that it does not recognise any expenditure made by DPWI on its behalf in relation to the beautification of schools project and any amount referred to as outstanding debt.

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 259 to 291 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

11. 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.
12. 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's or to cease operations, or has no realistic alternative but to do so.

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

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

Introduction and scope

- 15. 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.
- 16. 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.
- 17. 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 2022:

Programmes	Pages in the annual performance report
Programme 3 - Expanded Public Works Programme	46 – 47
Programme 8 - Construction Project Management	54 – 56

- 18. 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.
- 19. The material findings on the reliability of the performance information of the selected programmes are as follows:

Programme 3 - Expanded Public Works Programme Various Indicators

- 20. The achievements below were reported in the annual performance report for the listed indicators. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to a lack of accurate and complete records provided for audit. 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 number	Indicator description	Reported achievement
Indicator 3.1	Number of Work Opportunities Reported in EPWP-RS by the Public Bodies	1 016 646 work opportunities reported in EPWP-RS by Public Bodies (cumulative)
Indicator 3.2	Percentage EPWP participation amongst designated groups (Women, Youth and People With Disabilities) reported on the EPWP RS by the Public Bodies	69% Women 41% Youth 1% Persons With Disabilities

Programme 8 - Construction Project Management Various indicators

21. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Indicator number	Indicator description	Reported achievement
Indicator 8.1	No. of design solution completed for identified user departments	2
Indicator 8.5	No. of infrastructure projects completed	128

Other matter

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

Achievement of planned targets

23. Refer to the annual performance report on pages 36 to 67 for information on the achievement of planned targets for the year and management's 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 paragraph(s) 20 to 21 of this report.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on 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.

Introduction and scope

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

Annual financial statements, performance and annual report

27. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40 (1) (b) of the PFMA.
28. Material misstatements of current assets identified by the auditors in the submitted financial statements were corrected, which resulted in the financial statements receiving an unqualified opinion.

Expenditure Management

29. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R3 759 000, as disclosed in note 24 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 officials that were appointed irregularly per the public services commission investigation report.

Consequence Management

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

Other information

32. 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.
33. 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.
34. 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.
35. I did not receive other information prior to the date of the auditor's report. When I do receive and read the information, if I concluded that there is a material misstatement therein, I am required to communicate the matter with 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 the amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

36. 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.
37. Management did not adequately apply the MCS financial reporting framework in the preparation of the annual financial statements. In addition, the appropriate level of management did not monitor adherence to the developed audit action plans in order to prevent repeat findings and improve internal reporting processes. Consequently, material adjustments on the statement of financial position were made in order to ensure that the financial statements are fairly and accurately presented.
38. Consequence management in line with the recommendations of completed investigation reports was not implemented in certain instances. Consequently, this has resulted in some of the officials who caused instances of irregular expenditure not being held liable.
39. Lack of proper record keeping by public bodies responsible for uploading data into the EPWP-RS system and inadequate review of data captured on the system which has resulted in materially misstated reported performance information in relation to programme 3: EPWP. These controls would have ensured that supporting evidence for reported performance information is available in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support performance information. Furthermore, internal control processes to ensure smooth co-ordination of Projects unit and the Monitoring & Evaluation unit were not adhered to in

order to ensure that material misstatements in relation to programme 8:Construction Project Management, were prevented and detected timeously.

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 and on the status of the material irregularities reported in the previous year's auditor's report.

Status of previously reported material irregularities

Expenditure on state events exceeded contract amount

41. The prices that were charged on the invoices for the three state events 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 Treasury Regulation 8.1.1 as the internal procedures and internal control measures did not identify or prevent the irregular payments mentioned above
42. 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.
43. The following recommendations were included in the previous year's audit report (2020-21) which should have been implemented by 3 February 2022:
- The irregular expenditure should be investigated and the financial loss incurred quantified in accordance with the applicable instructions notes.
 - 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.
44. Follow-ups were done with the Acting Accounting Officer and responses with supporting evidence were received on 31 August 2021 and 04 February 2022 which indicated that the following steps were being taken:
- A draft policy framework for contract management was introduced to be approved by 01 April 2022.

- The department has implemented a manual system where officials from Prestige Unit and Provisioning will manually compare quotation prices against scheduled prices before purchase orders are issued.
 - Director: Provision and Logistics has been mandated to review all invoices from Prestige Unit against pricing schedules and official order issued to identify any anomaly.
 - Segregation of duties has been introduced with the Prestige Unit functions.
 - Furthermore, the cost norms and standard document has been drafted and sent to the Presidency for inputs as part of the review state, Official and Provincial Official funeral policy manual.
 - Management went through the payment batches to understand and identify who the responsible project Manager(s) was/were and the official who approved the expenditure
 - Management has written to the responsible officials to begin disciplinary actions in linewith the applicable prescripts on discipline.
 - The Department has commenced with the processes of recovering the overpayment of R825 832 from Side Production (Pt) Ltd, via State Attorney.
 - The department is embarking on buying its own infrastructure and develop internal capacity to implement by itself and also procure a panel of service providers that be managed on a quotation basis.
45. Based on the assessment of the response and evidence presented, I have determined that the Accounting Officer is taking appropriate steps to address the MI. I will follow up on the implementation of further actions taken, including the recovery of the loss and the finalisation of the disciplinary actions, during my next audit.

Price and quantity variances pertaining to the funeral related expenditure

46. The prices that were charged on invoices for some of the state funerals that occurred between May 2018 and December 2018 were different from the prices that were quoted on the price schedule that was submitted by the supplier during the tender process. In other instances the invoices that was submitted by the supplier for payment purposes, included items that were not initially quoted on in 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 not evidence of the additional items being requested by the department. This resulted in a financial loss of R9 121 374. Non-compliance was identified with Treasury Regulation 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 invited to make a written submission on the actions taken and that will be taken to address the matter. The appropriate actions committed in response to the notification provided on 7 May 2021 are being implemented based on the evidence of progress made per the communication received from the accounting officer dated 10 June 2022.

48. Management conducted its own investigation into the matter to establish the accuracy of the issues raised by the AGSA. The investigation was finalised on 29 March 2019, confirmed the AGSA's findings, and further identified additional irregularities with respect to each funeral.
49. The Department further opened a case with the SA Police Services for civil recovery against the supplier as recommended by the investigation report. The case number is CAS793/2020 opened at Pretoria Central Police Station. Furthermore, the investigation report recommended disciplinary actions against the responsible officials. The matter was further referred to the Special Investigating Unit (SIU) on 18 September 2020. SIU then decided to conduct their own investigation on the matter and indicated that they will be pursuing a civil claim against the supplier. However, the SIU has not availed their report to the Department.
50. The Department approached the State Attorney to appoint legal counsel to assist the Department with disciplinary proceedings against the three officials still in the employ of the department. The disciplinary proceedings are currently under way for the suspended Director-General and is being handled by The Presidency. The hearings for the other two officials implicated in the irregularity is being handled by the State Attorney. As at the date of this report, the disciplinary hearing had not been concluded against the officials.
51. A combined summons have been filed at the Gauteng high court (Pretoria) for case number 20987/22, in a matter between Minister of Public Works and Infrastructure (Plaintiff) and the supplier on 01 April 2022. The summons is in relation to payments made by DPWI in excess of the agreed pricing schedule provided by the plaintiff during the tendering process stage by the supplier. This covers the two funerals in which the supplier was used to render services for the Mama Veronica Sobukwe funeral (R371 186) and the M Mtshali funeral (R124 315). The bulk amount of the outstanding financial loss to be recovered is being followed up by the SIU.
52. The accounting officer wrote to Treasury on 27 January 2022 requesting the supplier and its director to be restricted from doing business with the state due to fraudulent misrepresentation when submitting invoices for payment in respect of state funeral services. The application was referred back by NT on 31 Mar 2022 on the basis of the restriction being on PPR of 2017. The department is currently implementing the recommendations made in the response by NT.
53. The Accounting Officer approved the contract management policy on 11 April 2022, which sets out guidelines on contracts to enable effective delivery of goods, services and works in accordance with the terms and conditions of the contract.
54. I will follow up on the implementation and outcomes of the planned actions during my next audit.

Other reports

55. 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.

56. Investigation on Procurement Fraud and Irregular Payments' Allegations that were made to the transportation companies. The transport companies are responsible for the transportation of members of parliament and learners to and from the Parliamentary villages, parliament and schools. The investigation was concluded in the current financial year.
57. Investigation into allegation of project mismanagement leading to Department incurring Fruitless and wasteful expenditure. It was alleged that an amount of R6 689 725.96 was incurred as fruitless and wasteful expenditure for a project of repairing and maintenance at 1Military Hospital. It was also alleged that electrical work was done at the first floor and was to be re-done during the upcoming project of refurbishment of the same first floor. This investigation was still ongoing as at year end.

Auditor General

Pretoria

31 July 2022



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 judgment and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going 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.

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.

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

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

Table of Contents

Appropriation Statement	171
Notes to the Appropriation Statement	181
Statement of Financial Performance	184
Statement of Financial Position	185
Statement of Changes in Net Assets	186
Cash Flow Statement	187
Notes to the Annual Financial Statements (including Accounting policies)	188
Annexures	244

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Appropriation per programme									
2021/22								2020/21	
	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	504 532	-	66	504 598	416 494	88 104	82,5%	456 902	384 339
2. Intergovernmental Coordination	58 541	-	-	58 541	44 202	14 339	75,5%	58 219	42 296
3. Expanded Public Works Programme	2 921 066	-	(66)	2 921 000	2 811 509	109 491	96,3%	2 468 846	2 412 105
4. Property and Construction Industry Policy and Research	4 780 965	-	-	4 780 965	4 757 194	23 770	99,5%	4 676 490	4 643 784
5. Prestige Policy	89 106	-	-	89 106	52 796	36 311	59,3%	63 922	48 510
Total	8 354 210	-	-	8 354 210	8 082 195	272 015	96,7%	7 724 379	7 531 034
Departmental receipts				15 468				9 076	
Actual amounts per statement of financial performance (total revenue)				8 369 678				7 733 455	
Actual amounts per statement of financial performance (total expenditure)					8 082 195				7 531 034

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Appropriation per economic classification									
	2021/22							2020/21	
	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	975 775	(135)	(3 798)	971 842	776 951	194 892	79,9%	904 572	721 400
Compensation of employees	582 685	-	(3 798)	578 887	497 360	81 527	85,9%	558 559	484 989
Goods and services	393 090	(135)	-	392 955	279 591	113 364	71,2%	346 013	236 411
Transfers and subsidies	7 361 113	-	3 798	7 364 911	7 299 156	65 755	99,1%	6 808 890	6 807 042
Provinces and municipalities	1 595 629	-	-	1 595 629	1 594 154	1 475	99,9%	1 582 393	1 580 545
Departmental agencies and accounts	4 526 375	-	-	4 526 375	4 526 375	-	100,0%	4 402 071	4 402 071
Foreign governments and international organisations	28 265	-	-	28 265	28 265	-	100,0%	29 013	29 013
Public corporations and private enterprises	180 972	-	-	180 972	180 972	-	100,0%	209 301	209 301
Non-profit institutions	1 020 414	-	-	1 020 414	956 134	64 280	93,7%	578 484	578 484
Households	9 458	-	3 798	13 256	13 256	-	100,0%	7 628	7 628
Payments for capital assets	17 322	-	-	17 322	5 953	11 369	34,4%	10 747	2 422
Machinery and equipment	17 322	-	-	17 322	5 953	11 369	34,4%	10 747	2 422
Payments for financial assets	-	135	-	135	135	-	100,0%	170	170
Total	8 354 210	-	-	8 354 210	8 082 195	272 015	96,7%	7 724 379	7 531 034

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 1: Administration									
	2021/22							2020/21	
	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	37 996	-	-	37 996	30 864	7 132	81,2%	38 401	27 674
2. Management	111 322	-	-	111 322	95 092	16 230	85,4%	100 858	82 382
3. Corporate Services	256 681	-	-	256 681	215 948	40 733	84,1%	223 305	198 326
4. Finance and Supply Chain Management	50 834	-	66	50 900	43 130	7 770	84,7%	49 038	37 478
5. Office Accommodation	47 700	-	-	47 700	31 461	16 239	66,0%	45 300	38 479
Total for sub programmes	504 532	-	66	504 598	416 494	88 104	82,5%	456 902	384 339
Economic classification		-	-						
Current payments	496 033	(86)	(2 645)	493 302	409 468	83 834	83,0%	448 935	381 376
Compensation of employees	292 490	-	(2 645)	289 845	257 617	32 228	88,9%	282 169	252 248
Goods and services	203 543	(86)	-	203 457	151 851	51 606	74,6%	166 766	129 128
Transfers and subsidies	868	-	2 711	3 579	3 574	5	99,9%	1 686	1 684
Provinces and municipalities	6	-	-	6	1	5	16,7%	6	4
Households	862	-	2 711	3 573	3 573	-	100,0%	1 680	1 680
Payments for capital assets	7 631	-	-	7 631	3 366	4 265	44,1%	6 129	1 127
Machinery and equipment	7 631	-	-	7 631	3 366	4 265	44,1%	6 129	1 127

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Payments for financial assets	-	86	-	86	86	-	100,0%	152	152
	504 532	-	66	504 598	416 494	88 104	82,5%	456 902	384 339

Programme 2: Intergovernmental Coordination									
	2021/22							2020/21	
	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	6 321	(238)	-	6 083	3 676	2 407	60,4%	5 603	3 512
2. Intergovernmental Relations and Coordination	23 493	238	-	23 731	19 659	4 072	82,8%	25 576	20 484
3. Professional Services	28 727	-	-	28 727	20 866	7 861	72,6%	27 040	18 300
Total for sub programmes	58 541	-	-	58 541	44 202	14 339	75,5%	58 219	42 296
Economic classification									
Current payments	50 520	(4)	(870)	49 646	37 278	12 368	75,1%	52 419	36 654
Compensation of employees	40 179	-	(870)	39 309	31 953	7 356	81,3%	38 423	33 206
Goods and services	10 341	(4)	-	10 337	5 325	5 012	51,5%	13 996	3 448
		-	-						
Transfers and subsidies	5 961	-	870	6 831	6 831	-	100,0%	5 590	5 590

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Households	5 961	-	870	6 831	6 831	-	100,0%	5 590	5 590
Payments for capital assets	2 060	-	-	2 060	89	1 971	4,3%	210	52
Machinery and equipment	2 060	-	-	2 060	89	1 971	4,3%	210	52
Payments for financial assets	-	4	-	4	4	-	100,0%		
Total	58 541	-	-	58 541	44 202	14 339	75,5%	58 219	42 296

Programme 3: Expanded Public Works Programme									
2021/22								2020/21	
	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. EPW Programme: Monitoring and Evaluation	46 895	328	(61)	47 162	40 517	6 645	85,9%	46 380	39 377
2. EPW Programme: Infrastructure	1 272 487	(672)	-	1 271 815	1 253 711	18 104	98,6%	1 265 986	1 251 763
3. EPW Programme: Operations	1 517 952	-	-	1 517 952	1 444 382	73 570	95,2%	1 073 123	1 050 893
4. EPW Programme: Partnership Support	75 078	344	(5)	75 417	66 181	9 236	87,8%	76 813	64 361
5. EPW Programme: Public Employment Coordinating Commission	8 655	-	-	8 655	6 718	1 937	77,6%	6 544	5 711
Total for sub programmes	2 921 066	-	(66)	2 921 000	2 811 509	109 491	96,3%	2 468 846	2 412 105

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 3: Expanded Public Works Programme									
2021/22								2020/21	
	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	303 623	(45)	-	303 578	260 324	43 253	85,8%	306 333	251 952
Compensation of employees	186 173	-	-	186 173	164 111	22 062	88,1%	182 994	160 066
Goods and services	117 450	(45)	-	117 405	96 213	21 192	82,0%	123 339	91 886
Transfers and subsidies	2 616 243	-	(66)	2 616 177	2 550 427	65 750	97,5%	2 161 210	2 159 364
Provinces and municipalities	1 595 623	-	-	1 595 623	1 594 153	1 470	99,9%	1 582 384	1 580 538
Non-profit institutions	1 020 414	-	-	1 020 414	956 134	64 280	93,7%	578 484	578 484
Households	206	-	(66)	140	140	-	100,0%	342	342
Payments for capital assets	1 200	-	-	1 200	712	488	59,4%	1 288	774
Machinery and equipment	1 200	-	-	1 200	712	488	59,4%	1 288	774
Payment for financial assets	-	45	-	45	45	-	100,0%	15	15
Total	2 921 066	-	(66)	2 921 000	2 811 509	109 491	96,3%	2 468 846	2 412 105

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 4: Property and Construction Industry Policy and Research									
2021/22								2020/21	
	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. Construction Policy Development Programme	43 003	-	-	43 003	38 494	4 509	89,5%	40 131	34 000
2. Property Policy Development Programme	11 778	1 017	-	12 795	10 940	1 855	85,5%	13 145	8 860
3. Construction Industry Development Board	78 166	-	-	78 166	78 166	-	100,0%	72 443	72 443
4. Council for the Built Environment	53 528	-	-	53 528	53 528	-	100,0%	48 813	48 813
5. Independent Development Trust	93 000	-	-	93 000	93 000	-	100,0%	148 501	148 501
6. Construction Education and Training Authority	572	-	-	572	572	-	100,0%	595	595
7. Property Management Trading Entity	4 349 655	-	-	4 349 655	4 349 655	-	100,0%	4 239 987	4 239 987
8. Assistance to Organisations for the Preservation of National Memorials	28 265	-	-	28 265	28 265	-	100,0%	29 013	29 013
9. Infrastructure Development Coordination	122 997	(1 017)	-	121 980	104 574	17 406	85,7%	83 862	61 572
Total for sub programmes	4 780 965	-	-	4 780 965	4 757 194	23 770	99,5%	4 676 490	4 643 784
Economic classification		-	-						

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 4: Property and Construction Industry Policy and Research									
2021/22								2020/21	
	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	54 188	-	(136)	54 052	30 574	23 478	56,6%	47 221	14 579
Compensation of employees	33 709	-	(136)	33 573	16 129	17 444	48,0%	25 705	10 326
Goods and services	20 479	-	-	20 479	14 445	6 034	70,5%	21 516	4 253
Transfers and subsidies	4 726 446	-	136	4 726 582	4 726 582	-	100,0%	4 629 179	4 629 179
Departmental agencies and accounts	4 514 999	-	-	4 514 999	4 514 999	-	100,0%	4 390 865	4 390 865
Foreign governments and international organisations	28 265	-	-	28 265	28 265	-	100,0%	29 013	29 013
Public corporations and private enterprises	180 972	-	-	180 972	180 972	-	100,0%	209 301	209 301
Households	2 210	-	136	2 346	2 346	-	100,0%	-	-
Payments for capital assets	331	-	-	331	38	293	11,6%	90	26
Machinery and equipment	331	-	-	331	38	293	11,6%	90	26
Total	4 780 965	-	-	4 780 965	4 757 194	23 770	99,5%	4 676 490	4 643 784

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Programme 5: Prestige Policy									
2021/22								2020/21	
	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	77 730	-	-	77 730	41 420	36 311	53,3%	52 716	37 304
2. Parliamentary Villages Management Board	11 376	-	-	11 376	11 376	-	100,0%	11 206	11 206
Total for sub programmes	89 106	-	-	89 106	52 796	36 311	59,3%	63 922	48 510
Economic classification									
Current payments	71 411	-	(147)	71 264	39 307	31 958	55,2%	49 664	36 839
Compensation of employees	30 134	-	(147)	29 987	27 550	2 437	91,9%	29 268	29 143
Goods and services	41 277	-	-	41 277	11 757	29 521	28,5%	20 396	7 696
Transfers and subsidies	11 595	-	147	11 742	11 742	-	100,0%	11 225	11 225
Provinces and Municipalities	-	-	-	-	-	-	-	3	3
Departmental agencies and accounts	11 376	-	-	11 376	11 376	-	100,0%	11 206	11 206
Households	219	-	147	366	366	-	100,0%	16	16
Payments for capital assets	6 100	-	-	6 100	1 747	4 353	28,6%	3 030	443
Machinery and equipment	6 100	-	-	6 100	1 747	4 353	28,6%	3 030	443

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Payments for financial assets	-	-	-	-	-	-	-	3	3
Total	89 106	-	-	89 106	52 796	36 311	59,3%	63 922	48 510

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

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

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
Administration	504 598	416 494	88 104	17%
Intergovernmental Coordination	58 541	44 202	14 339	24%
Expanded Public Works Programme	2 921 000	2 811 509	109 491	4%
Property and Construction Industry Policy and Research	4 780 965	4 757 194	23 770	0%
Prestige Policy	89 106	52 796	36 311	41%
Administration	504 598	416 494	88 104	17%

"Expenditure variance relates to:

- Compensation of employees - due to delays in the filling of funded prioritised positions and those vacated during the financial year.
- Goods and services – mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure.
- Machinery and equipment – due to delays in the acquisition of assets linked to the projected filling of the vacant positions. "

Intergovernmental Coordination	58 541	44 202	14 339	24%
--------------------------------	--------	--------	--------	-----

"Expenditure variance relates to:

- Compensation of employees – due to delays in the filling of funded prioritised positions and those vacated during the financial year.
- Goods and services – mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure.
- Machinery and equipment – due to delay in procuring boardroom systems and other assets aligned to the projected filling of vacant priority positions.

Expanded Public Works Programme	2 921 000	2 811 509	109 491	4%
---------------------------------	-----------	-----------	---------	----

"Expenditure variance relates to:

- Compensation of employees – due to delays in the filling of funded prioritised positions and those vacated during the financial

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

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

year.

- Goods and services – mainly due to intermediary management fee payment relating to EPWP Non-State Sector Programme and outsourced services supporting the EPWP projects.
- Transfers and subsidies – mainly due to EPWP Non-State Sector programme payment being withheld as a result of unfulfilled contractual obligations.
- Machinery and equipment – due to delays in the acquisition of assets linked to the projected filling of the vacant positions.

Property and Construction Industry Policy and Research	4 780 965	4 757 194	23 770	0%
--	-----------	-----------	--------	----

"Expenditure variance relates to:

- Compensation of employee – due to delays in the filling of funded prioritised positions and those vacated during the financial year.
- Goods and services – mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure.

Prestige Policy	89 106	52 796	36 311	41%
-----------------	--------	--------	--------	-----

"Expenditure variance relates to:

- Compensation of employees – mainly due to delays in filling of vacant priority positions which were planned to be filled during the financial year.
- Goods and services – mainly due to nation-wide lockdown restrictions which affected spending on State events.
- Machinery and equipment – mainly due to lower than projected spending on the planned acquisition of assets.

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

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
Current payments				
Compensation of employees	578 887	497 360	81 527	14%
Goods and services	392 955	279 591	113 364	29%
Transfers and subsidies				
Provinces and municipalities	1 595 629	1 594 154	1 475	0%
Departmental agencies and accounts	4 526 375	4 526 375	-	0%
Public corporations and private enterprises	180 972	180 972	-	0%
Foreign governments and international organisations	28 265	28 265	-	0%
Non-profit institutions	1 020 414	956 134	64 280	6%
Households	13 256	13 256	-	0%
Payments for capital assets				
Machinery and equipment	17 322	5 953	11 369	66%
Payments for financial assets	135	135	-	0%

<p>Expenditure variance relates to:</p> <ul style="list-style-type: none"> • Compensation of employees - mainly due to delays in filling of vacant priority positions which were planned to be filled during the financial year. • Goods and services - mainly due to the national lockdown with the bulk of the activities being performed minimally resulting in lower than projected expenditure. • Transfers and subsidies - mainly due to EPWP Non-State Sector programme payment being withheld as a result of unfulfilled contractual obligations. • Machinery & equipment - mainly due to delays in the acquisition of assets linked to the projected filling of the vacant positions.
--

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
EPWP Integrated Grant for Provinces	836 930	835 460	1 470	0%
EPWP Integrated Grant for Municipalities	758 693	758 693	-	0%

<p>"Underspending due to: EPWP Integrated Grant for Provinces which were withheld due to non-compliance to DORA requirements.</p>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

VOTE 13

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	<u>1</u>	8 354 210	7 724 379
Departmental revenue	<u>2</u>	15 468	9 076
TOTAL REVENUE		8 369 678	7 733 455
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	497 360	484 989
Goods and services	<u>4</u>	279 591	236 411
Total current expenditure		776 951	721 400
Transfers and subsidies			
Transfers and subsidies	<u>6</u>	7 299 156	6 807 042
Total transfers and subsidies		7 299 156	6 807 042
Expenditure for capital assets			
Tangible assets	<u>7</u>	5 953	2 422
Total expenditure for capital assets		5 953	2 422
Payments for financial assets	<u>5</u>	135	170
TOTAL EXPENDITURE		8 082 195	7 531 034
SURPLUS/(DEFICIT) FOR THE YEAR		287 483	202 421
 Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		272 015	193 345
Annual appropriation		272 015	193 345
Departmental revenue and NRF Receipts	<u>13</u>	15 468	9 076
SURPLUS/(DEFICIT) FOR THE YEAR		287 483	202 421

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	<i>Note</i>	2021/22 R'000	2020/21 R'000
ASSETS			
Current assets		500 420	278 576
Unauthorised expenditure	<u>8</u>	261 169	261 169
Cash and cash equivalents	<u>9</u>	216 440	125
Prepayments and advances	<u>10</u>	3 616	11 676
Receivables	<u>11</u>	19 195	5 606
Non-current assets		65 848	68 935
Receivables	<u>11</u>	65 848	68 935
TOTAL ASSETS		566 268	347 511
LIABILITIES			
Current liabilities		562 086	343 731
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	272 015	193 343
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	11 728	7 574
Bank overdraft	<u>14</u>	44 475	83 112
Payables	<u>15</u>	233 868	59 702
TOTAL LIABILITIES		562 086	343 731
NET ASSETS		4 182	3 780
Represented by:			
Recoverable revenue		4 182	3 780
TOTAL		4 182	3 780

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Recoverable revenue			
Opening balance		3 780	3 603
Transfers:		402	177
Debts revised		(38)	(7)
Debts recovered (included in departmental receipts)		(404)	(283)
Debts raised		844	467
TOTAL		4 182	3 780

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
CASH FLOW STATEMENT
for the year ended 31 March 2022

	<i>Note</i>	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		8 369 678	7 733 455
Annual appropriated funds received	<u>1.1</u>	8 354 210	7 724 379
Departmental revenue received		4 412	1 523
Interest received	<u>2.2</u>	11 056	7 553
Net (increase)/decrease in working capital		168 637	22 866
Surrendered to Revenue Fund		(204 657)	(163 253)
Current payments		(776 951)	(721 400)
Payments for financial assets	<u>5</u>	(135)	(170)
Transfers and subsidies paid		(7 299 156)	(6 807 042)
Net cash flow available from operating activities	<u>16</u>	257 416	64 456
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>7</u>	(5 953)	(2 422)
(Increase)/decrease in non-current receivables		3 087	7 853
Net cash flows from investing activities		(2 866)	5 431
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		402	177
Net cash flows from financing activities		402	177
Net increase/(decrease) in cash and cash equivalents		254 952	70 064
Cash and cash equivalents at beginning of period		(82 987)	(153 051)
Cash and cash equivalents at end of period	<u>17</u>	171 965	(82 987)

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
8	<p>Expenditure</p>
8.1	<p>Compensation of employees</p>
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
8.2	<p>Other expenditure</p> <p>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.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</p> <p>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.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p>

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	<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.
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><Indicate when prepayments and advances are expensed and under what circumstances.></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 2022

	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.
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.
17.3	Contingent assets

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	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.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18	Unauthorised expenditure Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: <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. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	Fruitless and wasteful expenditure 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. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. 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.
20	Irregular expenditure 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 therefore are provided in the note. 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. 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.
21	Changes in accounting estimates and errors Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	Principal-Agent arrangements 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 Fund (NSF); construction of rural bridge structures in KwaZulu Natal Province through the Department of Higher

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	<p>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 2022

1. Annual Appropriation

1.1 Annual Appropriation

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

	2021/22		2020/21	
	Final Appropriation	Actual Funds Received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000
Administration	504 598	504 598	456 902	456 902
Intergovernmental Coordination	58 541	58 541	58 219	58 219
Expanded Public Works Programme	2 921 000	2 921 000	2 468 846	2 468 846
Property and Construction Industry Policy and Research	4 780 965	4 780 965	4 676 490	4 676 490
Prestige Policy	89 106	89 106	63 922	63 922
Total	8 354 210	8 354 210	7 724 379	7 724 379

2. Departmental revenue

	Note	2021/22 R'000	2020/21 R'000
Sales of goods and services other than capital assets	2.1	319	316
Interest, dividends and rent on land	2.2	11 056	7 553
Transactions in financial assets and liabilities	2.3	4 093	1 207
Departmental revenue collected		15 468	9 076

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department

	318	316
Sales by market establishment	113	116
Administrative fees	1	1
Other sales	204	199
Sales of scrap, waste and other used current goods	1	-
Total	319	316

2.2 Interest, dividends and rent on land

Interest	11 056	7 553
Total	11 056	7 553

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

2.3	Transactions in financial assets and liabilities	2021/22	2020/21
		R'000	R'000
	Receivables	4 093	1 207
	Total	4 093	1 207
2.4	Donations received in-kind (not included in the main note or sub note)		
	Venue	-	60
	Facilitation services	-	125
	Total	-	185
3.	Compensation of employees		
3.1	Salaries and Wages		
	Basic salary	331 143	328 524
	Performance award	2 415	4 115
	Service Based	262	174
	Compensative/circumstantial	8 093	6 887
	Periodic payments	-	34
	Other non-pensionable allowances	96 595	86 035
	Total	438 508	425 769
3.2	Social contributions		
	Employer contributions		
	Pension	42 211	43 427
	Medical	16 525	15 693
	Bargaining council	77	72
	Insurance	39	28
	Total	58 852	59 220
	 Total compensation of employees	 497 360	 484 989
	 Average number of employees	 700	 715

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

4.	Goods and services	<i>Note</i>	2021/22	2020/21
			R'000	R'000
	Administrative fees		45 841	36 296
	Advertising		9 122	2 971
	Minor assets	4.1	325	161
	Bursaries (employees)		557	155
	Catering		346	821
	Communication		8 803	13 944
	Computer services	4.2	27 805	35 990
	Consultants: Business and advisory services		36 537	19 760
	Legal services		26 229	7 037
	Contractors		5 500	2 613
	Agency and support / outsourced services		41 203	45 720
	Entertainment		79	45
	Audit cost – external	4.3	12 804	8 630
	Fleet services		909	986
	Consumables	4.4	3 846	4 531
	Operating leases		25 744	27 606
	Property payments	4.5	8 624	15 107
	Rental and hiring		1 224	207
	Travel and subsistence	4.6	16 330	8 487
	Venues and facilities		2 075	116
	Training and development		1 127	429
	Other operating expenditure	4.7	4 561	4 799
	Total		279 591	236 411
			<hr/>	<hr/>
4.1	Minor assets			
	Tangible assets			
	Machinery and equipment		325	161
	Total		325	161
			<hr/>	<hr/>
4.2	Computer services			
	SITA computer services		19 446	23 643
	External computer service providers		8 359	12 347
	Total		27 805	35 990
			<hr/>	<hr/>

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

4.3	Audit cost – External			
	Regularity audits		12 804	8 630
	Total		12 804	8 630
4.4	Consumables			
		<i>Note</i>	2021/22	2020/21
		4	R'000	R'000
	Consumable supplies		2 057	2 812
	Uniform and clothing		178	1 637
	Household supplies		277	210
	Communication accessories		-	2
	IT consumables		737	123
	Other consumables		865	840
	Stationery, printing and office supplies		1 789	1 719
	Total		3 846	4 531
4.5	Property payments			
	Municipal services		8 239	14 388
	Property management fees		385	719
	Total		8 624	15 107
4.6	Travel and subsistence			
	Local		16 162	8 374
	Foreign		168	113
	Total		16 330	8 487
4.7	Other operating expenditure			
	Professional bodies, membership and subscription fees		2 866	1 762
	Resettlement costs		273	192
	Other		1 422	2 845
	Total		4 561	4 799
5.	Payments for financial assets			
	Other material losses written off	5.1	112	56
	Debts written off	5.2	23	114
	Total		135	170
5.1	Other material losses			
	Nature of other material losses			
	(Group major categories, but list material items)			
	Incident			
	Disciplinary Steps taken/ Criminal proceedings			
	Recoverable expenditure		112	56
	Total		112	56

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

5.2	Debts written off			
	Nature of debts written off			
		<i>Note</i>	2021/22	2020/21
		8	R'000	R'000
	Other debtors		23	114
	Total		23	114
6.	Transfers and subsidies			
			2021/22	2020/21
			R'000	R'000
		<i>Note</i>		
	Provinces and municipalities	<i>33, 34</i>	1 594 154	1 580 545
	Departmental agencies and accounts	<i>Annexure 1B</i>	4 526 375	4 402 071
	Foreign governments and international organisations	<i>Annexure 1D</i>	28 265	29 013
	Public corporations and private enterprises	<i>Annexure 1C</i>	180 972	209 301
	Non-profit institutions	<i>Annexure 1E</i>	956 134	578 484
	Households	<i>Annexure 1F</i>	13 256	7 628
	Total		7 299 156	6 807 042
7.	Expenditure for capital assets			
		<i>Note</i>	2021/22	2020/21
			R'000	R'000
	Tangible assets		5 953	2 422
	Machinery and equipment	29	5 953	2 422
	Total		5 953	2 422
7.1	Analysis of funds utilised to acquire capital assets – 2021/22			
			Voted funds	Total
			R'000	R'000
	Tangible assets		5 953	5 953
	Machinery and equipment		5 953	5 953
	Total		5 953	5 953

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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

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

7.3 Finance lease expenditure included in Expenditure for capital assets

	Note 2021/22 R'000	2020/21 R'000
Tangible assets	775	899
Machinery and equipment	775	899
Total	775	899

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	Note 2021/22 R'000	2020/21 R'000
Opening balance	261 169	261 169
Prior period error	-	-
As restated	261 169	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

8.2 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

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure relating to overspending of the vote or a main division within a vote	83 082	83 082
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	178 087	178 087
Total	261 169	261 169

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

9. Cash and cash equivalents

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Cash receipts		216 315	-
Cash on hand		125	125
Total		216 440	125

The increase is attributable to funds deposited into the Department's commercial bank on the last two days of the financial year

10. Prepayments and advances

Travel and subsistence		45	1
Advances paid (Not expensed)	<i>10.1</i>	3 571	11 675
Total		3 616	11 676

10.1 Advances paid (Not expensed)

	<i>No te</i>	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
National departments	<i>10</i>	7 120	(7 658)	-	659	121
Public entities		307	(16 608)	-	16 483	182
Other entities		4 248	(9 199)	-	8 219	3 268
Total		11 675	(33 465)	-	25 361	3 571

	<i>No te</i>	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
National departments	<i>10</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

10.2 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	<i>10</i>	4 846	(4 846)	-	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Total	4 846	(4 846)	-	-	-
--------------	-------	---------	---	---	---

11. Receivables

		2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
	<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	<u>11.1</u>	18 545	62 178	80 723	5 497	65 299	70 796
Recoverable expenditure	11.2	168	591	759	98	752	850
Staff debt	11.3	482	120	602	11	139	150
Other debtors	11.4	-	2 959	2 959	-	2 745	2 745
Total		19 195	65 848	85 043	5 606	68 935	74 541

11.1 Claims recoverable

	<i>Note</i>	2021/22	2020/21
	11	R'000	R'000
National departments		71 908	55 300
Public entities		8 815	15 496
Total		80 723	70 796

11.2 Recoverable expenditure (disallowance accounts)

Disallowance Account	591	807
Private Telephone	14	22
Salaries	154	21
Total	759	850

11.3 Staff debt

Personnel Debt	602	150
Total	602	150

11.4 Other receivables

Bursaries	244	235
Ex-Employees(over payments)	2 459	2 253
Telephone Account(limit exceeded)	256	257
Total	2 959	2 745

11.5 Impairment of receivables

	<i>Note</i>	2021/22	2020/21
	11	R'000	R'000
Estimate of impairment of receivables		62 026	61 558

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Total		62 026	61 558
12. Voted funds to be surrendered to the Revenue Fund			
Opening balance		193 343	146 831
Prior period error		-	-
As restated		193 343	146 831
Transfer from statement of financial performance (as restated)		272 015	193 345
Paid during the year		(193 343)	(146 833)
Closing balance		272 015	193 343
13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		7 574	14 918
Prior period error		-	-
As restated		7 574	14 918
Transfer from Statement of Financial Performance (as restated)		15 468	9 076
Paid during the year		(11 314)	(16 420)
Closing balance		11 728	7 574
14. Bank Overdraft			
Consolidated Paymaster General Account		44 475	83 112
Total		44 475	83 112
15. Payables – current			
Advances received	<u>15.1</u>	19 523	52 806
Clearing accounts	<u>15.2</u>	169	2 009
Other payables	<u>15.3</u>	214 176	4 887
Total		233 868	59 702

The increase is due to surrender of funds from IDT deposited into the Department's commercial bank on the last two days of the financial year. The funds will be surrendered to National Treasury in the next Financial Year.

15.1 Advances received			
Provincial departments		6 227	12 870
Public entities		13 296	39 936
Total		19 523	52 806

15.2 Clearing accounts	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Salary income tax (Payable to SARS)	15	157	1 890
Salary clearing accounts		12	119

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

	Total	169	2 009
15.3	Other payables		
	Funds received on behalf of the PMTE	1 818	1 272
	Other payables	34	27
	Surrender to National Treasury	211 248	2 088
	Vukuphile EPWP Projects	687	1 500
	CETA	389	-
	Total	214 176	4 887
16.	Net cash flow available from operating activities		
	Net surplus/(deficit) as per Statement of Financial Performance	287 483	202 421
	Add back non cash/cash movements not deemed operating activities	(30 067)	(137 965)
	(Increase)/decrease in receivables – current	(13 589)	(1 292)
	1(Increase)/decrease in prepayments and advances	8 060	4 811
	Increase/(decrease) in payables – current	(174 166)	19 347
	Expenditure on capital assets	5 953	2 422
	Surrenders to Revenue Fund	(204 657)	(163 253)
	Net cash flow generated by operating activities	257 416	64 456
17.	Reconciliation of cash and cash equivalents for cash flow purposes		
	Consolidated Paymaster General account	(44 475)	(83 112)
	Cash receipts	216 315	-
	Cash on hand	125	125
	Total	171 965	(82 987)

An amount of 216 million was deposited into the department's commercial bank on the 30th and 31st of March 2022.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Liable to Nature			
Housing loan guarantees	Employees	53	53
Claims against the department	<i>Annex 2B</i>	13 337	10 000
Intergovernmental payables (unconfirmed balances)	<i>Annex 4</i>	5 030	7 162
Total		18 420	17 215

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.

Labour Relations Matters

These disputes emanated from termination of contract around 31 December 2019 and as result they declared disputes with the Bargaining Council citing unfair dismissal. Currently these disputes are underway at the bargaining Council.

19. Capital commitments

Machinery and equipment	244	851
Total	244	851

Commitments are expected to be expensed or accrued in the next financial year (2022/23)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

20. Accruals and payables not recognised

20.1 Accruals

			2021/22	2020/21
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	18 147	2 656	20 803	15 002
Transfers and subsidies	118	-	118	16
Capital assets	68	-	68	-
Other	101	-	101	336
Total	18 434	2 656	21 090	15 354
Listed by programme level				
Administration			15 699	11 787
Intergovernmental Coordination			1 884	697
Expanded Public Works Programme			1 849	2 531
Property and Construction Industry Policy and Research			1 390	14
Prestige Policy			268	325
Total			21 090	15 354

20.2 Payables not recognised

Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	462	448	910	724
Capital assets	-	46	46	13
Total	462	494	956	737

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Administration		30	112
Intergovernmental Coordination		-	-
Expanded Public Works Programme		295	130
Property and Construction Industry Policy and Research		584	95
Prestige Policy		47	400
Total		956	737

Included in the above totals are the following:

Confirmed balances with other departments	<i>Annex 4</i>	9 328	8 630
Confirmed balances with other government entities	<i>Annex 4</i>	4 479	2 617
Total		13 807	11 247

21. Employee benefits

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Leave entitlement		34 026	38 626
Service bonus		11 695	11 365
Performance awards		-	2 793
Capped leave		7 467	7 653
Other		1 111	433
Total		54 299	60 870

At this stage, the department is not able to reliably measure the long term portion of the long service awards. Excluded from the leave entitlement is the R172 thousand representing leave credits as at end of the financial year.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

22. Lease commitments

22.1 Operating leases

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2021/22					
Not later than 1 year	-	-	13 090	-	13 090
Total lease commitments	-	-	13 090	-	13 090

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2020/21					
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

22.2 Finance leases **

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2021/22					
Not later than 1 year	-	-	-	1 763	1 763
Later than 1 year and not later than 5 years	-	-	-	1 273	1 273
Total lease commitments	-	-	-	3 036	3 036

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2020/21					
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

**This note excludes leases relating to public private partnership as they are separately disclosed in note no. 28

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

	Note	2021/22 R'000	2020/21 R'000
Interest, dividends and rent on land		2	1 192
Total		2	1 192

23.1 Analysis of accrued departmental revenue

Opening balance	1 192	1 192
Less: amounts received	(10 982)	(7 483)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Add: amounts recognised	9 792	7 483
Closing balance	2	1 192

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

Opening balance	193 948	190 872
Prior period error	(2 177)	(2 177)
As restated	193 948	188 695
 Add: Irregular expenditure – relating to prior year	 -	 -
Add: Irregular expenditure – relating to current year	3 759	5 253
 Less: Current year amounts condoned	 -	 -
Closing balance	197 707	193 948
 Analysis of closing balance		
Current year	3 759	5 253
Prior years	193 948	188 695
Total	197 707	193 948

The amount of R3.8 million in the current financial year includes a recurring amount of R3.7 million that relates to the irregularly appointed officials as per the PSC report. New irregular expenditure incurred and identified in the current year of R65 thousand that relates to instances where local content was not implemented and appropriate approvals were not obtained by the delegated authority.

The amount of R2.1 million for prior period error relates to instances where an assessment was conducted in terms of National Treasury's Irregular Expenditure Framework and found not to meet the definition of irregular expenditure.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
Appropriate approval not obtained by delegated authority	Matter to be referred to Labour Relations	12
Local production and content not implemented	Under determination	53
Officials appointed in contravention of Public Service Act	Under determination	3 694
Total		3 759

The amount of R12 thousand relates to an instance where expenditure was incurred on an expired contract, and the amount of R53 thousand relates to an instance where local production and content was not implemented when office furniture was procured. The irregular appointment of officials arose in the prior years after an investigation by the Public Service Commission (PSC) was instituted. The expenditure reflected herein relates 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.

24.3 Details of irregular expenditures under assessment (not included in the main note)

Incident	2021/22 R'000
Local production and content not implemented	25
Winning bidder is non-responsive	428
Total	453

The amount of R453 thousand relates to findings that were raised by AGSA during 2021/2022 interim audit. Internal Control is currently assessing the transaction in terms of National Treasury's Irregular Expenditure Framework. Upon completion of the assessment, the necessary disclosures will be made.

24.4 Prior period error

Nature of prior period error	Note	2020/21 R'000
Relating to 2020/21 (affecting the opening balance)		(2 177)
Appropriate approval not obtained by the delegated authority & Incorrect evaluation performed in the procurement process		(308)
Incorrect procurement process followed; Local content not Implemented & PA 11 not submitted		(1 625)
Tax matters not in order & Three quotations not obtained and Invoice amount exceeded pricing schedule		(244)
Total		(2 177)

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

The amount of R2.2 million was assessed in terms of the National Treasury's Irregular Expenditure Framework and found not to meet the definition of irregular expenditure.

24.5	Details of the non-compliance where an institution is involved in an inter-institutional arrangement	2021/22
	Incident	R'000
	Variation order approval not obtained from delegated authority	699
	Total	699

This amount relates to a state event that took place in 2019. An assessment and determination test was conducted which resulted in disciplinary proceedings being implemented against the responsible official. An application to condone the transaction was made to National Treasury in terms of the Irregular Expenditure Framework. NT's response to the Department recommended that an application for removal be submitted to the Accounting Officer. The application for removal is currently underway.

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Opening balance		973	973
Prior period error		-	-
As restated		973	973
Closing balance		973	973

25.2 Details of fruitless and wasteful expenditures under assessment (not included in the main note)

25.2	Details of fruitless and wasteful expenditures under assessment (not included in the main note)	2021/22
	Incident	R'000
	Arbitration Awards	1 595
	Irrecoverable debt	54 541
	Total	56 136

The amount of R1.5 million relates to arbitration awards paid to several officials who lodged grievances for not being appointed. R54.5 million relates to amount due to DPWI by DBE for which DBE is disputing services rendered. An investigation has been launched into the award and payments.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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 the 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 charges.

Related parties transactions

1. Property Management Trading Entity (PMTE)

The 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 2022

27. Key management personnel

	No. of Individuals	2021/22 R'000	2020/21 R'000
Political office bearers (provide detail below)			
Officials:	2	4 429	4 392
Level 15 to 16	9	13 077	12 989
Level 14 (incl. CFO if at a lower level)	28	35 448	33 294
Secondment of Staff	1	-	597
Total		52 954	51 272

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	1 276	5 093
Indexed component	1 276	5 093
Analysis of indexed component	1 276	5 093
Goods and services (excluding lease payments)	930	859
Operating leases	346	4 234
Other	1 409	168
Other obligations	1 409	168

The Department partook in a fleet contract with Avis that operated for a 9 month period from 1 July 2021 to 31 March 2022.

Included in Other obligations are accruals amounting to R1.4 million .There is no fleet contract as at 31 March 2022, vehicles are rented through the Travel With Flair contract as and when there is a need.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	113 048	-	-	(86)	112 962
Heritage assets	113 048	-	-	(86)	112 962
MACHINERY AND EQUIPMENT	315 057	-	6 452	(2 923)	318 586
Transport assets	3 263	-	331	-	3 594
Computer equipment	65 083	-	3 974	(557)	68 500
Furniture and office equipment	218 248	-	923	(976)	218 195
Other machinery and equipment	28 463	-	1 224	(1 390)	28 297
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	428 105	-	6 452	(3 009)	431 548

29.1 Movement for 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER 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	314 604	-	1 716	(1 263)	315 057
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	-	262	(182)	28 463
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	427 652	-	1 716	(1 263)	428 105

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

29.1.1 Prior period error

	<i>Note</i>	2020/21 R'000
Nature of prior period error		
Relating to 2020/21		(206)
Other machinery and equipment		(206)
		(206)
Total prior period errors		(206)

2020/21 Financial Year: Correction of DIRCO payments that were erroneously allocated as movable assets.

29.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	21	3 825	116 160	-	120 006
Additions	-	-	-	1 668	-	1 668
Disposals	-	-	-	(2 459)	-	(2 459)
TOTAL MINOR ASSETS	-	21	3 825	115 369	-	119 215
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	3 020	-	3 020
Number of minor assets at cost	-	11	1 960	61 673	-	63 344
TOTAL NUMBER OF MINOR ASSETS	-	11	1 960	64 393	-	66 364

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	21	3 825	115 925	-	119 771
Additions	-	-	-	476	-	476
Disposals	-	-	-	(241)	-	(241)
TOTAL MINOR ASSETS	-	21	3 825	116 160	-	120 006
	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

29.2.1 Prior period error

	Note	2020/21 R'000
Nature of prior period error		
Relating to 2020/21		(28)
Machinery and Equipment		(28)
Total		(28)

2020/21 Financial Year: Correction of DIRCO payments that were erroneously allocated as movable assets.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

29.3 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	76	2 121	-	2 197
TOTAL	-	-	76	2 121	-	2 197

30. Intangible Capital Assets

	Opening balance 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

30.1 Movement for 2020/21

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER 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
SOFTWARE	66 162	-	-	-	66 162
TOTAL INTANGIBLE CAPITAL ASSETS	66 162	-	-	-	66 162

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

31. Principal-agent arrangements

31.1 Department acting as the principal

	2021/22	2020/21
	R'000	R'000
International Labour Organisation	981	1 159
Independent Development Trust	2 020	1 886
Independent Development Trust(Non-state Sector)	44 604	31 932
Total	47 605	34 977

"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 the direct project cost as management fees. The main purpose of this relationship is to enable support to be provided by the ILO in terms of their international expertise in 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 the 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 Organization (ILO): Should any changes occur; the Department may decide to modify or terminate the agreement, upon giving reasonable advance notice in writing, its financial contribution to the programme. (a) Such modification or termination by the Department of its financial contribution will be without prejudice to any funds irrecoverably committed in good faith and in accordance with the Memorandum by the ILO to third parties before it is notified of such modification or termination. Should the funds held by the ILO be insufficient to cover the outstanding liabilities in respect of the Memorandum, the Department will deposit the amount required for this purpose within the maximum commitment stipulated in the Memorandum. (b) Notwithstanding the completion of the project, the ILO shall continue to hold unutilized payment until all commitments and liabilities incurred in the implementation of the project have been satisfied and project activities brought to an orderly conclusion. Any balance remaining unspent after such commitment and liabilities have been satisfied shall be disposed of by the ILO in consultation with the Department. There were no significant changes in the terms and conditions during the period under review.

Independent Development Trust (IDT): Should an early termination of this agreement be necessitated for any reason whatsoever, the Department shall assume responsibility for all liabilities incurred in terms of this agreement and forthwith make available funding to cover all cost that the IDT has incurred and/or committed to as well termination and other costs recoverable by third parties against the IDT. There were no significant changes in the terms and conditions during the period under review.

International Labour Organisation (ILO): the Department makes advance to the ILO for the provision of technical support in agreed areas. The Department oversee 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 2022 the advance payment recorded in the Department's financial position amount to R1.6 million and it is recorded as a liability in the ILO financial statements.

Independent Development Trust (IDT): the Department makes advance payments to the IDT for the provision of technical support in agreed areas. The Department oversees 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 2022 the advance payment recorded in the Department's financial position amount to R181 thousand and it is recorded as a liability in the IDT financial statements.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

31.2 Department acting as the agent

31.2.1 Reconciliation of funds and disbursements – 2021/22

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
National Skills Fund	39 936	(26 639)
KZN Department of Transport	12 870	(6 643)
Total	52 806	(33 282)

NSF- The Department entered into a contractual agreement with the NSF for Supporting special projects on growth and development strategies to benefit EPWP participants. Currently there are no significant risks identified that could affect the project. The Department utilise funds advanced by the NSF towards the implementation of the NSF project as outlined in the agreement. The Department provides reports showing expenditure on the advance received at regular intervals. As at 31 March 2022 the advance received, which is recorded in the Department's financial position amount to R13.2 million and Accruals amounts to R 404 thousand.

KZN Provincial Department of Transport- The Department entered into a contractual agreement with the KZN Provincial Department of Transport for the construction of rural bridge structures in rural provinces of the Republic of South Africa and the benefits include utilisation of government internal capacity and expertise in the construction of bridges, participation of all three spheres of government in the construction in line with District Development Model and quicker and cheaper construction of the bridges. Currently there are no significant risks identified that could affect the project. The Department utilises funds advanced by the KZN Provincial Department of Transport towards the implementation or construction of rural bridges in rural provinces of the Republic of South Africa. As at 31 March 2022, the advance received and recorded in the Department's financial position amount to R6.2million.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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)

NSF: There are no assets that are held on behalf NSF or recorded in the department's financial statements.

KZN Provincial Department of Transport: There are no assets that are held on behalf KZN Provincial Department of Transport or recorded in the department's financial statements.
Department of Basic Education (DBE): The Department has entered into a contractual agreement with the Department of Education for which the Department was appointed as an implementation agent for the schools' beautification programme. As the programme progressed; financial challenges were encountered which resulted in the contract being terminated in line with the signed agreement. As at 31 March 2022 DBE owes the department an amount totalling to R54.5 million and it is recorded in department statement of financial position.

31.2.2 Reconciliation of carrying amount of receivables and payables – 2021/22

Receivables

Name of principal entity	Opening balance 1 Apr 2021	Revenue principal is entitled to	Less: Write- offs/settlement s/waivers	Cash received on behalf of principal	Closing Balance 31 Mar 2022
	R'000	R'000	R'000	R'000	R'000
National Department of Basic Education	54 541	-	-	-	54 541
Total	54 541	-	-	-	54 541

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Payables

Name of principal entity	Opening balance 1 Apr 2021	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing Balance 31 Mar 2022
	R'000	R'000	R'000	R'000
National Skills Fund	39 936	(26 639)	-	13 297
KZN Department of Transport	12 870	(6 643)	-	6 227
Total	52 806	(33 282)	-	19 524

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/settlement s/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	(107 300)	-	52 806

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

32. Prior period errors

32.1 Correction of prior period errors

	<i>Note</i>	Amount bef error correction 2020/21 R'000	Prior period error 2020/21 R'000	Restated Amount 2020/21 R'000
<i>Expenditure: Annual appropriation.</i>				
Salaries & Wages - Periodic payments		428 196	(2 427)	425 769
Goods & services-Consultants: Business and advisory services		17 333	2 427	19 760
Net effect		445 529	-	445 529

Reclassification of items (Remuneration of Audit Committee members erroneously processed as part of Compensation of Employees instead of Goods and Services).

Expenditure: Compensation of Employees

Salaries & Wages - Periodic payments		428 196	(2 427)	425 769
Goods & services-Consultants: Business and advisory services		17 333	2 427	19 760
Net effect		445 529	-	445 529

Reclassification of items (Remuneration of Audit Committee members erroneously processed as part of Compensation of Employees instead of Goods and Services).

Assets: Movable tangible capital assets.

Tangible assets		468	(206)	262
Minor assets		504	(28)	476
Net effect		972	(234)	738

Included in prior year was a payment to DIRCO which was incorrectly classified as minor and tangible assets.

Other: Irregular expenditure, Fruitless and wasteful expenditure.

Irregular expenditure		190 872	(2 177)	188 695
Accrued departmental revenue		1 416	(224)	1 192
Net effect		192 288	(2 401)	189 887

The amount of R2.1 million was assessed in terms of National Treasury's Irregular Expenditure Framework and found not to meet the definition of irregular expenditure.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

The Opening balance of R1.4 million is inclusive of R224 thousand interest received from the IDT, this amount was received on the 10th of April 2015. The interest amount was surrendered to the National Revenue Fund during the 2015/16 Financial Year together with other revenue received without it being recognised as received in the Accrued Revenue note. The IDT only provided proper response during the year under review upon a demand from the Department that funds be surrendered hence the restatement.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

33. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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	153 924	-	-	153 924	153 924	-	-	153 924	152 666	1 258	99%	162 991	162 991
Free State	59 251	-	-	59 251	59 251	-	-	59 251	57 442	1 809	97%	63 657	63 657
Gauteng	93 559	-	-	93 559	92 089	1 470	-	92 089	90 176	1 913	98%	104 974	103 474
Kwazulu-Natal	212 997	-	-	212 997	212 997	-	-	212 997	209 430	3 567	98%	183 375	183 375
Limpopo	101 436	-	-	101 436	101 436	-	-	101 436	95 991	5 445	95%	84 452	84 452
Mpumalanga	49 560	-	-	49 560	49 560	-	-	49 560	47 070	2 490	95%	62 841	62 841
Northern Cape	33 667	-	-	33 667	33 667	-	-	33 667	30 643	3 024	91%	44 272	43 926
North West	63 736	-	-	63 736	63 736	-	-	63 736	63 256	480	99%	58 850	58 850
Western Cape	68 800	-	-	68 800	68 800	-	-	68 800	68 798	2	100%	68 933	68 933
TOTAL	836 930	-	-	836 930	835 460	1 470	-	835 460	815 472	19 988		834 345	832 499

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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	422 486	-	-	422 486	421 016	1 470	-	421 016	412 361	8 655	98%	420 762	419 262
Social EPWP Incentive Grant for Provinces	414 444	-	-	414 444	414 444	-	-	414 444	403 111	11 333	97%	413 583	413 237
TOTAL	836 930	-	-	836 930	835 460	1 470	-	835 460	815 472	19 988		834 345	832 499

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
EPWP Integrated Grants for Provinces													
Eastern Cape	102 099	-	-	102 099	102 099	-	-	102 099	100 956	1 143	99%	107 789	107 789
Free State	21 651	-	-	21 651	21 651	-	-	21 651	21 467	184	99%	24 085	24 085
Gauteng	48 838	-	-	48 838	47 368	1 470	-	47 368	45 455	1 913	96%	53 887	52 387
Kwazulu-Natal	114 398	-	-	114 398	114 398	-	-	114 398	113 771	627	99%	104 494	104 494
Limpopo	33 749	-	-	33 749	33 749	-	-	33 749	31 773	1 976	94%	25 379	25 379
Mpumalanga	22 736	-	-	22 736	22 736	-	-	22 736	22 660	76	100%	27 907	27 907
Northern Cape	16 390	-	-	16 390	16 390	-	-	16 390	14 053	2 337	86%	21 634	21 634
North West	32 852	-	-	32 852	32 852	-	-	32 852	32 455	397	99%	29 604	29 604
Western Cape	29 773	-	-	29 773	29 773	-	-	29 773	29 771	2	100%	25 983	25 983
TOTAL	422 486	-	-	422 486	421 016	1 470	-	421 016	412 361	8 655		420 762	419 262

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Social EPWP Incentive Grant for Provinces													
Eastern Cape	51 825	-	-	51 825	51 825	-	-	51 825	51 710	115	100%	55 202	55 202
Free State	37 600	-	-	37 600	37 600	-	-	37 600	35 975	1 625	96%	39 572	39 572
Gauteng	44 721	-	-	44 721	44 721	-	-	44 721	44 721	-	100%	51 087	51 087
Kwazulu-Natal	98 599	-	-	98 599	98 599	-	-	98 599	95 659	2 940	97%	78 881	78 881
Limpopo	67 687	-	-	67 687	67 687	-	-	67 687	64 218	3 469	95%	59 073	59 073
Mpumalanga	26 824	-	-	26 824	26 824	-	-	26 824	24 410	2 414	91%	34 934	34 934
Northern Cape	17 277	-	-	17 277	17 277	-	-	17 277	16 590	687	96%	22 638	22 292
North West	30 884	-	-	30 884	30 884	-	-	30 884	30 801	83	100%	29 246	29 246
Western Cape	39 027	-	-	39 027	39 027	-	-	39 027	39 027	-	100%	42 950	42 950
TOTAL	414 444	-	-	414 444	414 444	-	-	414 444	403 111	11 333		413 583	413 237

The Departments certifies that all transfers to Provinces were deposited into the primary bank account in terms of the Division of Revenue Act (DORA) requirements.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Buffalo City	7 300	-	-	7 300	7 300	-	-	8 449	8 449
Nelson Mandela Bay	7 116	-	-	7 116	7 116	-	-	10 117	10 117
Dr Beyers Naude (Camdeboo)	1 552	-	-	1 552	1 552	-	-	1 186	1 186
Blue Crane Route	1 369	-	-	1 369	1 369	-	-	1 548	1 548
Makana	1 159	-	-	1 159	1 159	-	-	1 004	1 004
Ndlambe	1 144	-	-	1 144	1 144	-	-	1 201	1 201
Sundays River Valley	1 237	-	-	1 237	1 237	-	-	1 000	1 000
Kouga	1 423	-	-	1 423	1 423	-	-	1 054	1 054
Kou-Kamma	1 263	-	-	1 263	1 263	-	-	1 112	1 112
Sarah Baartman District Municipality	1 075	-	-	1 075	1 075	-	-	1 000	1 000
Mbhashe	4 622	-	-	4 622	4 622	-	-	4 147	4 147
Mnquma	2 418	-	-	2 418	2 418	-	-	1 695	1 695
Great Kei	1 079	-	-	1 079	1 079	-	-	1 024	1 024

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Amahlathi	1 263	-	-	1 263	1 263	-	-	1 000	1 000
Ngqushwa	3 320	-	-	3 320	3 320	-	-	3 544	3 544
EC 129 Raymond Mhlaba (Nkonkobe/Nxuba)	2 900	-	-	2 900	2 900	-	-	3 309	3 309
Amathole District Municipality	3 860	-	-	3 860	3 860	-	-	3 085	3 085
Inxuba Yethemba	1 542	-	-	1 542	1 542	-	-	1 324	1 324
Intsika Yethu	2 042	-	-	2 042	2 042	-	-	2 271	2 271
Emalahleni	2 003	-	-	2 003	2 003	-	-	2 091	2 091
Engcobo	2 738	-	-	2 738	2 738	-	-	3 443	3 443
Sakhisizwe	1 542	-	-	1 542	1 542	-	-	1 224	1 224
EC139 Enoch Mgigima (Tsolwana/Inkwanca/Lukanji)	3 498	-	-	3 498	3 498	-	-	3 996	3 996
Chris Hani District Municipality	3 838	-	-	3 838	3 838	-	-	6 376	6 376
Elundini	2 569	-	-	2 569	2 569	-	-	3 333	3 333
Senqu	2 566	-	-	2 566	2 566	-	-	2 617	2 617
EC 145 Walter Sisulu (Maletswai/Gariep)	1 328	-	-	1 328	1 328	-	-	1 190	1 190
Joe Gqabi District Municipality	1 559	-	-	1 559	1 559	-	-	1 647	1 647

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Ngquza Hill	1 385	-	-	1 385	1 385	-	-	1 443	1 443
Port St Johns	1 593	-	-	1 593	1 593	-	-	1 664	1 664
Nyandeni	1 716	-	-	1 716	1 716	-	-	1 699	1 699
Mhlontlo	2 321	-	-	2 321	2 321	-	-	1 787	1 787
King Sabata Dalindyebo	3 764	-	-	3 764	3 764	-	-	4 143	4 143
O.R. Tambo District Municipality	9 245	-	-	9 245	9 245	-	-	6 517	6 517
Matatiele	4 887	-	-	4 887	4 887	-	-	3 499	3 499
Umzimvubu	3 413	-	-	3 413	3 413	-	-	2 700	2 700
Mbizana	3 570	-	-	3 570	3 570	-	-	2 389	2 389
Ntabankulu	1 987	-	-	1 987	1 987	-	-	2 374	2 374
Alfred Nzo District Municipality	9 740	-	-	9 740	9 740	-	-	8 751	8 751
Mangaung	1 316	-	-	1 316	1 316	-	-	1 843	1 843
Letsemeng	1 124	-	-	1 124	1 124	-	-	1 000	1 000
Kopanong	1 202	-	-	1 202	1 202	-	-	1 054	1 054
Mohokare	1 131	-	-	1 131	1 131	-	-	1 000	1 000
Xhariep District Municipality	1 144	-	-	1 144	1 144	-	-	1 039	1 039

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Masilonyana	1 075	-	-	1 075	1 075	-	-	1 000	1 000
Tokologo	-	-	-	-	-	-	-	1 000	1 000
Tswelopele	985	-	-	985	985	-	-	1 168	1 168
Matjhabeng	2 964	-	-	2 964	2 964	-	-	1 748	1 748
Nala	1 010	-	-	1 010	1 010	-	-	1 000	1 000
Lejweleputswa District Municipality	1 178	-	-	1 178	1 178	-	-	1 000	1 000
Setsoto	1 989	-	-	1 989	1 989	-	-	1 802	1 802
Dihlabeng	5 176	-	-	5 176	5 176	-	-	2 583	2 583
Nketoana	1 075	-	-	1 075	1 075	-	-	1 000	1 000
Maluti-a-Phofung	6 232	-	-	6 232	6 232	-	-	2 914	2 914
Phumelela	1 180	-	-	1 180	1 180	-	-	-	-
Mantsopa	1 134	-	-	1 134	1 134	-	-	1 342	1 342
Thabo Mofutsanyana District Municipality	5 548	-	-	5 548	5 548	-	-	2 648	2 648
Moqhaka	1 392	-	-	1 392	1 392	-	-	1 228	1 228
Ngwathe	1 672	-	-	1 672	1 672	-	-	1 466	1 466
Metsimaholo	1 622	-	-	1 622	1 622	-	-	1 327	1 327

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Mafube	1 075	-	-	1 075	1 075	-	-		-
Ekurhuleni	20 669	-	-	20 669	20 669	-	-	19 104	19 104
City of Johannesburg	8 529	-	-	8 529	8 529	-	-	19 819	19 819
City of Tshwane	19 031	-	-	19 031	19 031	-	-	12 271	12 271
Emfuleni	3 360	-	-	3 360	3 360	-	-	4 543	4 543
Midvaal	1 539	-	-	1 539	1 539	-	-	1 708	1 708
Lesedi	1 100	-	-	1 100	1 100	-	-	1 367	1 367
Sedibeng District Municipality	1 023	-	-	1 023	1 023	-	-	1 000	1 000
Mogale City	7 702	-	-	7 702	7 702	-	-	7 017	7 017
Merafong City	-	-	-	-	-	-	-	1 000	1 000
Rand West City(GT485 Randfnt&Wstrnd)	2 933	-	-	2 933	2 933	-	-	2 471	2 471
West Rand District Municipality	1 090	-	-	1 090	1 090	-	-	1 020	1 020
eThekwini	81 691	-	-	81 691	81 691	-	-	79 192	79 192
uMdoni	1 976	-	-	1 976	1 976	-	-	1 398	1 398
uMzumbe	1 658	-	-	1 658	1 658	-	-	1 533	1 533
uMuziwabantu	980	-	-	980	980	-	-	1 048	1 048

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Ray Nkonyeni (Hibiscus Coast)	5 558	-	-	5 558	5 558	-	-	3 949	3 949
Ugu District Municipality	3 611	-	-	3 611	3 611	-	-	4 468	4 468
uMshwathi	1 376	-	-	1 376	1 376	-	-	1 192	1 192
uMngeni	980	-	-	980	980	-	-	1 000	1 000
Mpofana	1 136	-	-	1 136	1 136	-	-	1 211	1 211
iMpindle	1 221	-	-	1 221	1 221	-	-	1 284	1 284
Msunduzi	3 516	-	-	3 516	3 516	-	-	4 388	4 388
Mkhambathini	1 329	-	-	1 329	1 329	-	-	1 143	1 143
Richmond	1 101	-	-	1 101	1 101	-	-	1 505	1 505
uMgungundlovu District Municipality	2 299	-	-	2 299	2 299	-	-	3 071	3 071
Okhahlamba	2 513	-	-	2 513	2 513	-	-	3 081	3 081
iNkosi Langalibalele(KZN 237 Umtshezi)	2 114	-	-	2 114	2 114	-	-	2 082	2 082
Alfred Duma(KZN 238 Ladysmith)	4 143	-	-	4 143	4 143	-	-	4 642	4 642
uThukela District Municipality	3 516	-	-	3 516	3 516	-	-	3 730	3 730
eNdumeni	1 589	-	-	1 589	1 589	-	-	1 335	1 335
Nquthu	1 260	-	-	1 260	1 260	-	-	1 088	1 088

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
uMsinga	3 989	-	-	3 989	3 989	-	-	4 441	4 441
uMvoti	-	-	-	-	-	-	-	1 447	1 447
uMzinyathi District Municipality	4 841	-	-	4 841	4 841	-	-	5 457	5 457
Newcastle	2 948	-	-	2 948	2 948	-	-	2 895	2 895
eMadlangeni	-	-	-	-	-	-	-	1 088	1 088
Dannhauser	-	-	-	-	-	-	-	1 000	1 000
Amajuba District Municipality	1 693	-	-	1 693	1 693	-	-	1 850	1 850
eDumbe	1 231	-	-	1 231	1 231	-	-	1 522	1 522
uPhongolo	2 504	-	-	2 504	2 504	-	-	3 055	3 055
AbaQulusi	2 515	-	-	2 515	2 515	-	-	1 831	1 831
Nongoma	1 868	-	-	1 868	1 868	-	-	2 099	2 099
Ulundi	3 660	-	-	3 660	3 660	-	-	2 940	2 940
Zululand District Municipality	9 612	-	-	9 612	9 612	-	-	9 261	9 261
uMhlabuyalingana	1 759	-	-	1 759	1 759	-	-	2 952	2 952
Jozini	3 296	-	-	3 296	3 296	-	-	2 746	2 746
Mtubatuba	1 028	-	-	1 028	1 028	-	-	1 945	1 945

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Big Five Hlabisa KZN 276	1 545	-	-	1 545	1 545	-	-	2 148	2 148
uMkhanyakude District Municipality	5 846	-	-	5 846	5 846	-	-	4 838	4 838
uMfolozi	1 557	-	-	1 557	1 557	-	-	1 788	1 788
uMhlathuze	3 417	-	-	3 417	3 417	-	-	4 278	4 278
uMlalazi	3 416	-	-	3 416	3 416	-	-	3 388	3 388
Mthonjaneni	1 891	-	-	1 891	1 891	-	-	1 951	1 951
Nkandla	3 552	-	-	3 552	3 552	-	-	2 476	2 476
King Cetshwayo (Uthungulu)	4 619	-	-	4 619	4 619	-	-	5 276	5 276
Mandeni	2 435	-	-	2 435	2 435	-	-	2 387	2 387
KwaDukuza	1 732	-	-	1 732	1 732	-	-	1 465	1 465
Ndwedwe	2 412	-	-	2 412	2 412	-	-	1 760	1 760
Maphumulo	1 786	-	-	1 786	1 786	-	-	1 282	1 282
iLembe District Municipality	6 363	-	-	6 363	6 363	-	-	4 746	4 746
Greater Kokstad	4 628	-	-	4 628	4 628	-	-	3 164	3 164
uBuhlebezwe	2 131	-	-	2 131	2 131	-	-	1 903	1 903
uMzimkhulu	3 377	-	-	3 377	3 377	-	-	3 009	3 009

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
KZN Ingwe/Kwa Sani	2 323	-	-	2 323	2 323	-	-	2 513	2 513
Harry Gwala District Municipality	4 596	-	-	4 596	4 596	-	-	5 195	5 195
Greater Giyani	3 851	-	-	3 851	3 851	-	-	3 409	3 409
Greater Letaba	1 918	-	-	1 918	1 918	-	-	1 467	1 467
Greater Tzaneen	8 463	-	-	8 463	8 463	-	-	7 134	7 134
Ba-Phalaborwa	1 195	-	-	1 195	1 195	-	-	1 099	1 099
Maruleng	1 175	-	-	1 175	1 175	-	-	1 000	1 000
Mopani District Municipality	10 129	-	-	10 129	10 129	-	-	9 433	9 433
LIM341(Musina)	1 715	-	-	1 715	1 715	-	-	1 639	1 639
LIM343 (Thulamela)	6 069	-	-	6 069	6 069	-	-	7 118	7 118
Makhado	2 280	-	-	2 280	2 280	-	-	2 270	2 270
LIM 345(Collins Chabane)	1 784	-	-	1 784	1 784	-	-	1 161	1 161
Vhembe District Municipality	2 245	-	-	2 245	2 245	-	-	1 081	1 081
Blouberg	1 266	-	-	1 266	1 266	-	-	1 547	1 547
Molemole	1 429	-	-	1 429	1 429	-	-	1 304	1 304
Polokwane	7 971	-	-	7 971	7 971	-	-	9 527	9 527

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Lepele-Nkumpi	1 969	-	-	1 969	1 969	-	-	1 906	1 906
Capricorn District Municipality	3 866	-	-	3 866	3 866	-	-	3 789	3 789
Thabazimbi	1 256	-	-	1 256	1 256	-	-	1 000	1 000
Lephalale	1 220	-	-	1 220	1 220	-	-	1 568	1 568
Bela-Bela	1 353	-	-	1 353	1 353	-	-	1 060	1 060
Mogalakwena	1 292	-	-	1 292	1 292	-	-	1 259	1 259
LIM 368 Modimolle/Mookgopong	2 245	-	-	2 245	2 245	-	-	1 233	1 233
Waterberg District Municipality	-	-	-	-	-	-	-	1 000	1 000
Ephraim Mogale	1 195	-	-	1 195	1 195	-	-	1 165	1 165
Elias Motsoaledi	2 199	-	-	2 199	2 199	-	-	1 681	1 681
Makhuduthamaga	1 825	-	-	1 825	1 825	-	-	1 168	1 168
LIM 476 Greater Tubatse/Fetakgomo	1 688	-	-	1 688	1 688	-	-	1 052	1 052
Sekhukhune District Municipality	8 180	-	-	8 180	8 180	-	-	6 294	6 294
Chief Albert Luthuli	1 391	-	-	1 391	1 391	-	-	1 914	1 914
Msukaligwa	1 986	-	-	1 986	1 986	-	-	2 650	2 650
Mkhondo	2 211	-	-	2 211	2 211	-	-	1 998	1 998

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Dr Pixley ka Isaka Seme	1 059	-	-	1 059	1 059	-	-	1 085	1 085
Lekwa	2 471	-	-	2 471	2 471	-	-	1 272	1 272
Dipaleseng	1 485	-	-	1 485	1 485	-	-	1 770	1 770
Govan Mbeki	1 677	-	-	1 677	1 677	-	-	1 000	1 000
Gert Sibande District Municipality	2 752	-	-	2 752	2 752	-	-	3 332	3 332
Victor Khanye	3 191	-	-	3 191	3 191	-	-	2 770	2 770
Emalahleni	6 015	-	-	6 015	6 015	-	-	4 846	4 846
Steve Tshwete	4 590	-	-	4 590	4 590	-	-	4 545	4 545
Emakhazeni	1 307	-	-	1 307	1 307	-	-	1 151	1 151
Thembisile Hani	2 127	-	-	2 127	2 127	-	-	1 760	1 760
Dr JS Moroka	1 451	-	-	1 451	1 451	-	-	2 050	2 050
Nkangala District Municipality	2 551	-	-	2 551	2 551	-	-	1 977	1 977
Thaba Chweu	1 836	-	-	1 836	1 836	-	-	1 707	1 707
Nkomazi	6 125	-	-	6 125	6 125	-	-	6 255	6 255
Bushbuckridge	5 379	-	-	5 379	5 379	-	-	4 974	4 974
City of Mbombela	7 036	-	-	7 036	7 036	-	-	4 244	4 244

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Ehlanzeni District Municipality	3 234	-	-	3 234	3 234	-	-	3 694	3 694
Richtersveld	1 169	-	-	1 169	1 169	-	-	1 000	1 000
Nama Khoi	1 075	-	-	1 075	1 075	-	-	1 070	1 070
Kamiesberg	1 567	-	-	1 567	1 567	-	-	1 000	1 000
Hantam	-	-	-	-	-	-	-	1 704	1 704
Karoo Hoogland	-	-	-	-	-	-	-	1 000	1 000
Khâi-Ma	-	-	-	-	-	-	-	1 000	1 000
Namakwa District Municipality	-	-	-	-	-	-	-	1 000	1 000
Ubuntu	-	-	-	-	-	-	-	1 057	1 057
Umsobomvu	1 075	-	-	1 075	1 075	-	-	1 000	1 000
Emthanjeni	1 389	-	-	1 389	1 389	-	-	1 380	1 380
Kareeberg	980	-	-	980	980	-	-	1 057	1 057
Renosterberg	1 075	-	-	1 075	1 075	-	-	1 000	1 000
Thembelihle	1 075	-	-	1 075	1 075	-	-	1 000	1 000
Siyathemba	1 087	-	-	1 087	1 087	-	-	1 000	1 000
Siyancuma	-	-	-	-	-	-	-	1 031	1 031

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Pixley Ka Seme District Municipality	1 075	-	-	1 075	1 075	-	-	1 000	1 000
!Kai !Garib	1 142	-	-	1 142	1 142	-	-	1 299	1 299
!Kheis	980	-	-	980	980	-	-	1 000	1 000
Tsantsabane	-	-	-	-	-	-	-	1 000	1 000
Kgatelopele	1 075	-	-	1 075	1 075	-	-	1 000	1 000
NC087 Khara Hais/Mier	1 113	-	-	1 113	1 113	-	-	1 033	1 033
Z.F. Mqcawu District Municipality	-	-	-	-	-	-	-	1 000	1 000
Sol Plaatjie	3 362	-	-	3 362	3 362	-	-	4 170	4 170
Dikgatlong	950	-	-	950	950	-	-	1 000	1 000
Magareng	1 121	-	-	1 121	1 121	-	-	1 078	1 078
Phokwane	-	-	-	-	-	-	-	1 000	1 000
Frances Baard District Municipality	1 077	-	-	1 077	1 077	-	-	1 101	1 101
Joe Morolong	1 126	-	-	1 126	1 126	-	-	1 583	1 583
Ga-Segonyana	1 421	-	-	1 421	1 421	-	-	1 580	1 580
Gamagara	1 004	-	-	1 004	1 004	-	-	1 055	1 055
John Taolo Gaetsewe District Municipality	1 075	-	-	1 075	1 075	-	-	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 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Moretele	2 344	-	-	2 344	2 344	-	-	2 259	2 259
Madibeng	1 175	-	-	1 175	1 175	-	-	1 150	1 150
Rustenburg	6 388	-	-	6 388	6 388	-	-	5 422	5 422
Kgetlengrivier	980	-	-	980	980	-	-	-	-
Moses Kotane	1 708	-	-	1 708	1 708	-	-	1 827	1 827
Bojanala Platinum District Municipality	1 468	-	-	1 468	1 468	-	-	1 789	1 789
Ratlou	1 524	-	-	1 524	1 524	-	-	1 817	1 817
Tswaing	1 900	-	-	1 900	1 900	-	-	1 187	1 187
Mafikeng	1 595	-	-	1 595	1 595	-	-	3 324	3 324
Ditsobotla	1 510	-	-	1 510	1 510	-	-	2 113	2 113
Ramotshere Moiloa	1 212	-	-	1 212	1 212	-	-	1 000	1 000
Ngaka Modiri Molema District Municipality	2 140	-	-	2 140	2 140	-	-	1 139	1 139
Naledi	1 379	-	-	1 379	1 379	-	-	1 541	1 541
Mamusa	1 323	-	-	1 323	1 323	-	-	1 249	1 249
Greater Taung	1 709	-	-	1 709	1 709	-	-	1 797	1 797
Lekwa-Teemane	1 075	-	-	1 075	1 075	-	-	1 013	1 013

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Kagisano-Molopo	2 775	-	-	2 775	2 775	-	-	2 881	2 881
Dr Ruth Segomotsi Mompati District Municipality	1 835	-	-	1 835	1 835	-	-	2 438	2 438
City of Matlosana	1 786	-	-	1 786	1 786	-	-	2 092	2 092
Maquassi Hills	1 386	-	-	1 386	1 386	-	-	1 142	1 142
NW405 JB Marks (Ventersdorp/Tlokwe)	2 204	-	-	2 204	2 204	-	-	2 262	2 262
Dr Kenneth Kaunda District Municipality	2 122	-	-	2 122	2 122	-	-	1 691	1 691
City of Cape Town	49 772	-	-	49 772	49 772	-	-	44 772	44 772
Matzikama	1 836	-	-	1 836	1 836	-	-	1 940	1 940
Cederberg	1 755	-	-	1 755	1 755	-	-	2 121	2 121
Bergrivier	2 075	-	-	2 075	2 075	-	-	2 135	2 135
Saldanha Bay	2 646	-	-	2 646	2 646	-	-	2 870	2 870
Swartland	1 832	-	-	1 832	1 832	-	-	1 867	1 867
West Coast District Municipality	1 401	-	-	1 401	1 401	-	-	1 184	1 184
Witzenberg	2 617	-	-	2 617	2 617	-	-	2 360	2 360
Drakenstein	3 287	-	-	3 287	3 287	-	-	4 093	4 093

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Stellenbosch	5 998	-	-	5 998	5 998	-	-	4 961	4 961
Breede Valley	2 965	-	-	2 965	2 965	-	-	3 076	3 076
Langeberg	2 210	-	-	2 210	2 210	-	-	2 024	2 024
Cape Winelands District Municipality	1 413	-	-	1 413	1 413	-	-	1 503	1 503
Theewaterskloof	1 721	-	-	1 721	1 721	-	-	1 931	1 931
Overstrand	2 530	-	-	2 530	2 530	-	-	2 500	2 500
Cape Agulhas	2 297	-	-	2 297	2 297	-	-	2 026	2 026
Swellendam	1 682	-	-	1 682	1 682	-	-	1 804	1 804
Overberg District Municipality	1 053	-	-	1 053	1 053	-	-	1 188	1 188
Kannaland	1 359	-	-	1 359	1 359	-	-	1 171	1 171
Hessequa	1 154	-	-	1 154	1 154	-	-	1 158	1 158
Mossel Bay	1 672	-	-	1 672	1 672	-	-	2 539	2 539
George	3 068	-	-	3 068	3 068	-	-	4 109	4 109
Oudtshoorn	1 784	-	-	1 784	1 784	-	-	2 243	2 243
Bitou	996	-	-	996	996	-	-	2 173	2 173
Knysna	1 118	-	-	1 118	1 118	-	-	1 254	1 254

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	2021/22							2020/21	
	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
Eden District Municipality	2 071	-	-	2 071	2 071	-	-	2 072	2 072
Laingsburg	1 098	-	-	1 098	1 098	-	-	1 252	1 252
Prince Albert	1 243	-	-	1 243	1 243	-	-	1 032	1 032
Beaufort West	1 285	-	-	1 285	1 285	-	-	1 859	1 859
Central Karoo District Municipality	1 269	-	-	1 269	1 269	-	-	1 262	1 262
TOTAL	758 693	-	-	758 693	758 693	-	-	748 039	748 039

The Departments certifies that all transfers to Municipalities were deposited into the primary bank account in terms of the Division of Revenue Act (DORA) requirements.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

35. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

36. COVID 19 Response Expenditure

	<i>Note</i>	2021/22	2020/21
	<i>Annexure 6</i>	R'000	R'000
Goods and services		236	12 432
Transfers and subsidies		-	234 082
Total		236	246 514

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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 Metro	7 300	-	-	7 300	7 300	-	-	7 300	7 300	-	100%	8 449	8 449
Nelson Mandela Bay Metro	7 116	-	-	7 116	7 116	-	-	7 116	4 230	2 886	59%	10 117	10 117
Camdeboo	1 552	-	-	1 552	1 552	-	-	1 552	1 552	-	100%	1 186	1 186
Blue Crane Route	1 369	-	-	1 369	1 369	-	-	1 369	1 024	345	75%	1 548	1 548
Makana	1 159	-	-	1 159	1 159	-	-	1 159	817	342	70%	1 004	1 004
Ndlambe	1 144	-	-	1 144	1 144	-	-	1 144	1 141	3	100%	1 201	1 201
Sundays River Valley	1 237	-	-	1 237	1 237	-	-	1 237	843	394	68%	1 000	1 000
Kouga	1 423	-	-	1 423	1 423	-	-	1 423	1 131	292	79%	1 054	1 054
Kou-Kamma	1 263	-	-	1 263	1 263	-	-	1 263	752	511	60%	1 112	1 112
Sarah Baartman District Municipality	1 075	-	-	1 075	1 075	-	-	1 075	748	327	70%	1 000	1 000
Mbhashe	4 622	-	-	4 622	4 622	-	-	4 622	3 047	1 575	66%	4 147	4 147
Mnquma	2 418	-	-	2 418	2 418	-	-	2 418	2 418	-	100%	1 695	1 695
Great Kei	1 079	-	-	1 079	1 079	-	-	1 079	495	584	46%	1 024	1 024
Amahlathi	1 263	-	-	1 263	1 263	-	-	1 263	1 263	-	100%	1 000	1 000
Ngqushwa	3 320	-	-	3 320	3 320	-	-	3 320	2 191	1 129	66%	3 544	3 544

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
EC 129 Raymond Mhlaba (Nkonkobe/Nxuba)	2 900	-	-	2 900	2 900	-	-	2 900	2 900	-	100%	3 309	3 309
Amathole District Municipality	3 860	-	-	3 860	3 860	-	-	3 860	2 803	1 057	73%	3 085	3 085
Inxuba Yethemba	1 542	-	-	1 542	1 542	-	-	1 542	1 542	-	100%	1 324	1 324
Intsika Yethu	2 042	-	-	2 042	2 042	-	-	2 042	1 994	48	98%	2 271	2 271
Emalahleni (EC)	2 003	-	-	2 003	2 003	-	-	2 003	1 301	702	65%	2 091	2 091
Engcobo	2 738	-	-	2 738	2 738	-	-	2 738	2 321	417	85%	3 443	3 443
Sakhisizwe	1 542	-	-	1 542	1 542	-	-	1 542	903	639	59%	1 224	1 224
EC139 Enoch Mgigima (Tsolwana/Inkwanca/Lukanji)	3 498	-	-	3 498	3 498	-	-	3 498	2 388	1 110	68%	3 996	3 996
Chris Hani District Municipality	3 838	-	-	3 838	3 838	-	-	3 838	3 838	-	100%	6 376	6 376
Elundini	2 569	-	-	2 569	2 569	-	-	2 569	2 367	202	92%	3 333	3 333
Senqu	2 566	-	-	2 566	2 566	-	-	2 566	2 566	-	100%	2 617	2 617
EC 145 Walter Sisulu (Maletswai/Gariep Loc Mun)	1 328	-	-	1 328	1 328	-	-	1 328	553	775	42%	1 190	1 190

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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	1 559	-	-	1 559	1 559	-	-	1 559	920	639	59%	1 647	1 647
Ngquza Hill	1 385	-	-	1 385	1 385	-	-	1 385	970	415	70%	1 443	1 443
Port St Johns	1 593	-	-	1 593	1 593	-	-	1 593	1 593	-	100%	1 664	1 664
Nyandeni	1 716	-	-	1 716	1 716	-	-	1 716	1 716	-	100%	1 699	1 699
Mhlontlo	2 321	-	-	2 321	2 321	-	-	2 321	1 317	1 004	57%	1 787	1 787
King Sabata Dalindyebo	3 764	-	-	3 764	3 764	-	-	3 764	3 764	-	100%	4 143	4 143
O.R. Tambo District													
Municipality	9 245	-	-	9 245	9 245	-	-	9 245	6 112	3 133	66%	6 517	6 517
Matatiele	4 887	-	-	4 887	4 887	-	-	4 887	4 887	-	100%	3 499	3 499
Umzimvubu	3 413	-	-	3 413	3 413	-	-	3 413	3 233	180	95%	2 700	2 700
Mbizana	3 570	-	-	3 570	3 570	-	-	3 570	2 290	1 280	64%	2 389	2 389
Ntabankulu	1 987	-	-	1 987	1 987	-	-	1 987	1 987	-	100%	2 374	2 374
Alfred Nzo District													
Municipality	9 740	-	-	9 740	9 740	-	-	9 740	7 475	2 265	77%	8 751	8 751
Mangaung Metro	1 316	-	-	1 316	1 316	-	-	1 316	591	725	45%	1 843	1 843
Letsemeng	1 124	-	-	1 124	1 124	-	-	1 124	759	365	68%	1 000	1 000
Kopanong	1 202	-	-	1 202	1 202	-	-	1 202	1 118	84	93%	1 054	1 054
Mohokare	1 131	-	-	1 131	1 131	-	-	1 131	1 131	-	100%	1 000	1 000
Xhariep District	1 144	-	-	1 144	1 144	-	-	1 144	837	307	73%	1 039	1 039

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Municipality													
Masilonyana	1 075	-	-	1 075	1 075	-	-	1 075	825	250	77%	1 000	1 000
Tokologo	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000
Tswelopele	985	-	-	985	985	-	-	985	985	-	100%	1 168	1 168
Matjhabeng	2 964	-	-	2 964	2 964	-	-	2 964	2 964	-	100%	1 748	1 748
Nala	1 010	-	-	1 010	1 010	-	-	1 010	925	85	92%	1 000	1 000
Lejweleputswa District													
Municipality	1 178	-	-	1 178	1 178	-	-	1 178	1 352	(174)	115%	1 000	1 000
Setsoto	1 989	-	-	1 989	1 989	-	-	1 989	1 989	-	100%	1 802	1 802
Dihlabeng	5 176	-	-	5 176	5 176	-	-	5 176	5 176	-	100%	2 583	2 583
Nketoana	1 075	-	-	1 075	1 075	-	-	1 075	761	314	71%	1 000	1 000
Maluti-a-Phofung	6 232	-	-	6 232	6 232	-	-	6 232	6 232	-	100%	2 914	2 914
Phumelela	1 180	-	-	1 180	1 180	-	-	1 180	914	266	77%	-	-
Mantsopa	1 134	-	-	1 134	1 134	-	-	1 134	1 133	1	100%	1 342	1 342
Thabo Mofutsanyana District													
Municipality	5 548	-	-	5 548	5 548	-	-	5 548	3 877	1 671	70%	2 648	2 648
Moqhaka	1 392	-	-	1 392	1 392	-	-	1 392	1 208	184	87%	1 228	1 228
Ngwathe	1 672	-	-	1 672	1 672	-	-	1 672	1 601	71	96%	1 466	1 466
Metsimaholo	1 622	-	-	1 622	1 622	-	-	1 622	1 017	605	63%	1 327	1 327
Mafube	1 075	-	-	1 075	1 075	-	-	1 075	370	705	34%	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Ekurhuleni Metro City of	20 669	-	-	20 669	20 669	-	-	20 669	20 669	-	100%	19 104	19 104
Johannesburg City of Tshwane	8 529	-	-	8 529	8 529	-	-	8 529	8 292	237	97%	19 819	19 819
Emfuleni	19 031	-	-	19 031	19 031	-	-	19 031	19 031	-	100%	12 271	12 271
Midvaal	3 360	-	-	3 360	3 360	-	-	3 360	170	3 190	5%	4 543	4 543
Lesedi	1 539	-	-	1 539	1 539	-	-	1 539	1 539	-	100%	1 708	1 708
Sedibeng District Municipality	1 100	-	-	1 100	1 100	-	-	1 100	404	696	37%	1 367	1 367
Mogale city	1 023	-	-	1 023	1 023	-	-	1 023	705	318	69%	1 000	1 000
Merafong City	7 702	-	-	7 702	7 702	-	-	7 702	6 155	1 547	80%	7 017	7 017
GT485 Rand West (Randfontein & West Rand District Municipality)	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000
eThekweni	2 933	-	-	2 933	2 933	-	-	2 933	1 622	1 311	55%	2 471	2 471
uMdoni	1 090	-	-	1 090	1 090	-	-	1 090	855	235	78%	1 020	1 020
uMzumbane	81 691	-	-	81 691	81 691	-	-	81 691	81 691	-	100%	79 192	79 192
uMzumbane	1 976	-	-	1 976	1 976	-	-	1 976	1 787	189	90%	1 398	1 398
uMzumbane	1 658	-	-	1 658	1 658	-	-	1 658	1 173	485	71%	1 533	1 533
uMzumbane	980	-	-	980	980	-	-	980	618	362	63%	1 048	1 048
Hibiscus Coast	5 558	-	-	5 558	5 558	-	-	5 558	5 558	-	100%	3 949	3 949
Ugu District	3 611	-	-	3 611	3 611	-	-	3 611	2 844	767	79%	4 468	4 468

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Municipality													
uMshwathi	1 376	-	-	1 376	1 376	-	-	1 376	1 376	-	100%	1 192	1 192
uMgeni	980	-	-	980	980	-	-	980	632	348	64%	1 000	1 000
Mpofana	1 136	-	-	1 136	1 136	-	-	1 136	1 136	-	100%	1 211	1 211
iMpendle	1 221	-	-	1 221	1 221	-	-	1 221	1 221	-	100%	1 284	1 284
Msunduzi	3 516	-	-	3 516	3 516	-	-	3 516	1 399	2 117	40%	4 388	4 388
Mkhambathi	1 329	-	-	1 329	1 329	-	-	1 329	1 329	-	100%	1 143	1 143
Richmond	1 101	-	-	1 101	1 101	-	-	1 101	1 028	73	93%	1 505	1 505
uMgungundlovu District													
Municipality	2 299	-	-	2 299	2 299	-	-	2 299	1 642	657	71%	3 071	3 071
Okhahlamba	2 513	-	-	2 513	2 513	-	-	2 513	2 513	-	100%	3 081	3 081
KZN 237 Umtshezi/imbabazane LC Mu	2 114	-	-	2 114	2 114	-	-	2 114	2 114	-	100%	2 082	2 082
KZN 238 Ladysmith/indaka loc Mun	4 143	-	-	4 143	4 143	-	-	4 143	3 192	951	77%	4 642	4 642
uThukela District Municipality	3 516	-	-	3 516	3 516	-	-	3 516	2 545	971	72%	3 730	3 730
eNdumeni	1 589	-	-	1 589	1 589	-	-	1 589	1 109	480	70%	1 335	1 335
Nquthu	1 260	-	-	1 260	1 260	-	-	1 260	1 260	-	100%	1 088	1 088
uMsinga	3 989	-	-	3 989	3 989	-	-	3 989	3 502	487	88%	4 441	4 441

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
uMvoti	-	-	-	-	-	-	-	-	-	-	0%	1 447	1 447
uMzinyathi District													
Municipality	4 841	-	-	4 841	4 841	-	-	4 841	3 630	1 211	75%	5 457	5 457
Newcastle	2 948	-	-	2 948	2 948	-	-	2 948	2 399	549	81%	2 895	2 895
eMadlangeni	-	-	-	-	-	-	-	-	-	-	0%	1 088	1 088
Dannhauser Amajuba District													
Municipality	1 693	-	-	1 693	1 693	-	-	1 693	1 515	178	89%	1 850	1 850
eDumbe	1 231	-	-	1 231	1 231	-	-	1 231	1 231	-	100%	1 522	1 522
uPhongolo	2 504	-	-	2 504	2 504	-	-	2 504	2 018	486	81%	3 055	3 055
AbaQulusi	2 515	-	-	2 515	2 515	-	-	2 515	2 515	-	100%	1 831	1 831
Nongoma	1 868	-	-	1 868	1 868	-	-	1 868	1 868	-	100%	2 099	2 099
Ulundi	3 660	-	-	3 660	3 660	-	-	3 660	3 660	-	100%	2 940	2 940
Zululand District													
Municipality	9 612	-	-	9 612	9 612	-	-	9 612	9 612	-	100%	9 261	9 261
uMhlabuyalingana													
Municipality	1 759	-	-	1 759	1 759	-	-	1 759	1 753	6	100%	2 952	2 952
Jozini	3 296	-	-	3 296	3 296	-	-	3 296	3 296	-	100%	2 746	2 746
Mtubatuba	1 028	-	-	1 028	1 028	-	-	1 028	1 028	-	100%	1 945	1 945
KZN 276 Big Five													
Hlabisa loc Mu	1 545	-	-	1 545	1 545	-	-	1 545	1 545	-	100%	2 148	2 148
uMkhanyakude	5 846	-	-	5 846	5 846	-	-	5 846	3 227	2 619	55%	4 838	4 838

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
District Municipality													
uMfolozi	1 557	-	-	1 557	1 557	-	-	1 557	1 512	45	97%	1 788	1 788
Umhlathuze	3 417	-	-	3 417	3 417	-	-	3 417	2 358	1 059	69%	4 278	4 278
uMlalazi	3 416	-	-	3 416	3 416	-	-	3 416	3 367	49	99%	3 388	3 388
Mthonjaneni	1 891	-	-	1 891	1 891	-	-	1 891	1 891	-	100%	1 951	1 951
Nkandla	3 552	-	-	3 552	3 552	-	-	3 552	3 552	-	100%	2 476	2 476
King Cetshwayo Municipality	4 619	-	-	4 619	4 619	-	-	4 619	4 436	183	96%	5 276	5 276
Mandeni	2 435	-	-	2 435	2 435	-	-	2 435	2 435	-	100%	2 387	2 387
KwaDukuza	1 732	-	-	1 732	1 732	-	-	1 732	1 732	-	100%	1 465	1 465
Ndwedwe	2 412	-	-	2 412	2 412	-	-	2 412	2 041	371	85%	1 760	1 760
Maphumulo	1 786	-	-	1 786	1 786	-	-	1 786	1 786	-	100%	1 282	1 282
iLembe District Municipality	6 363	-	-	6 363	6 363	-	-	6 363	5 942	421	93%	4 746	4 746
Greater Kokstad	4 628	-	-	4 628	4 628	-	-	4 628	4 442	186	96%	3 164	3 164
uBuhlebezwe	2 131	-	-	2 131	2 131	-	-	2 131	1 354	777	64%	1 903	1 903
uMzimkhulu	3 377	-	-	3 377	3 377	-	-	3 377	3 377	-	100%	3 009	3 009
KZN Ingwe/Kwa Sani Loc MU	2 323	-	-	2 323	2 323	-	-	2 323	2 323	-	100%	2 513	2 513
Harry Gwala District Municipality	4 596	-	-	4 596	4 596	-	-	4 596	4 596	-	100%	5 195	5 195

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Greater Giyani	3 851	-	-	3 851	3 851	-	-	3 851	3 367	484	87%	3 409	3 409
Greater Letaba	1 918	-	-	1 918	1 918	-	-	1 918	1 917	1	100%	1 467	1 467
Greater Tzaneen	8 463	-	-	8 463	8 463	-	-	8 463	8 144	319	96%	7 134	7 134
Ba-Phalaborwa	1 195	-	-	1 195	1 195	-	-	1 195	1 195	-	100%	1 099	1 099
Maruleng	1 175	-	-	1 175	1 175	-	-	1 175	1 175	-	100%	1 000	1 000
Mopani District Municipality	10 129	-	-	10 129	10 129	-	-	10 129	9 777	352	97%	9 433	9 433
Musina	1 715	-	-	1 715	1 715	-	-	1 715	1 600	115	93%	1 639	1 639
Thulamela	6 069	-	-	6 069	6 069	-	-	6 069	6 069	-	100%	7 118	7 118
Makhado	2 280	-	-	2 280	2 280	-	-	2 280	1 710	570	75%	2 270	2 270
LIM 345	1 784	-	-	1 784	1 784	-	-	1 784	1 784	-	100%	1 161	1 161
Vhembe District Municipality	2 245	-	-	2 245	2 245	-	-	2 245	2 245	-	100%	1 081	1 081
Blouberg	1 266	-	-	1 266	1 266	-	-	1 266	1 266	-	100%	1 547	1 547
Molemole	1 429	-	-	1 429	1 429	-	-	1 429	1 106	323	77%	1 304	1 304
Polokwane	7 971	-	-	7 971	7 971	-	-	7 971	7 952	19	100%	9 527	9 527
Lepele-Nkumpi	1 969	-	-	1 969	1 969	-	-	1 969	1 969	-	100%	1 906	1 906
Capricorn District Municipality	3 866	-	-	3 866	3 866	-	-	3 866	2 218	1 648	57%	3 789	3 789
Thabazimbi	1 256	-	-	1 256	1 256	-	-	1 256	1 230	26	98%	1 000	1 000
Lephalale	1 220	-	-	1 220	1 220	-	-	1 220	1 030	190	84%	1 568	1 568
Bela-Bela	1 353	-	-	1 353	1 353	-	-	1 353	1 353	-	100%	1 060	1 060
Mogalakwena	1 292	-	-	1 292	1 292	-	-	1 292	963	329	75%	1 259	1 259

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
LIM 368 Modimolle/Mook gopong Waterberg District Municipality	2 245	-	-	2 245	2 245	-	-	2 245	1 623	622	72%	1 233	1 233
Ephraim Mogale Elias Motsoaledi Makhuduthamag a	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000
LIM 476 Greater Tubatse/Fetakgo mo Greater Sekhukhune District Municipality Chief Albert Luthuli	1 195	-	-	1 195	1 195	-	-	1 195	900	295	75%	1 165	1 165
Msukaligwa Mkhondo Dr Pixley ka Seme Lekwa	2 199	-	-	2 199	2 199	-	-	2 199	1 618	581	74%	1 681	1 681
	1 825	-	-	1 825	1 825	-	-	1 825	1 825	-	100%	1 168	1 168
	1 688	-	-	1 688	1 688	-	-	1 688	1 563	125	93%	1 052	1 052
	8 180	-	-	8 180	8 180	-	-	8 180	5 890	2 290	72%	6 294	6 294
	1 391	-	-	1 391	1 391	-	-	1 391	1 391	-	100%	1 914	1 914
	1 986	-	-	1 986	1 986	-	-	1 986	1 362	624	69%	2 650	2 650
	2 211	-	-	2 211	2 211	-	-	2 211	2 211	-	100%	1 998	1 998
	1 059	-	-	1 059	1 059	-	-	1 059	1 059	-	100%	1 085	1 085
	2 471	-	-	2 471	2 471	-	-	2 471	1 361	1 110	55%	1 272	1 272

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Dipaleseng	1 485	-	-	1 485	1 485	-	-	1 485	952	533	64%	1 770	1 770
Govan Mbeki	1 677	-	-	1 677	1 677	-	-	1 677	1 677	-	100%	1 000	1 000
Gert Sibande District Municipality	2 752	-	-	2 752	2 752	-	-	2 752	2 752	-	100%	3 332	3 332
Victor Khanye	3 191	-	-	3 191	3 191	-	-	3 191	3 191	-	100%	2 770	2 770
Emalahleni	6 015	-	-	6 015	6 015	-	-	6 015	6 015	-	100%	4 846	4 846
Steve Tshwete	4 590	-	-	4 590	4 590	-	-	4 590	2 021	2 569	44%	4 545	4 545
Emakhazeni	1 307	-	-	1 307	1 307	-	-	1 307	920	387	70%	1 151	1 151
Thembisile Hani	2 127	-	-	2 127	2 127	-	-	2 127	2 127	-	100%	1 760	1 760
Dr JS Moroka	1 451	-	-	1 451	1 451	-	-	1 451	1 451	-	100%	2 050	2 050
Nkangala District Municipality	2 551	-	-	2 551	2 551	-	-	2 551	2 551	-	100%	1 977	1 977
Thaba Chweu	1 836	-	-	1 836	1 836	-	-	1 836	1 742	94	95%	1 707	1 707
Nkomazi	6 125	-	-	6 125	6 125	-	-	6 125	6 124	1	100%	6 255	6 255
Bushbuckridge	5 379	-	-	5 379	5 379	-	-	5 379	5 379	-	100%	4 974	4 974
MP 326													
Mbombela/Umjin di Loc Mu	7 036	-	-	7 036	7 036	-	-	7 036	7 036	-	100%	4 244	4 244
Ehlanzeni District Municipality	3 234	-	-	3 234	3 234	-	-	3 234	3 234	-	100%	3 694	3 694
Richtersveld	1 169	-	-	1 169	1 169	-	-	1 169	-	1 169	0%	1 000	1 000
Nama Khoi	1 075	-	-	1 075	1 075	-	-	1 075	1 064	11	99%	1 070	1 070

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Kamiesberg	1 567	-	-	1 567	1 567	-	-	1 567	397	1 170	25%	1 000	1 000
Hantam	-	-	-	-	-	-	-	-	1 567	(1 567)	0%	1 704	1 704
Karoo Hoogland	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000
Khâi-Ma	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000
Namakwa District Municipality	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000
Ubuntu	-	-	-	-	-	-	-	-	-	-	0%	1 057	1 057
Umsobomvu	1 075	-	-	1 075	1 075	-	-	1 075	499	576	46%	1 000	1 000
Emthanjeni	1 389	-	-	1 389	1 389	-	-	1 389	535	854	39%	1 380	1 380
Kareeberg	980	-	-	980	980	-	-	980	738	242	75%	1 057	1 057
Renosterberg	1 075	-	-	1 075	1 075	-	-	1 075	-	1 075	0%	1 000	1 000
Thembelihle	1 075	-	-	1 075	1 075	-	-	1 075	345	730	32%	1 000	1 000
Siyathemba	1 087	-	-	1 087	1 087	-	-	1 087	1 087	-	100%	1 000	1 000
Siyancuma	-	-	-	-	-	-	-	-	-	-	0%	1 031	1 031
Pixley Ka Seme District Municipality	1 075	-	-	1 075	1 075	-	-	1 075	847	228	79%	1 000	1 000
!Kai !Garib	1 142	-	-	1 142	1 142	-	-	1 142	1 142	-	100%	1 299	1 299
!Kheis	980	-	-	980	980	-	-	980	364	616	37%	1 000	1 000
Tsantsabane	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000
Kgatelopele	1 075	-	-	1 075	1 075	-	-	1 075	756	319	70%	1 000	1 000
NC087 Khara Hais/Mier Loc Mu	1 113	-	-	1 113	1 113	-	-	1 113	821	292	74%	1 033	1 033

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Z.F. Mqcawu District Municipality	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000
Sol Plaatjie	3 362	-	-	3 362	3 362	-	-	3 362	3 362	-	100%	4 170	4 170
Dikgatlong	950	-	-	950	950	-	-	950	944	6	99%	1 000	1 000
Magareng	1 121	-	-	1 121	1 121	-	-	1 121	992	129	88%	1 078	1 078
Phokwane	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000
Frances Baard District Municipality	1 077	-	-	1 077	1 077	-	-	1 077	504	573	47%	1 101	1 101
Joe Morolong	1 126	-	-	1 126	1 126	-	-	1 126	781	345	69%	1 583	1 583
Ga-Segonyana	1 421	-	-	1 421	1 421	-	-	1 421	1 177	244	83%	1 580	1 580
Gamagara	1 004	-	-	1 004	1 004	-	-	1 004	774	230	77%	1 055	1 055
John Taolo Gaetsewe District Municipality	1 075	-	-	1 075	1 075	-	-	1 075	749	326	70%	1 000	1 000
Moretele	2 344	-	-	2 344	2 344	-	-	2 344	2 335	9	100%	2 259	2 259
Madibeng	1 175	-	-	1 175	1 175	-	-	1 175	890	285	76%	1 150	1 150
Rustenburg	6 388	-	-	6 388	6 388	-	-	6 388	3 907	2 481	61%	5 422	5 422
Kgetlengrivier	980	-	-	980	980	-	-	980	657	323	67%	-	-
Moses Kotane	1 708	-	-	1 708	1 708	-	-	1 708	1 284	424	75%	1 827	1 827
Bojanala Platinum District	1 468	-	-	1 468	1 468	-	-	1 468	1 467	1	100%	1 789	1 789

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Municipality													
Ratlou	1 524	-	-	1 524	1 524	-	-	1 524	958	566	63%	1 817	1 817
Tswaing	1 900	-	-	1 900	1 900	-	-	1 900	1 308	592	69%	1 187	1 187
Mafikeng	1 595	-	-	1 595	1 595	-	-	1 595	652	943	41%	3 324	3 324
Ditsobotla	1 510	-	-	1 510	1 510	-	-	1 510	1 510	-	100%	2 113	2 113
Ramotshere													
Moiloa	1 212	-	-	1 212	1 212	-	-	1 212	1 089	123	90%	1 000	1 000
Ngaka Modiri													
Molema District													
Municipality	2 140	-	-	2 140	2 140	-	-	2 140	1 193	947	56%	1 139	1 139
Naledi	1 379	-	-	1 379	1 379	-	-	1 379	1 379	-	100%	1 541	1 541
Mamusa	1 323	-	-	1 323	1 323	-	-	1 323	1 323	-	100%	1 249	1 249
Greater Taung	1 709	-	-	1 709	1 709	-	-	1 709	1 693	16	99%	1 797	1 797
Lekwa-Teemane	1 075	-	-	1 075	1 075	-	-	1 075	740	335	69%	1 013	1 013
Molopo- kagisano	2 775	-	-	2 775	2 775	-	-	2 775	2 528	247	91%	2 881	2 881
Dr Ruth													
Segomotsi													
Mompati District													
Municipality	1 835	-	-	1 835	1 835	-	-	1 835	925	910	50%	2 438	2 438
City of Matlosana	1 786	-	-	1 786	1 786	-	-	1 786	1 541	245	86%	2 092	2 092
Maquassi Hills	1 386	-	-	1 386	1 386	-	-	1 386	1 416	(30)	102%	1 142	1 142
NW405 (JB													
Marks)	2 204	-	-	2 204	2 204	-	-	2 204	2 204	-	100%	2 262	2 262

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Ventersdorp/Tlokwe loc mun													
Dr Kenneth Kaunda District Municipality	2 122	-	-	2 122	2 122	-	-	2 122	1 984	138	93%	1 691	1 691
City of Cape Town	49 772	-	-	49 772	49 772	-	-	49 772	29 732	20 040	60%	44 772	44 772
Matzikama	1 836	-	-	1 836	1 836	-	-	1 836	1 836	-	100%	1 940	1 940
Cederberg	1 755	-	-	1 755	1 755	-	-	1 755	1 755	-	100%	2 121	2 121
Bergrivier	2 075	-	-	2 075	2 075	-	-	2 075	2 075	-	100%	2 135	2 135
Saldanha Bay	2 646	-	-	2 646	2 646	-	-	2 646	2 646	-	100%	2 870	2 870
Swartland	1 832	-	-	1 832	1 832	-	-	1 832	1 832	-	100%	1 867	1 867
West Coast District													
Municipality	1 401	-	-	1 401	1 401	-	-	1 401	638	763	46%	1 184	1 184
Witzenberg	2 617	-	-	2 617	2 617	-	-	2 617	2 617	-	100%	2 360	2 360
Drakenstein	3 287	-	-	3 287	3 287	-	-	3 287	3 287	-	100%	4 093	4 093
Stellenbosch	5 998	-	-	5 998	5 998	-	-	5 998	3 259	2 739	54%	4 961	4 961
Breede Valley	2 965	-	-	2 965	2 965	-	-	2 965	2 965	-	100%	3 076	3 076
Langeberg	2 210	-	-	2 210	2 210	-	-	2 210	1 996	214	90%	2 024	2 024
Cape Winelands District													
Municipality	1 413	-	-	1 413	1 413	-	-	1 413	963	450	68%	1 503	1 503

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
Theewaterskloof	1 721	-	-	1 721	1 721	-	-	1 721	1 138	583	66%	1 931	1 931
Overstrand	2 530	-	-	2 530	2 530	-	-	2 530	1 631	899	64%	2 500	2 500
Cape Agulhas	2 297	-	-	2 297	2 297	-	-	2 297	2 125	172	93%	2 026	2 026
Swellendam	1 682	-	-	1 682	1 682	-	-	1 682	1 299	383	77%	1 804	1 804
Overberg District Municipality	1 053	-	-	1 053	1 053	-	-	1 053	767	286	73%	1 188	1 188
Kannaland	1 359	-	-	1 359	1 359	-	-	1 359	1 165	194	86%	1 171	1 171
Hessequa	1 154	-	-	1 154	1 154	-	-	1 154	1 103	51	96%	1 158	1 158
Mossel Bay	1 672	-	-	1 672	1 672	-	-	1 672	1 436	236	86%	2 539	2 539
George	3 068	-	-	3 068	3 068	-	-	3 068	3 068	-	100%	4 109	4 109
Oudtshoorn	1 784	-	-	1 784	1 784	-	-	1 784	1 162	622	65%	2 243	2 243
Bitou	996	-	-	996	996	-	-	996	996	-	100%	2 173	2 173
Knysna	1 118	-	-	1 118	1 118	-	-	1 118	972	146	87%	1 254	1 254
Garden Route(Eden) District Municipality	2 071	-	-	2 071	2 071	-	-	2 071	2 071	-	100%	2 072	2 072
Laingsburg	1 098	-	-	1 098	1 098	-	-	1 098	1 098	-	100%	1 252	1 252
Prince Albert	1 243	-	-	1 243	1 243	-	-	1 243	1 243	-	100%	1 032	1 032
Beaufort West	1 285	-	-	1 285	1 285	-	-	1 285	1 092	193	85%	1 859	1 859
Central Karoo District Municipality	1 269	-	-	1 269	1 269	-	-	1 269	1 123	146	88%	1 262	1 262

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	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
TOTAL	758 693	-	-	758 693	758 693	-	-	758 693	649 572	109 121		748 039	748 039

The Departments certifies that all transfers to Municipalities were deposited into the primary bank account in terms of the Division of Revenue Act (DORA) requirements.

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	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	78 166	-	-	78 166	78 166	100%	72 443
Council for the Built Environment	53 528	-	-	53 528	53 528	100%	48 813
Property Management Trading Entity	4 349 655	-	-	4 349 655	4 349 655	100%	4 239 987
Construction SETA	572	-	-	572	572	100%	595
Parliamentary Village Management Board	11 376	-	-	11 376	11 376	100%	11 206
Agrément SA	33 078	-	-	33 078	33 078	100%	29 027
TOTAL	4 526 375	-	-	4 526 375	4 526 375		4 402 071

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21
	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	93 000	-	-	93 000	93 000	100,0%	-	93 000	148 501
Industrial Development Corporation	87 972	-	-	87 972	87 972	100,0%	-	87 972	60 800
TOTAL	180 972	-	-	180 972	180 972		-	180 972	209 301

ANNEXURE 1D

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE			2020/21
	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	28 265	-	-	28 265	28 265	100%	29 013	
TOTAL	28 265	-	-	28 265	28 265		29 013	

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Non State Sector	1 020 414	-	-	1 020 414	956 134	94%	578 484
TOTAL	1 020 414	-	-	1 020 414	956 134		578 484

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1F
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H EML S/BEN:LEAVE GRATUITY	1 657			1 657	1 657	100%	1 908
MHLONGO MZ					2		
MABJANA S					2		
MASHALA DKP					2		
SEETE TM					2		
MOSELAKGOMO NR					2		
MATHULE LK					2		
MOABI BV					3		
KHUMALO MCL					3		
NKUNA MJ					3		
MTSWENI M					3		
MAKHUBELA P					3		
MULAUDZI T					3		
NKANYANI N					3		
MAKOLA TM					3		
RAMARU C					2		
MALELE JS					12		
MOLEFE HK					3		
NGOZI K					2		
NOHASHE A					2		
SIFANELE SI					24		
RASELEPE T					21		
MPAKATO L					59		
MPONDO M					37		
MAITSAPO JS					32		

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
MOSHOESHOE M					37		
MNISI R					22		
ZITUMANE N					1		
MOFOKENG TJ					89		
MOKOBANE MC					77		
MAHWAI MG					56		
YOYO P					36		
HLABIOA					97		
MOILA TY					45		
TSEBE DLD					40		
MOLEFE PC					159		
CHILOANE AC					2		
NZAMA SDK					7		
MAVI CB					113		
LELALA PY					55		
SHELEMBE NN					35		
MODISE BC					91		
RAGOLANE ML					65		
CHILOANE LM					17		
SIBIYA PS					82		
MOLOKOMME MP					59		
MONAMA N					129		
TSHABALALA LPD					13		
MALAPANE HB					35		
THELEDI L					29		
SIFANELE SI					36		
					-		
H/H:BURSARIES(NON-EMPLOYEE)	5 675			5 675	5 675	100%	5 570

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
University of Witwatersrand					674		
Van Schaick Bookstore					672		
University of Pretoria					1 977		
Huurkor Kommersiele Eiedomme : Bursary Holders Accommodation					1 372		
South Point Management Fee					322		
South Point Properties					89		
University of North West					100		
First Properties Trust					188		
University of Johannesburg					142		
Nelson Mandela University					107		
Reality 1					32		
				-			
H/H:CLAIMS AGAINST STATE(CASH)	5 924			5 924	5 924	100%	
Motitswe BPBP					670		
Bila TE					670		
Sidambe M					792		
Baloyi TP					1 572		
Miya SC					147		
Fenyane L					147		
Hawu					147		
Masete					542		
Tshautshau RG					60		
Rasiluma MI					60		
Khumalo BQ					124		
Khumalo MCL					84		
Khatlhe					367		
Bapela					227		
NS Moloi					37		
Px Shirinda					72		

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Bapela LD					80		
NS Molo					126		
TOTAL	13 256	-	-	13 256	13 256		7 478

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
		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
TOTAL		-	185

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2021	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2022	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2022
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	-	53	-	-	-	53	-	-
	TOTAL	-	53	-	-	-	53	-	-

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

Guarantee in respect of	Opening balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claims against the department	10 000	-	-	-	10 000
Labour relation matters	-	3 337	-	-	3 337
TOTAL	10 000	3 337	-	-	13 337

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	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		
Agriculture, Land Reform & Rural Development	-	-	16	-	16	-		
Defence	-	-	16 640	-	16 640	-		
Sports,Art and Culture	-	-	12	-	12	-		
Presidency	-	-	699	699	699	699		
Department of Home Affairs	-	-	-	60	-	60		
	-	-	71 908	55 300	71 908	55 300		
Other Government Entities								
Public Works (PMTE)	4 864	-	-	9 974	4 864	9 974		
SETA	-	-	3 612	3 612	3 612	3 612		

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

CETA	-	-	-	1 434	-	1 434
NSF	-	-	99	99	99	99
CSCC	-	-	241	377	241	377
	4 864	-	3 953	15 496	8 817	15 496
TOTAL	4 864	-	75 861	70 796	80 725	70 796

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2021/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	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	9 082	8 517	5 030	7 162	14 112	15 679		
Department of International Relations and Coordinations	173	-	-	-	173	-		
Gauteng Provincial Government	73	-	-	-	73	-		
Department of Communications and Digital Technologies	-	113	-	-	-	113		
Subtotal	9 328	8 631	5 030	7 162	14 358	15 793		

Non-current

Property Management Trading Entity (PMTE)	2 835	167	-	-	2 835	167		
AGSA	1 171	1 086	-	-	1 171	1 086		
SARS	37	-	-	-	37	-		
TELKOM SA LTD	65	65	-	-	65	65		
Subtotal	4 107	1 318	-	-	4 107	1 318		

Non-current

AGRISETA	371	1 299	-	-	371	1 299		
Subtotal	371	1 299	-	-	371	1 299		

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

TOTAL

13 807	11 248	5 030	7 162	18 837	18 410
--------	--------	-------	-------	--------	--------

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 5A

INTER-ENTITY ADVANCES PAID (note 11)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of Monitoring & Evaluation	-	870	-	-	-	870
						6
GCIS	122	6 250	-	-	122	250
Subtotal	122	7 120	-	-	122	7 120
PUBLIC ENTITIES						
IDT	182	307	-	-	182	307
Subtotal	182	307	-	-	182	307
OTHER ENTITIES						
ILO	1 658	2 639	-	-	1 658	2 639
Construction Sector Charter Council	1 609	1 609	-	-	1 609	1 609
Subtotal	3 267	4 248	-	-	3 267	4 248
TOTAL	3 571	11 675	-	-	3 571	11 675

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 5B

INTER-ENTITY ADVANCES RECEIVED (note 16)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
Current						
KZN Provincial Department	6 227	12 870	-	-	6 227	12 870
Subtotal	6 227	12 870	-	-	6 227	12 870
PUBLIC ENTITIES						
Current						
National Skills Fund	13 296	39 936	-	-	13 296	39 936
Subtotal	13 296	39 936	-	-	13 296	39 936
TOTAL	19 523	52 806	-	-	19 523	52 806
Current	19 523	52 806	-	-	19 523	52 806
Non-current	-	-	-	-	-	-

NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 11

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods services	-	-	-	-	165	12 432
Please list all the applicable SCOA level 4 items:						
EQP<R5000:ASS DEV,MED&ALLIED EQU	-	-	-	-	-	25
CATERING:DEPARTML ACTIVITIES	-	69	-	70	139	559
CNS:BUS&ADV SER:TRNSLAT&TRNSCRPT	-	-	-	-	-	25
CONS SUPP:MEDICAL SUPPLIES	29	1	-	1	31	39
CONS HOUS SUP:LIN&SOFT FURNSH	-	-	-	-	-	3
CONS HOUS SUP:DIS PAPER/PLAST	-	17	-	-	17	-
CONS HOUS SUP:TOILETRIES	-	22	-	-	22	1
CONS HOUS SUP:WASH/CLEAN DETE	-	5	-	-	5	2
CONS:MEDICAL KIT	-	-	-	-	-	-
O/P:PRINTING&PUBLICATIONS SERV	-	-	-	-	-	45
Administrative fees	-	-	-	-	-	11 733
P/P:PEST CNTRL/FUMIGATION SER	-	22	-	-	22	-
Transfers and subsidies						234 082
NON-PROFIT INSTITUTIONS	-	-	-	-	-	234 082
TOTAL COVID 19 RESPONSE EXPENDITURE	29	136	-	71	236	246 514-

**NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
VOTE 13
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**



**Property Management Trading Entity Annual Financial
Statements
for the year ended 31 March 2022**

Property Management Trading Entity

Annual Financial Statements for the year ended 31March 2022

[Index](#)

The reports and statements set out below comprise the annual financial statements presented to parliament:

Index	Page
Statement of Financial Position	318
Statement of Financial Performance	319
Statement of Changes in Net Assets	320
Cash Flow Statement	321
Statement of Comparison of Budget and Actual Amounts	322
Accounting Policies	323-367

The annual financial statements set out on pages 318 to 367 have been prepared on the going concern basis.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Report of the auditor-general to Parliament on Property Management Trading Entity

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Property Management Trading Entity set out on pages 318 to 367 which comprise the statement of financial position as at 31 March 2022, 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 ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the trading entity. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Property, Plant and Equipment

3. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding amounts for property, plant and equipment in the financial statements, as described in note 37. The restatement was as a result of the trading entity reconstructing the asset register, overriding the one that was audited in the prior year. The restatement could not be substantiated by supporting audit evidence and I was unable to confirm the restatement by alternative means. As a result I was unable to determine whether any adjustments effected in the corresponding opening balance of R129.8 billion were necessary. Consequently I was unable to place reliance on the closing balance of property, plant and equipment stated at R129.6 billion.

Payables from exchange transactions

4. The trading entity did not accrue for payables from exchange transactions, as required by the Standards of Generally Recognised Accounting Practice (GRAP) 19, *Provisions, contingent liabilities and contingent assets*. Goods and services were received before year end, however the trading entity did not correctly recognise the accrued expenses. As a result, payables from exchange transactions was understated by R245 million and expenditure was understated by R245 million.

Payables from exchange transactions- Accrued expenses- Municipal services

5. The trading entity did not correctly recognise payables from exchange transactions in accordance with GRAP 104, financial instruments. Municipal services accruals were recorded at incorrect amounts. As a result, accruals were overstated by R217 million, expenditure was overstated by R133 million and revenue accrual-recoverable municipal services was overstated by R84 million.

Payables from exchange transactions- Accrued expenses- Leases

6. The trading entity did not correctly recognise payables from exchange transactions in accordance with GRAP 104, financial instruments. Lease accruals were recorded at incorrect amounts. As a result, lease accrual was overstated by R172,9 million, revenue accrual- recoverable leases was overstated by R104,9 million and operating lease expense was overstated by R67.9 million.

Emphasis of matters

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

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Going Concern

8. I draw attention to note 38 to the financial statements, which indicate that the trading entity as of 31 March 2022, has a bank overdraft of R1,02 billion (March 2021: R905 million) and the current liabilities exceed the current assets by R6,7 billion (March 2021: R4,4 billion)

Irregular expenditure

9. As disclosed in note 32 to the financial statements, irregular expenditure of R188 832 000 that was incurred in the previous years was disclosed as amounts not recoverable and not condoned.

Receivables from exchange transactions- Impairments

10. As disclosed in note 22 to the financial statements, material losses of R2 820 062 000 were incurred as a result of a lack of recoverability in long outstanding receivables.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act, 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.
12. 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

13. 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.
14. 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

15. Section 40(3)(a) of the PFMA, requires the trading entity 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 reports of Department of Public Works and Infrastructure (DPWI).

Report on the audit of compliance with legislation

Introduction and scope

16. 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.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

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

Expenditure Management

18. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R133,474 million, 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 incorrect procurement processes followed by management
19. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.

Annual Financial Statement, Performance and Annual Report

20. 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 section 40(1)(a) and (b) of the PFMA

Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer of opinion.

Revenue Management

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

Consequence Management

22. 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.
23. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA.

Other information

24. 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.
25. My opinion on the financial statements 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.
26. 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.
27. 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.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Internal control deficiencies

28. 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 disclaimer of opinion, and the findings on compliance with legislation included in this report.
29. The leadership did not perform due diligence on record keeping to ensure that the overall financial statements are supported by readily available underlying records. This is evident from the significant restatements of prior year immovable assets which were not supported by readily available underlying records.
30. Due to the decentralised functions responsible for management of leases spread between Finance unit and Real Estate Management Services unit; there is lack of accountability and oversight to enable proactive implementation of mechanisms to address material misstatements on leases as well as the recurrence of overpayments.
31. Senior officials entrusted with significant elements of the financial statements lack adequate and critical skills fundamental for preparation of financial statements. This is indicated by numerous errors and misstatements that were identified in the submitted financial statements for audit.
32. Although majority of the allegations related to irregular expenditure were prioritised by the investigation structures, the implementation of recommendations from the finalised reports were not always prioritised by the senior management of the trading entity.

Material irregularities

33. 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

34. The material irregularities identified are as follows:

Leeuwkop prison Asset not appropriately safeguarded during construction

35. After termination of the initial contractor, the boilers on site were not appropriately covered as they were exposed to severe weather conditions, the plastic covering the boilers was damaged. This had an impact on ancillary equipment as they became corroded and unusable.
36. PMTE appointed a service provider for the replacement and maintenance of boilers for a period of 24 months on 26 January 2012. Due to the service provider's continued inability to meet deadlines in relations to the supply and installation of the boilers as per the site programme of works, the contractor was first placed in *mora* on 18 October 2013 and then the contract was subsequently terminated with effect from 5 June 2014.
37. After termination of the initial contractor, the boilers on site were not appropriately covered as they were exposed to severe weather conditions, the plastic covering the boilers was damaged. This had an impact on ancillary equipment as they became corroded and unusable.
38. The Accounting Officer did not take full responsibility for the safeguarding of the boilers while they were on site and after the termination date of the initial contractor, as a result, more costs will be incurred to replace and refurbish critical equipment's that have corroded. This is a contravention of TR10.1.1 (a) which requires that the Accounting Officer of an institution must take full responsibility and ensure that proper control systems exist for

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

assets and that preventative mechanisms are in place to eliminate theft, losses, wastage and misuse. The contravention of TR10.1.1(a) is likely to result in a material financial loss.

39. The Accounting Officer was notified of the MI on 26 August 2021 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 23 September 2021.
40. Even though the Accounting Officer disagreed with the finding and the MI, in their response they agreed that there was a subsequent deterioration of the boiler cover and corrosion of boiler components. As a result, the boilers were exposed to inevitable physical weather elements. Due to the disagreement the Accounting Officer did not implement any corrective actions.
41. A new Accounting Officer was appointed in April 2022 and was informed of the MI. The Accounting Officer was afforded the opportunity to respond as to whether he will uphold the view on the MI as their predecessor. The Accounting Officer confirmed that he support the view of his predecessor. Based on the letter no actions were implemented by the trading entity to address the MI.
42. I recommend that the Accounting Officer should take the following actions to address the material irregularity, which should be implemented by 31 January 2023:
 - Appropriate action should be taken to investigate the non-compliance in order to determine if any official should be held responsible.
 - The financial loss relating to the boilers should be quantified and appropriate action should be taken to determine whether the responsible official(s) is liable by law for the losses suffered by the department for the purpose of recovery, as required by treasury regulation 12.7.1.
 - Effective and appropriate disciplinary steps should be initiated, without undue delay, against any official that the investigation found to be responsible, as required by section 38(1)(h) of the PFMA.
 - Reasonable steps should be taken to ensure that preventative mechanisms are in place to eliminate further losses on account of inadequate safeguarding or other damage in relation to construction site assets as required by TR section 10.1.1(a).
43. I will follow up on the implementation of the recommendation after the due date.

Lease No. 140280 Overpayment

44. The PMTE appointed a service provider for the leasing of office accommodation and parking bays on behalf of the Department of Rural Development and Land Reform (DRDLR) for four (4) years. The lease commenced on 01 October 2015 with a commencement rental amount of R771 656.22 per month and an annual escalation rate 5.5%. The expiry date as per the lease agreement was set at 30 September 2019.
45. During the 2019/20 financial period, lease overpayments were reported as a result of internal controls weaknesses with regard to the payment processes. These duplicate payments / overpayments mainly occurred between October 2017 and March 2019. The cumulative overpayments over this period amounted to R9 325 082.75.
46. During the 2020/21 financial period, the lease agreement was renewed with effect from 01 June 2019 while the old contract was still active (4 months before it expired). This renewal resulted in a lesser monthly rental payment as compared to the previous lease contract. Management continued to make payments based on the old lease

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

contract which resulted in additional overpayments made since the renewal period of 01 June 2019 up to the end of 31 March 2021 amounting to R1 636 993, 88.

47. Effective internal controls were not in place for approval and processing of payments, as required by TR8.1.1 to ensure that correct rental payments for a lease agreement were made and to prevent the overpayments stated above. These controls would have provided management reasonable assurance that rental payments made were necessary for each month and appropriate. The PMTE was likely to incur a material financial loss of R10 962 076,63.
48. The Accounting Officer was notified of the MI on 27 August 2021 and invited to make a written submission on the actions that will be taken to address the MI. The response was received on 23 September 2021 which was retracted and reissued on 15 November 2021. The Accounting Officer indicated that the trading entity had already appointed an external service provider to review the extent of the overpayments on the leasing portfolio and recommend any changes necessary.
49. The appointment of the mentioned service provider is part of the greater lease clean-up project undertaken by the trading entity with the objectives of ensuring:
 - Verification of data correctness on Archibus against lease agreements;
 - Correction of historical and current data to ensure correct payments;
 - Upload all supporting documents on Archibus;
 - Implement delegations for any changes on the system especially on active leases;
 - Perform monthly reconciliation prior to the payment run to identify under / overpayments;
 - Perform final reconciliation after the payment run to confirm transactions processed;
50. In the progress follow up response received on 28 February 2022, the accounting officer reported that the trading entity had correctly captured the lease details on Archibus and implemented the use of credit notes to deduct any overpayments from future rentals. This function has resulted to a partial recovery of lease overpayments. The recovery process began in June 2021.
51. The response from the Accounting Officer and the supporting evidence presented, indicates that the following steps have been taken to address the MI:
 - Letters of consequence management have been issued to the lease management team to explain the lack of oversight on lease payments. A final written warning was issued in January 2022 to the supervisor responsible for oversight and ensuring due diligence with regards to lease payments.
 - Management has initiated measures to recover the overpayments from the landlord and the recovery process is in progress. An amount of R9 681 612 has already been recovered from the landlord as at year end.
52. I will follow up on the implementation of further actions taken, including the recovery of the remaining loss as well as the progress on the clean-up project, during my next audit.

Construction contract extension approved, incorrectly included contract value adjustment

53. The PMTE entered into a contract with a service provider on 28 November 2013 to construct a magistrate court building at Mamelodi (WCS 044028). The contract was for a period of 18 months for construction and the contract value was R94 742 592.85.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

54. The construction of the Mamelodi magistrate court project has been significantly delayed and the expenditure paid to date exceed the initial contract amount. The practical completion date of the contract has been extended and PMTE has been approving the contract extensions with adjustments to the contract value with the daily rate of R24 283,26 charged by the contractor. Based on the approved claims 4, 5, 8 and 9, the delays resulted from civil unrest, riots, strikes and lockouts.
55. This was a contravention of the JBCC 2000 Principal Building Agreement Clause 29.1 which stipulates that the contractor is entitled to a revision of the date of practical completion but for which the contract value should not be adjusted if it pertains to delays related to civil unrest, riots or strikes. However, requests for extensions with a financial impact where the cause of the delay related to civil unrest, riots, strikes and related matters were approved.
56. The delegation of authority dated 08 December 2009, in paragraph 7.4 pertaining to the approval of the extension of contract periods as part of the general notes and condition 2 on the approved delegation, stipulates that any decision regarding the extension of the contract needs to be based on the conditions of the contract and that the decision-taker has no opportunity to exercise any discretion in reaching the decision. The approval of claims 4, 5, 8 & 9 were not in line with the conditions of the contract.
57. The approval of the listed claims in convention of the delegations resulted in a contravention of section 45(a) of the PFMA which requires that an official in a department, trading entity or constitutional institution must ensure that the system of financial management and internal controls established for that department, trading entity or constitutional institution is carried out within the area of responsibility of that official. These contraventions is likely to result in a material financial loss for the PMTE as it may be possible to recover the amount from an external party.
58. The Accounting Officer was notified of the MI on 15 October 2021 and invited to make a written submission on the actions taken and that will be taken to address the matter. The Accounting Officer responded on the 17 November 2021. The response from management including the supporting annexures, indicates that the following steps have been taken to address the MI:
 - On 17 November 2021, letters of consequence management have been issued to the project management team to explain their actions in approving the claims and payments to the contractor.
 - The Department of Public Works sent a letter to the Principal Agent requesting an explanation of the payments made. The letter to the Principal Agent was issued on the 17 November 2021.
 - Based on the response of the Principal Agent, the department has resolved to issue a letter of demand to the contractor for the payments made. The letter to the Principal Agent was issued on the 17 November 2021 and the Principal Agent responded on the 25 November 2021.
59. The audit team made a determination on the appropriateness of actions taken on the 07 December 2021 and concluded based on the representations made and the substantiating documents provided, that appropriate actions are being taken to address the material irregularity.
60. A follow up letter was sent on 23 February 2022 wherein we requested information on progress made in addressing confirmed material irregularity and the response was received on the 23 June 2022 detailing the actions already taken and the planned actions to address the MI.
61. The Accounting Officer communicated and presented evidence that the following progress has been made on the MI:

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

- The Accounting Officer received responses from the four (4) persons identified as the responsible parties that caused the MI. On 25 March 2022, the Accounting Officer took further action and referred the matter to Labour Relations to conduct an investigation in order to prepare charge sheets and institute disciplinary action against the identified officials. The process is anticipated to be concluded in July 2022.
- The Accounting Officer states that in addition to the clarification consultations and correspondence with the Principal Agent, the trading entity instructed the Principal Agents to recover the funds.
- The trading entity has received training from the AGSA team to increase awareness on accountability and further there was a directive issued in June 2022 to empower the executing units. The trading entity implemented the workshops as an intervention for preventing future MI's of a similar nature.

62. I will follow up on the implementation of further actions taken, which include the instigation of disciplinary actions and the recovery of the loss, during my next audit.

Lease no. 140227 Overpayment

63. The PMTE entered into a lease agreement on behalf of the Department of Defence (DoD). The original lease agreement was entered into on 24 April 2014 for a period of five (5) years and only took effect on occupation on 01 April 2015. The lease agreement was amended for additional space and parking bays based on the same terms and conditions as the main lease with effect from 01 April 2016 for a period of four (4) years.
64. Upon the implementation of the Archibus leasing system in September 2019, management commenced consistently making overpayments to the landlord. The overpayments amounting to R14 062 727 occurred from the implementation of Archibus leasing system up to 31 March 2021. Although some of the overpayments were recovered as at February 2022 the cumulative remaining not recovered overpayments amounted to R3 802 787.
65. Effective internal controls were not in place for approval and processing of payments, as required by TR8.1.1 to ensure that correct rental payments for a lease agreement were made and to prevent the overpayments stated above. These controls would have provided management reasonable assurance that rental payments made were necessary for each month and appropriate. The PMTE is likely to incur a material financial loss of R3 802 787 as the amount was still not recovered as at year end as disclosed in note 3 prepaid expenses-leases of the financial statements.
66. The Accounting Officer was notified of the MI on 03 June 2022. The response was received on the 05 July 2022 detailing the actions already taken and the planned actions to address the MI. Based on the response from the Accounting Officer and supporting evidence provided, the following actions were taken:
- Management captured the new lease and effected adjustments to prevent subsequent overpayments on 16 July 2021.
 - Management has taken steps to recover the financial loss by withholding payments to the landlord from July 2021 until the overpayment are recovered.
 - Management identified the person responsible and has taken appropriate consequence management actions. Management has provided evidence that the Portfolio Manager has been issued with a verbal warning on 12 July 2021. The Portfolio Manager has acknowledged receipt of the verbal warning on 14 July 2021.
 - Management undertook a lease data clean-up exercise to mitigate potential future lease overpayments. An external service provider was appointed in September 2021 to assess the extent of

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

the lease overpayments and recommend improvements to the lease management processes. The clean-up exercise is anticipated to be concluded by September 2022.

67. Based on the assessment of the response, I have determined that the Accounting Officer is taking appropriate steps to address the MI. I will follow up on the progress and implementation of further actions during my next audit,

Status of previously reported material irregularities

Unfair Procurement Process for the Beitbridge Borderline Infrastructure Project

68. The Accounting officer did not ensure an appropriate supply chain management process that is fair, equitable, transparent, competitive and cost effective is followed in the appointment of the contractor in order to prevent amounts charged to the trading entity for Beitbridge Borderline Infrastructure project being overpriced. This was in contravention with National Treasury Regulation (TR) 16A3.2 (a). The Accounting Officer was notified of the MI on 13 November 2020. The Response was received on the 10 December 2020 detailing the actions already taken and the planned actions to address the MI.
69. The investigation on the Beitbridge project was initiated on 25 April 2020 as per the Minister of DPWI's request. The investigation was conducted by the GRC unit with the assistance of the SIU who were seconded on the investigation. 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 that the service providers would not make any further claims for payment from the Department. On 17 November 2020, the SIU instituted legal action against the contractor with the Special Tribunal under case number GP17/2020. The Department has since initiated disciplinary actions against the employees of the Department for their role in the project. The disciplinary proceedings are still in progress.
70. Follow-ups on the progress were made and the Accounting Officer responded on 08 June 2022 with supporting evidence that indicated that the following progress was made on the MI:
- The Accounting Officer reported that the trading entity has made significant progress in relation to consequence management for the persons responsible for the MI. The disciplinary hearing process against the employees that caused the MI was concluded on the 03 June 2022 with the Chairperson of the hearing finding the employees guilty of the charges raised. Disciplinary proceeding against the three senior managers (Former CFP, DDG-CPM and Director Special & Major Projects have been postponed indefinitely by the Chairperson of the hearing pending the judicial review outcome of the investigation report in the High Court. The DDG -CPM has since applied for termination by mutual agreement subject to the Ministers approval.
 - The National Treasury has placed both the consultant and the service provider on the list of restricted suppliers from September 2021 for a period of 10 years. The two companies were afforded an opportunity to make representation and the NT concluded on the process in January 2022 and has informed the trading entity of their decision to inform the companies of the taken decision.
 - The lead investigator from the SIU has managed to register a criminal case against the service provider on 22 July 2021 at SAPS Pretoria (Case: 359/07/2021), the investigation is still on-going. On 08 March 2022, the Special Tribunal Judgement was handed down on the matter. The judgement strips the contractor of any profits arising from the Beitbridge fence project.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

- The trading entity has implemented various initiatives to increase oversight on contract management for construction projects.

71. Based on the assessment of the response and evidence presented, I have determined that the Accounting Officer is taking appropriate steps to address the MI. I will follow up on the implementation of further actions taken during my next audit.

Beitbridge Borderline Infrastructure Project Establishment Cost

72. The accounting officer did not ensure that internal control measures and procedures are in place to detect that the establishment cost is not included in the BOQ and therefore that it will not be paid. This was in contravention with National Treasury Regulation (TR) 8.1.1. The Accounting Officer was notified of the MI on 13 November 2020. The Response was received on the 10 December 2020 detailing the actions already taken and the planned actions to address the MI.

73. The investigation on the Beitbridge project was initiated on 25 April 2020 as per the Minister of DPWI's request. The investigation was conducted by the GRC unit with the assistance of the SIU who were seconded on the investigation. 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 that the service providers would not make any further claims for payment from the Department. On 17 November 2020, the SIU instituted legal action against the contractor with the Special Tribunal under case number GP17/2020. The Department has since initiated disciplinary actions against the employees of the Department for their role in the project. The disciplinary proceedings are still in progress. I will follow up on the implementation of the planned actions during my next audit.

74. Follow-ups on the progress were made and the Accounting Officer responded on 08 June 2022 with supporting evidence that indicated that the following progress was made on the MI:

- The Accounting Officer reported that the trading entity has made significant progress in relation to consequence management for the persons responsible for the MI. The disciplinary hearing process against the employees that caused the MI was concluded on the 03 June 2022 with the Chairperson of the hearing finding the employees guilty of the charges raised. Disciplinary proceeding against the three senior managers (Former CFP, DDG-CPM and Director Special & Major Projects have been postponed indefinitely by the Chairperson of the hearing pending the judicial review outcome of the investigation report in the High Court. The DDG -CPM has since applied for termination by mutual agreement subject to the Ministers approval.
- The National Treasury has placed both the consultant and the service provider on the list of restricted suppliers from September 2021 for a period of 10 years. The two companies were afforded an opportunity to make representation and the NT concluded on the process in January 2022 and has informed the trading entity of their decision to inform the companies of the taken decision.
- The lead investigator from the SIU has managed to register a criminal case against the service provider on 22 July 2021 at SAPS Pretoria (Case: 359/07/2021), the investigation is still on-going. On 08 March 2022, the Special Tribunal Judgement was handed down on the matter. The judgement strips the contractor of any profits arising from the Beitbridge fence project.
- The trading entity has implemented various initiatives to increase oversight on contract management for construction projects.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

75. Based on the assessment of the response and evidence presented, I have determined that the Accounting Officer is taking appropriate steps to address the MI. I will follow up on the implementation of further actions taken during my next audit

Other reports

76. 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 statement or my findings on the compliance with legislation.

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. Pretoria

Auditor General

31 July 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

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 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.

1.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

		2022	2021
	Note(s)	R'000	Restated* R'000
Assets			
Current Assets			
Receivables from exchange transactions	3	4 460 790	5 228 826
Receivables from non-exchange transactions	4	1 028	1 411
Operating lease asset	5	379 241	427 791
Cash and cash equivalents	6	2 806	4 678
		4 843 865	5 662 706
Non-Current Assets			
Property, plant and equipment	7	129 843 440	129 939 239
Investment property	8	4 926 415	5 008 432
Heritage assets	9	5 963 020	5 919 257
Intangible assets	10	40 847	31 799
		140 773 722	140 898 727
Total Assets		145 617 587	146 561 433
Liabilities			
Current Liabilities			
Operating lease liability	5	370 600	426 706
Bank overdraft	6	1 023 162	905 574
Deferred revenue	11	4 073 690	3 409 179
Payables from exchange transactions	12	4 773 789	4 729 504
Retention liabilities	13	329 191	309 433
Finance lease obligation	14	2 661	2 085
Employee benefit obligations	15	206 273	242 329
Provisions	16	923 237	766 269
		11 702 603	10 791 079
Non-Current Liabilities			
Deferred revenue	11	2 953 167	2 917 425
Retention liabilities	13	76 979	58 016
Finance lease obligation	14	2 690	936
		3 032 836	2 976 377
Total Liabilities		14 735 439	13 767 456
Net Assets		130 882 148	132 793 977

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

		2022	2021
			Restated
	Note(s)	R'000	R'000
Revenue from exchange transactions	17	12 726 667	13 101 717
Revenue from non-exchange transactions	18	4 358 863	4 242 173
Construction revenue	19	67 741	84 150
Total revenue		17 153 271	17 428 040
Expenditure			
Construction expenses	19	67 741	84 150
Depreciation, amortisation and impairments on assets	20	3 109 210	2 924 150
Employee related costs	21	1 933 547	1 914 526
Impairment loss on receivables	22	2 820 062	1 428 410
Interest expense	23	413	7 208
Loss on disposal of assets	24	5 004	39 257
Operating leases	25	5 264 648	5 128 644
Property maintenance (contracted services)	26	2 769 388	2 113 758
Property Rates		1 765 250	1 253 885
Sundry operating expenses	27	1 329 837	1 588 181
Total expenditure		19 065 100	16 482 169
(Deficit) surplus for the year		(1 911 829)	945 871

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Net Assets

		Accumulated surplus R'000
Opening balance as previously reported as at 1 April 2020		133 041 048
<i>Adjustments</i>		
Correction of prior period errors	37	(1 192 942)
Balance at 1 April 2020		131 848 106
<i>Changes in net assets</i>		
Surplus for the 12 months		945 871
Correction of prior period errors	37	1 758 165
Total changes		2 704 036
Balance as previously reported as at 31 March 2021		134 552 142
<i>Adjustments</i>		
Correction of prior period errors	37	(1 758 165)
Balance at 1 April 2021 as restated*		132 793 977
<i>Changes in net assets</i>		
Deficit for the year		(1 911 829)
Balance at 31 March 2022		130 882 148

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Cash Flow Statement

		2022	2021
	Note(s)	R'000	R'000
Cash flows from operating activities			
Receipts			
Accommodation charges - leasehold intergovernmental		5 069 279	5 064 584
Accommodation charges - freehold intergovernmental		6 626 169	6 588 809
Accommodation charges - freehold private		56 524	53 455
Augmentation		4 349 655	4 239 987
Management fees on municipal services		164 634	181 113
Municipal services recovered		3 292 673	3 622 268
Interest, fines, recoveries and other receipts		1 350	24 880
Cash received in advance		-	311 330
Construction revenue		67 741	84 150
		19 628 025	20 170 576
Payments			
Cleaning and gardening		346 451	307 542
Admin, goods and services		383 417	298 372
Repairs and maintenance		2 486 053	1 853 535
Municipal services paid on behalf of clients		4 479 745	4 696 258
Municipal services expenditure		471 562	411 033
Operating leases (including rent on land)		4 639 244	4 841 085
Property rates		1 838 706	1 273 334
Compensation of employees		1 969 628	1 867 317
Covid-19 requirements		18 399	335 510
Construction expenses		67 741	84 150
		16 700 946	15 968 136
Net cash flows from operating activities	28	2 927 079	4 202 440
Cash flows from investing activities			
Additions to property, plant and equipment		(2 979 218)	(2 626 967)
Additions to investment property	8	(18 823)	(9 897)
Aquisition of intangible assets		(13 130)	(1 989)
Additions to heritage assets		(37 285)	(37 688)
Net cash flows from investing activities		(3 048 456)	(2 676 541)
Cash flows from financing activities			
Finance lease payments		(3 216)	(3 494)
Finance leases entered into		5 133	5 549
Net cash flows from financing activities		1 917	2 055
Net decrease in cash and cash equivalents		(119 460)	1 527 954
Cash and cash equivalents at the beginning of the year		(900 896)	(2 428 850)
Cash and cash equivalents at the end of the year	6	(1 020 356)	(900 896)

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	R'000	R'000	R'000	R'000	R'000
Statement of Financial Performance					
Receipts					
Accommodation charges - leasehold intergovernmental	5 501 320	(129 411)	5 371 909	5 069 279	(302 630)
Accommodation charges - freehold intergovernmental	7 911 566	145 800	8 057 366	6 626 169	(1 431 197)
Accommodation charges - freehold inter-governmental projects	68 026	-	68 026	56 524	(11 502)
Augmentation	4 349 655	-	4 349 655	4 349 655	-
Interest, fines, recoveries and other receipts	63 000	-	63 000	1 350	(61 650)
Management fees on municipal services	164 525	87 951	252 476	164 634	(87 842)
Municipal services recovered	3 290 497	1 189 248	4 479 745	3 292 673	(1 187 072)
Construction revenue	-	-	-	67 741	67 741
Receipts	21 348 589	1 293 588	22 642 177	19 628 025	(3 014 152)
Payments					
Cleaning and gardening	345 899	37 345	383 244	346 451	(36 793)
Admin, goods and services	448 397	(23 760)	424 637	383 417	(41 220)
Repairs and maintenance	2 791 718	(67 488)	2 724 230	2 486 053	(238 177)
Municipal services paid on behalf of clients	3 290 497	1 189 248	4 479 745	4 479 745	-
Operating leases (including rent on land)	5 655 582	(129 412)	5 526 170	4 639 244	(886 926)
Property rates	1 643 016	275 644	1 918 660	1 838 706	(79 954)
Compensation of employees	2 038 928	(8 195)	2 030 733	1 969 628	(61 105)
Municipal services expenditure	446 525	117 528	564 053	471 562	(92 491)
Construction expenses	-	-	-	67 741	67 741
Covid -19 Requirements	10 600	20 655	31 255	18 399	(12 856)
Payments	16 671 162	1 411 565	18 082 727	16 700 946	(1 381 781)
Capital movements					
Recoverable capital expenditure	2 115 989	145 800	2 261 789	1 648 904	(612 885)
Non-recoverable capital expenditure	2 510 618	(275 077)	2 235 541	1 360 744	(874 797)
Machinery and equipment	50 820	11 300	62 120	33 674	(28 446)
Finance lease	-	-	-	3 216	3 216
	4 677 427	(117 977)	4 559 450	3 046 538	(1 512 912)
Cash deficit	-	-	-	(119 459)	(119 459)

Refer to note 29 for the reconciliation and explanations of material differences.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1. Presentation of Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB), unless otherwise indicated, and in accordance with Section 91(1) of the Public Finance Management Act (Act No. 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand ("R") which is also the functional currency of the Property Management Trading Entity ("PMTE"). Values are rounded to the nearest thousand ("R'000") unless otherwise indicated.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Significant judgement and sources of estimation uncertainty

1.1.1 Control of immovable assets

The Minister of Public Works and Infrastructure is the legal custodian of all immovable assets vested in national government, except in cases where custodial functions were assigned to other ministers by virtue of legislation before the commencement of GIAMA on 1 April 2009. The Department of Public Works (DPWI) assigned those functions to the PMTE and by virtue of the transfer of functions that occurred on 18 November 2013, and 30 March 2015, the PMTE controls those assets for accounting purposes. The PMTE benefits from the assets in pursuit of its objectives and regulates the access of others to the benefits of the assets (i.e. the PMTE decides who may benefit from the use of the assets). Control includes the ability to acquire, dispose and maintain the assets.

PMTE monitors state land reflected on the Deeds Register on an on-going basis. Land registered in the name of the national government, that could not be confirmed to be under the custodianship of other national custodians, is recognised by the PMTE. Any changes in ownership is derecognised accordingly. PMTE discloses a contingent asset for properties identified to be under its custodianship where the property could not be reliably measured due to the extent not being determined through the Office of the Surveyor General.

In terms of paragraph 7.37 of the vesting guidelines issued by Department of Rural Development and Land Reform on 30 March 2017, "for any provincial government to claim ownership of vacant land such province should provide proof of intended use. The absence of such proof automatically means that such land vests in the National Government of RSA". PMTE is thus deemed to have control over such land parcels and has currently recognised unvested land parcels.

PMTE recognises immovable assets where the property will vest with the national government based on the principles contained in the approved vesting guidelines.

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

Annual Financial Statements for the year ended 31

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

Annual Financial Statements for the year ended 31

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

Annual Financial Statements for the year ended 31

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

Annual Financial Statements for the year ended 31

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

Annual Financial Statements for the year ended 31

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

Annual Financial Statements for the year ended 31

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:

Property Management Trading Entity

Annual Financial Statements for the year ended 31

Notes to the Annual Financial Statements

1.6 Property, plant and equipment (continued)

Item	Average useful life
Building and improvements (including components)	
• Low rise buildings (up to 4 floors)	12 - 50 years
• High rise buildings (more than 4 floors)	40 - 80 years
• Warehouse / garage / storerooms	40 - 60 years
• Prisons	100 years
• Barracks	12 - 50 years
• Dwellings	40 - 60 years
• Temporary structures	30 years
• Roads, harbours and mines	12 - 35 years
• Boundary fences on vacant land	15 years
• Water and other infrastructure	20 - 60 years
• Airport runways	40 - 60 years
• Dams and reservoirs	100 years
• Other	12 - 50 years
Land	indefinite useful lives
Furniture and office equipment	5 - 15 years
Vehicles	5 - 10 years
Computer equipment	3 - 15 years
Other machinery and equipment	10 - 30 years

The PMTE assesses annually at each statutory reporting date whether there is any indication that an asset may be impaired. If such indication exists, the PMTE estimates the recoverable service amount or recoverable amount for non-cash-generating and cash-generating assets respectively. An impairment loss is recognised where the carrying amount exceeds the asset's recoverable service amount or recoverable amount as applicable.

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.

Property Management Trading Entity

Annual Financial Statements for the year ended 31

Notes to the Annual Financial Statements

1.7 Investment property (continued)

Investment property is initially recognised at cost, including transaction costs. Investment property is subsequently carried at cost less accumulated depreciation and any accumulated impairment losses, except for land. Land is not depreciated.

With the exception of assets acquired through a transfer of functions under common control which is measured at carrying amount, where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Depreciation is calculated on a straight line basis over the expected useful lives of each item. Depreciation is charged to surplus or deficit. Depreciation commences on assets when they are in the condition necessary for them to be capable of operating in the manner intended by management. Depreciation ceases when the asset is disposed.

Item	Useful life
Land	indefinite
Buildings and improvements	12 - 100 years

Refer to note 1.6 for a detailed breakdown of the useful lives of the building and improvements.

Assets under construction are ready for their intended use once a practical completion certificate or occupational certificate has been issued. At this point depreciation will commence.

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.

Property Management Trading Entity

Annual Financial Statements for the year ended 31

Notes to the Annual Financial Statements

1.8 Heritage assets (continued)

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Heritage assets are not depreciated as they are regarded as having an indefinite useful life but are annually assessed for impairment. If any such indication exists, the PMTE estimates the recoverable amount or the recoverable service amount of the heritage asset.

An impairment loss is recognised where the carrying amount exceeds the recoverable service amount for non-cash generating assets. Impairment losses and reversals of impairment are recognised in surplus or deficit in the period when the event occurs.

PMTE derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.

1.9 Intangible assets

The PMTE recognises intangible asset when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Where the PMTE acquires the rights to use an asset, other than exercising its rights through legislation, it classifies these as intangible assets.

With the exception of assets acquired through the transfer of functions under common control which is measured at carrying amount, where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are initially recognised at cost and subsequently carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period, the amortisation method and the residual values of the intangible assets with finite useful lives are reviewed annually. Intangible assets with indefinite useful lives are tested annually for impairment. Any changes are recognised as a change in accounting estimate in surplus or deficit.

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of the intangible assets, unless such useful lives are indefinite. Amortisation commences on the asset when they are in the condition necessary for them to be capable of operating in a manner intended by management.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

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).

Property Management Trading Entity

Annual Financial Statements for the year ended 31

Notes to the Annual Financial Statements

1.10 Payables from exchange transactions

The PMTE recognises payables from exchange transactions where liabilities result from counter performance by respective parties as a result of exchange transactions.

Payables from exchange transactions are initially measured at fair value. Where the outflow is expected to be cash or another financial asset, the payable is classified as a financial liability.

The PMTE recognises in payables an amount for accruals where an estimate is made of the amounts due for goods or services that have been received or supplied, but an invoice or formal request for payment has not been received at the reporting date as well as outstanding invoices.

1.11 Employee benefits

Short-term employee benefits

The PMTE recognises an undiscounted amount of short-term benefits due to employees in exchange for the rendering of services by employees as follows:

- As a liability in cases where the amounts have not yet been paid.
- Where the amount paid exceeds the undiscounted amount of the benefits due, the PMTE recognises the excess as an asset to the extent that the overpayment will lead to a reduction of future payments or a cash refund.
- As an expense, unless the PMTE uses the services of employees in the construction of an asset and the benefits received meet the recognition criteria of an asset, at which stage it is included as part of the cost of the related property, plant and equipment, investment property or intangible asset item.

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.

Property Management Trading Entity

Annual Financial Statements for the year ended 31

Notes to the Annual Financial Statements

1.13 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date, discounted to present value where the time value of money is expected to be material.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Provisions where the timing of the outflow is uncertain is classified as current liabilities.

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.

Property Management Trading Entity

Annual Financial Statements for the year ended 31

Notes to the Annual Financial Statements

1.15 Statutory receivables and payables

Classification, recognition and measurement

Statutory receivables and payables arise from the right to receive cash or make payments in terms of legislative requirements. The PMTE will recognise receivables when it obtains the right to receive assets in terms of legislation, at the amount determined in the legislation (i.e. transaction price), which is the fair value at initial recognition. Thereafter the receivable will be assessed for impairment.

Payables arising from legislative requirements are measured at the amount determined in legislation (i.e. transaction price). Statutory receivables and payables are not discounted.

Impairment of receivables measured at cost

At each end of the reporting period, the PMTE assesses all receivables to determine whether there is objective evidence that the asset or group of assets have been impaired. The inability to redeem amounts due based on the payment history is considered to be indicators of impairment.

If there is objective evidence that an impairment loss on receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, excluding future credit losses not yet incurred. Impairment loss on receivables is impaired directly to the receivables. Receivables at cost are discounted at a risk free rate adjusted for the risk associated with the debt. Impairment losses are recognised in surplus or deficit as expenses.

Impairment losses are reversed when an increase in the receivable's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed does not exceed the carrying amount that would have been recognised had the impairment not been recognised. The amount of the reversal is recognised in surplus or deficit.

1.16 Financial instruments

Classification, recognition and measurement

The PMTE recognises a financial asset or a financial liability when it becomes a party to the contractual arrangement in the instrument.

The PMTE recognises financial assets using trade date accounting.

The PMTE does not offset a financial asset and a financial liability unless a legally enforceable right to offset the recognised amounts currently exists and the PMTE intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Interest relating to a financial instrument or a component of a financial instrument is recognised as revenue or expense in surplus or deficit.

The PMTE's financial instruments consists only of cash and cash equivalents, including the bank overdraft and non-derivative instruments such as leases, receivables and payables with no or minimal transaction costs.

All financial instruments are initially measured at fair value and subsequently at amortised cost using the effective interest method, except for leases (refer to note 1.4).

Transaction costs in respect of financial instruments which are not at fair value through surplus or deficit are included in the initial measurement of the instrument.

Interest is charged on debt outstanding exceeding the normal credit terms at the rate applicable for debt owed to the State, except for debt owed by government institutions.

The effect of payment for short term receivables outstanding for longer than the 30 days is considered during the impairment assessment.

Impairment of assets

Property Management Trading Entity

Annual Financial Statements for the year ended 31

Notes to the Annual Financial Statements

1.16 Financial instruments (continued)

The PMTE assesses at the end of each reporting period whether there is any objective evidence that a financial or non-financial asset or group of assets are impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). Impairment loss on receivables is accounted for directly to the receivables. Financial assets at amortised cost are discounted to the original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly to the receivable. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date of reversal. The amount of the reversal is recognised in surplus or deficit.

At the end of each reporting period the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets have been impaired.

Non-financial assets measured at cost:

Where the carrying amount of a non-financial asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit. In assessing the value in use, the PMTE has adopted the depreciated replacement cost approach.

For further details regarding impairment of property, plant and equipment, investment property, heritage assets and intangible assets, refer to note 1.6.

Property Management Trading Entity

Annual Financial Statements for the year ended 31

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

Annual Financial Statements for the year ended 31

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

Annual Financial Statements for the year ended 31

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 respect of recoverable capital projects, where such project is executed on immovable assets which are not under our custodianship are classified as construction costs and recognised in the Statement of Financial Performance. An equivalent amount is then recognised in revenue on a full cost recovery basis and 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

Annual Financial Statements for the year ended 31

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

Annual Financial Statements for the year ended 31

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

Annual Financial Statements for the year ended 31

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 2022

Notes to the Annual Financial Statements

	2022	2021
	R'000	R'000
3. Receivables from exchange transactions		
Financial assets		
Accommodation debtors - leasehold inter-governmental	323 137	195 684
Accommodation debtors - freehold inter-governmental	711 380	1 055 667
Accommodation debtors - freehold private	49 341	44 860
Municipal services	371 724	907 136
Debt account	66 019	71 235
Revenue accrual - recoverable leases	441 532	538 468
Revenue accrual - recoverable municipal services	539 793	463 280
Revenue accrual - recoverable projects	511 662	485 441
Municipal deposits	21 091	20 062
Implementing agents	54 519	48 570
Other receivables	765	37 580
Recoverable property rates *	-	-
	3 090 963	3 867 983
Non-financial assets		
Prepaid expenses - implementing agents	697 980	775 490
Prepaid expenses - leases	209 380	225 569
Prepaid expenses - other	74 489	85 483
Prepaid expenses - municipal services	37 658	1 372
Prepaid expenses - municipal services and property rates (backlog)	28 463	28 463
Creditors with debit balances	321 857	244 466
	1 369 827	1 360 843
	4 460 790	5 228 826

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R'000	R'000

3. Receivables from exchange transactions (continued)

The R4.460 billion Receivables from exchange reflected above (2021:R5.228 billion) is the rand value after taking into account the impairment values of R8.409 billion (2021: R5.842 billion).

The applicable interest rate for outstanding freehold private receivables and debt account receivables for the period is 7.5% (2021: 7%).

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 3.7% (:2021 3.4%).

Reconciliation of provision for Impairment of receivables from exchange transactions

	2022	2021
Opening Balance	5 842 599	4 710 542
Reversal of Impairment	(171 417)	(301 045)
Impairment Expense	<u>2 819 097</u>	<u>1 433 177</u>
Closing Balance	<u>8 409 704</u>	<u>5 842 599</u>

An assessment of impairment was performed retrospectively on the receivable (Prepaid Expense - Backlog) on the basis that the prepayment balance has remained unchanged for the past three years. The assessment was performed in line with the Revenue and Receivables policy and GRAP requirements. The outcome of the assessment impacted the comparative figures.

The PMTE has signed Memorandums of Understanding with the following implementing agents:

- Amatola Water
- Coega
- DBSA
- IDT
- GTAC

In all these MOU's, the PMTE is deemed to be the principal and the primary objective of these agreements are such that the implementing agents will execute both Capex and Opex construction projects on behalf of the PMTE. Except for GTAC MOU, the implementing agents are entitled to receive management fees. In a few limited projects, the underlying project was not construction in nature, but more of a consultative and service in nature.

As pas of the respective MOU's the Coega, IDT and DBSA have separate bank accounts in which all PMTE projects are managed. The PMTE is then entitled to all the interest earned in these ring-fenced bank accounts. Any changes to the scope or other forms of variation at project level are administered in line with the applicable PMTE Variation Order Committee process, any amendments to the MOU's must be approved in writing by both parties and no such amendments occurred during the 2021/22 financial year.

Implementing Agents	R'000	R'000
	Liabilities	Assets
Amatola Awater	0.00	16 913
COEGA	101 413	83 378
DBSA	174 315	268 556
GTAC	2 640	264 386
IDT	<u>31 849</u>	<u>64 747</u>
Grand Total	<u>310 218</u>	<u>697 980</u>

An amount of R55 Million was earned by implementing agents for management fees for the 2021/22 financial year. No principal/agents arrangements were terminated for the 2021/22 financial year.

The gross amount for recoverable property rates amounts to R69 million (2021: R50 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.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
--	------	------

3. Receivables from exchange transactions (continued)

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:

	2022	2021
	%	%
Accommodation debtors - freehold inter-governmental	73	28
Accommodation debtors - leasehold inter-governmental	63	66
Accommodation debtors - freehold private	63	77
Municipal services	86	80
Recoverable property rates	100	100

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R'000	R'000
4. Receivables from non-exchange transactions		
Accommodation debtors - freehold prestige	1 028	1 411

The R1.028 million Receivables from exchange reflected above (2021:R1.411 million) is the rand value after taking into account the impairment values of R7.8 million (2021: R6.8).

Reconciliation of provision for Impairment of receivables from non-exchange transactions

	2022	2021
Opening Balance	6 886	6 737
Impairment Expense	<u>965</u>	<u>149</u>
Closing Balance	<u>7 851</u>	<u>6 886</u>

.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	2022	2021
		R'000	R'000
Current assets (PMTE as lessor)	5.1	379 241	427 791
Current liabilities (PMTE as lessee)	5.2	(370 600)	(426 706)
		<u>8 641</u>	<u>1 085</u>

5.1 Total operating lease asset - PMTE as lessor

Leasehold inter-governmental	356 521	404 069
Freehold private	22 720	23 722
	<u>379 241</u>	<u>427 791</u>

Total minimum lease receipts - PMTE as lessor : Leasehold Inter-governmental

Within one year	3 278 280	2 737 396
In second to fifth year inclusive	5 330 691	4 644 050
Later than five years	<u>864 772</u>	<u>1 259 220</u>
	<u>9 473 743</u>	<u>8 640 666</u>

Total minimum lease receipts - PMTE as lessor : Freehold private

Within one year	26 968	27 237
In second to fifth year inclusive	53 521	57 381
Later than five years	24 245	27 771
	<u>104 734</u>	<u>112 389</u>

Leasehold inter-governmental

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

2022	2021
R'000	R'000

5. Operating lease asset/(liability) (continued)

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

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 2022

Notes to the Annual Financial Statements

	2022 R'000	2021 R'000
5. Operating lease asset/(liability) (continued)		
5.2 Total operating lease liabilities - PMTE as lessee		
Operating lease liabilities - leasehold inter-governmental	370 600	426 706
Total minimum lease payments - PMTE as lessee		
Within one year	3 373 304	2 828 842
In second to fifth year inclusive	5 392 743	4 732 632
Later than five years	873 585	1 259 220
	9 639 632	8 820 694

The PMTE has (2 194) leases of which (1 946) have not expired included in the current private leasing portfolio (2021; 2 346 leases of which 1 684 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

	2022 R'000	2021 R'000
Cash and cash equivalents consist of:		
Cash on hand	265	227
Bank balance	2 541	4 451
Cash and cash equivalents	2 806	4 678
Bank overdraft	(1 023 162)	(905 574)
	(1 020 356)	(900 896)

The cash held in the bank is with ABSA Limited. The interest rate on the bank balance is variable. The average effective interest rate on short term bank deposits is 2.13% (2021 : 2.1%).

7. Property, plant and equipment

	2022			Restated 2021		
	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	42 362 143	-	42 362 143	42 355 794	-	42 355 794
Buildings and improvements	108 884 885	(21 610 384)	87 274 501	106 016 610	(18 652 381)	87 364 229
Furniture and office equipment	97 373	(49 595)	47 778	97 585	(46 563)	51 022
Computer equipment	282 344	(162 905)	119 439	261 540	(131 570)	129 970

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Other machinery and equipment	74 661	(35 082)	39 579	67 518	(29 294)	38 224
Total	151 701 406	(21 857 966)	129 843 440	148 799 047	(18 859 808)	129 939 239

Figures in Rand

7. Property, plant and equipment (continued)**Reconciliation of property, plant and equipment - 2022**

	Opening balance	Additions	Disposals	Transfers in	Transfers out	Other changes, movements	Depreciation	Impairment loss	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Land	42 355 794	2 431	(3 904)	7 822	-	-	-	-	42 362 143
Buildings and improvements	87 364 229	2 869 851	-	-	-	-	(2 829 150)	(130 429)	87 274 501
Furniture and office equipment	51 022	4 317	(5)	32	(3)	-	(7 585)	-	47 778
Computer equipment	129 970	21 202	(6)	17	(15)	(369)	(31 360)	-	119 439
Other machinery and equipment	38 224	6 650	(1)	1	-	494	(5 789)	-	39 579
	129 939 239	2 904 451	(3 916)	7 872	(18)	125	(2 873 884)	(130 429)	129 843 440

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers in	Transfers out	Other changes, movements	Depreciation	Impairment loss	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Land	42 395 216	-	(35 579)	-	-	(3 843)	-	-	42 355 794
Buildings and improvements	87 547 410	2 618 470	-	-	-	-	(2 749 227)	(52 424)	87 364 229
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
	130 178 077	2 626 967	(35 579)	582	(3 659)	(5 441)	(2 769 284)	(52 424)	129 939 239

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
2022			
Building and improvements	10 288 907	4 171 707	-
2021	-	-	-
Building and improvements	9 636 922	3 068 504	-

Reasons for construction projects significantly delayed are mainly due to poor contractor performance.

Assets subject to finance lease (Net carrying amount)	2022 R'000	2021 R'000
Furniture and office equipment	10 090	9 935

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
2022			
Building and improvements	7 164 445	2 705 205	9 869 650
2021	-	-	-
Building and improvements	8 199 130	2 262 981	10 462 111

Other disclosure

In 2022, 3 land parcels with the value of R 3 904 263 (2021, 20 land parcels with the value of R35 579 772) had changed ownership with no formal process or disposal followed. PMTE does not disclose such properties for financial reporting purposes but retains them within internal systems whilst investigations and internal processes are conducted.

The DPWI would like to bring to the attention of the users of this set of AFS that we have been provided with a schedule of completed projects by SAPS in the last week of May 2022. As at the date of signature for the Pre-audit set of AFS, the DPWI is vigorously in the process of requesting for a complete set of practical completion certificates to validate the existence of such completed projects as well as to determine the capitalisation date.

8. Investment property

	2022			Restated 2021		
	Cost / Valuation R '000	Accumulated depreciation and impairment R '000	Carrying value R '000	Cost / Valuation R '000	Accumulated depreciation and impairment R '000	Carrying value R '000
Building and improvements	4 477 083	(906 532)	3 570 551	4 458 285	(805 717)	3 652 568
Land	1 355 864	-	1 355 864	1 355 864	-	1 355 864
Total	5 832 947	(906 532)	4 926 415	5 814 149	(805 717)	5 008 432

Reconciliation of investment property - 2022

	Opening balance R '000	Additions R '000	Disposals R '000	Impairments R '000	Depreciation R '000	Total R '000
Building and improvements	3 652 568	18 798	-	(405)	(100 410)	3 570 551
Land	1 355 864	-	-	-	-	1 355 864
	5 008 432	18 798	-	(405)	(100 410)	4 926 415

Reconciliation of investment property - 2021

	Opening balance R '000	Additions R '000	Disposals R '000	Impairments R '000	Depreciation R '000	Total R '000
Building and improvements	3 744 223	8 998	-	-	(100 653)	3 652 568
Land	1 355 864	-	-	-	-	1 355 864
	5 100 087	8 998	-	-	(100 653)	5 008 432

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
2022	-	-	-
Building and improvements	55 051	-	-
2021	-	-	-
Building and improvements	36 160	-	-

Reasons for construction projects significantly delayed are due to projects under legal investigations.

Contractual commitments for acquisition of investment property	Committed for acquisition	Committed for acquisition
--	------------------------------	------------------------------

	(CAPEX) R'000	(OPEX) R'000	
2022			
Building and improvements	12 302		-
2021			
Building and improvements	23 871		-

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand

8. Investment property (continued)

Amounts recognised in Statement of Financial Performance relating to Investment Property

	2022			2021		
	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	32	55	87	507	63	570
Municipal services	2 081	389	2 470	1 083	208	1 291
Property rates	3 320	1 160	4 480	2 416	1 012	3 428
Cleaning and gardening	-	22	22	34	-	34
Security	30	4 178	4 208	695	3 587	4 282
Depreciation	98 448	1 829	100 277	98 515	1 851	100 366
Total direct expenses	103 911	7 633	111 544	103 250	6 721	109 971
Revenue from exchange (Freehold private)	53 259	-	53 259	63 717	-	63 717
Total surplus/(deficit) on investment property	(50 652)	(7 633)	(58 285)	(39 533)	(6 721)	(46 254)

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

9. Heritage assets

	2022			Restated 2021		
	Cost /	Accumulated Carrying value		Cost /	Accumulated Carrying value	
	Valuation	impairment losses		Valuation	impairment losses	
	R '000	R '000	R '000	R '000	R '000	R '000
Land	3 736 700	-	3 736 700	3 736 700	-	3 736 700
Building and improvements	2 251 948	(25 628)	2 226 320	2 208 185	(25 628)	2 182 557
Total	5 988 648	(25 628)	5 963 020	5 944 885	(25 628)	5 919 257

	Opening balance	Additions	Total
	R '000	R '000	R '000
Reconciliation of heritage assets - 2022			
Land	3 736 700	-	3 736 700
Building and improvements	2 182 557	43 763	2 226 320
	5 919 257	43 763	5 963 020

	Opening balance R '000	Additions R '000	Total R '000
Reconciliation of heritage assets - 2021			
Land	3 736 700	-	3 736 700
Building and improvements	2 150 730	31 827	2 182 557
	5 887 430	31 827	5 919 257

	Cumulative expenditure recognised in carrying value R'000	Carrying value of projects significantly delayed R'000	Carrying value of projects halted R'000
Additional disclosure relating to assets under construction			
2022			
Building and improvements 2021	520 711	502 801	-
Building and improvements	481 990	455 706	-

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
Restrictions on heritage assets			
2022			
Buildings and improvements	77 137	-	77 137
2021			
Buildings and improvements	110 200	-	110 200

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

10. Intangible assets

	2022			Restated 2021		
	Cost /	Accumulated Carrying value		Cost /	Accumulated Carrying value	
	Valuation	amortisation and accumulated impairment		Valuation	Amortisation and accumulated impairment	
	R '000	R '000	R '000	R '000	R '000	R '000
Computer software	57 669	(16 822)	40 847	44 625	(12 826)	31 799

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
	R '000	R '000	R '000	R '000
Computer software	31 799	13 130	(4 082)	40 847

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Adjustments	Other changes, movements	Amortisation	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Computer software	31 599	2 009	(20)	-	-	(1 789)	31 799

Additional disclosure relating to assets under development

	Cumulative expenditure recognised in carrying value	Carrying value of projects significantly delayed	Carrying value of projects halted
	R'000	R'000	R'000
2022			
Computer software		29 233	-
2021		-	-
Computer software		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)	Committed for maintenance (OPEX)	Total commitment
	R'000	R'000	R'000
2022			
Computer software	15 813	435	16 248
2021			
Computer software	17 759	-	17 759

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022 R'000	Restated 2021 R'000
11. Deferred revenue		
Current liability	4 073 690	3 409 179
Non-Current liability	2 953 167	2 917 425
	7 026 857	6 326 604
<p>This relates to recoverable capital claims for projects that are under construction which will be deferred until the project is complete.</p>		
Opening Balance	6 326 604	6 286 570
Plus: Revenue deferred during the year	1 660 262	1 308 386
Less: Revenue recognised during the year	(960 009)	(1 183 673)
	7 026 857	6 326 604
12. Payables from exchange transactions		
Financial liabilities		
Accrued expenses - CAPEX projects	667 084	648 846
Accrued expenses - Cleaning and gardening	20 492	33 037
Accrued expenses - Leases	1 088 776	1 227 298
Accrued expenses - OPEX projects	359 868	200 983
Accrued expenses - Municipal services	794 428	732 074
Accrued expenses - Other	519 783	123 201
Accrued expenses - Property rates	457 170	569 604
Accrued expenses - Scheduled maintenance	154 627	186 401
Accrued expenses - Security	19 508	12 704
Total accrued expenses	4 081 736	3 734 148
Unallocated deposits	2 051	5 321
Trade payables	189 719	64 630
Deposits received	55	56
Contract guarantees	181	131
	4 273 742	3 804 286
Non-financial liabilities		
Revenue claimed in advance - leases	112 048	101 274
Income received in advance - other services	75 259	337 528
Debtors with credit balances	312 740	486 416
	500 047	925 218
	4 773 789	4 729 504

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022 R'000	Restated 2021 R'000
13. Retention liabilities		
Non-current liabilities	76 979	58 016
Current liabilities	329 191	309 433
	406 170	367 449
14. Finance lease obligation		
Minimum lease payments due		
- within one year	2 972	2 535
- in second to fifth year inclusive	2 829	996
	5 801	3 531
Less: future finance charges	(450)	(510)
Present value of minimum lease payments	5 351	3 021
Present value of minimum lease payments due		
- within one year	2 661	2 085
- in second to fifth year inclusive	2 690	936
	5 351	3 021
Non-current liabilities	2 690	936
Current liabilities	2 661	2 085
	5 351	3 021

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 - 2022	Opening balance	Utilised during the year	(Over)/under provided	Additions	Total
	R'000	R'000	R'000	R'000	R'000
Leave	182 720	(122 406)	(60 314)	155 119	155 119
Service bonus	44 373	(43 888)	(485)	46 049	46 049
Performance bonus	9 398	(12 337)	2 939	-	-
Long service awards	5 838	(1 547)	(4 291)	5 105	5 105
	242 329	(180 178)	(62 151)	206 273	206 273
Reconciliation - 2021	Opening balance	Utilised during the year	(Over)/under provided	Additions	Total
	R'000	R'000	R'000	R'000	R'000
Leave	133 369	(120 823)	(12 546)	182 720	182 720
Service bonus	44 422	(42 951)	(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

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

[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 - 2022						
Maintenance	722 295	582 164	(146 771)	(263 201)	(15 169)	879 318
Legal proceedings	43 974	40 440	(26 824)	(13 671)	-	43 919
	766 269	622 604	(173 595)	(276 872)	(15 169)	923 237
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

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

	2022	2021
	R'000	R'000
Accommodation charges - Leasehold Inter-governmental	5 185 720	4 965 551
Accommodation charges - Freehold Inter-governmental	6 728 006	6 583 500
Accommodation charges - Freehold Private	53 259	63 717
Management fees on municipal services	186 343	189 371
Reversal of impairment loss for receivables from exchange transactions	166 235	301 045
Sundry revenue	3 227	50 491
Interest revenue	403 287	392 451
Recoveries	590	6 710
Debt waiver	-	548 881
	12 726 667	13 101 717

The amount included in revenue arising from non-exchange transactions is as follows:

Interest revenue consists of:

Interest from receivables	395 261	374 621
Interest on prepayment	8 026	17 830
	403 287	392 451

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022 R'000	2021 R'000
18. Revenue from non-exchange transactions		
Augmentation	4 349 655	4 239 987
Donations revenue	7 823	-
Accommodation charges - Prestige	1 385	2 186
	4 358 863	4 242 173
19. Construction revenue and expenses		
Amount recognised in surplus		
Construction Revenue	67 741	84 150
Construction Expenses	(67 741)	(84 150)
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	67 741	84 150
Amount invoiced to date	(54 675)	(114 490)
	13 066	(30 340)
Amounts not yet billed (Revenue accrual)		
Retentions	3 949	(7 450)
Accrued expenses	13 521	(22 571)
Prepaid expenses	(4 404)	(778)
	13 066	(30 799)
20. Depreciation, amortisation and impairments of assets		
Property, plant and equipment	3 004 313	2 821 708
Investment property	100 815	100 653
Intangible assets	4 082	1 789
	3 109 210	2 924 150
21. Employee related costs		
Basic salary and non-pensionable salary	1 480 619	1 478 443
Housing allowances	64 522	61 978
Medical aid contributions	110 851	105 253
Overtime	31 179	23 882
Pension fund contributions	150 692	150 108
Performance bonus	8 431	9 800
Service bonus	87 253	85 062
	1 933 547	1 914 526
22. Impairment loss on receivables		
Receivables from exchange transactions	2 819 097	1 428 261
Receivables from non-exchange transactions	965	149
	2 820 062	1 428 410

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R'000	R'000

23. Interest expense

Interest on overdue accounts	-	6 933
Interest on finance leases	413	275
	413	7 208

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	5 004	39 257
-------------------------------	-------	--------

25. Operating lease

Operating lease - building and improvements	5 214 524	5 051 197
Operating lease - Fleet vehicles	20 931	47 260
Rent on land	29 193	30 187
	5 264 648	5 128 644

26. Property maintenance (contracted services)

Property maintenance expense relates to the following asset categories:

Property, plant and equipment	2 730 954	2 083 670
Investment property	91	570
Heritage assets	27 444	22 390
Leased properties	10 899	7 101
	2 769 388	2 113 731

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 2022

Notes to the Annual Financial Statements

		2022 R'000	2021 R'000
27. Sundry operating expenses			
Advertising		2 308	2 051
Auditors remuneration		38 463	26 862
Bad debts written off		642	8 628
Bank charges		405	373
Bursaries		26 012	12 540
Claims against the state		7 421	186
Cleaning and gardening	27.1	343 844	375 593
Computer software related expenses		63 570	11 630
Communication expenses		16 131	8 539
Consulting fees	27.2	101 324	118 132
Consumables		59 455	89 711
Fleet expenses		12 585	9 616
Losses incurred	27.3	33 538	54 287
Municipal service expenses		371 420	417 051
Other contractors		3 392	5 729
Other goods and services	27.4	21 614	268 746
Retirement awards		8 936	1 005
Security		160 558	137 234
Service in-kind expenses		-	2 658
Travel and subsistence		58 219	37 610
		1 329 837	1 588 181

27.1 Cleaning and Gardening Services

Included in Cleaning and Gardening is R10.6 million for Covid-19 related cleaning services (2021: R57.2 million).

27.2 Consulting fees

Included in consulting fees is an amount of R1.5 million (2021: R42 million) paid for business improvement processes. R19 million (2021: R14 million) paid to Special Investigating Unit for investigation purposes, and R18.6 million (2021: R10.2 million) paid for Development and Maintenance work on the ERP System. The majority of 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 unfunded portions of projects that have had elements of defaulting and such unfunded amounts no longer meets the definition and recognition criteria of an asset.

27.4 Other Goods and services

Included in Other goods and services is expenditure of R7.7 million for Covid-19 quarantine related expenditure (2021: R254 million).

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022 R'000	2021 R'000
28. Cash generated from operations		
(Deficit) surplus	(1 911 829)	945 871
Adjustments for:		
Depreciation, impairment and amortisation	3 109 210	2 924 150
Loss on disposal/transfer of assets	5 004	39 257
Interest expense	413	7 208
Interest from receivables	(395 261)	(374 621)
Impairment on receivables	2 820 062	1 428 410
Bad debt written off	642	8 628
Reversal of impairment loss on receivables	(166 235)	(849 926)
Service in-kind expense	-	2 658
Losses incurred	33 538	54 287
Donations received	7 823	-
Changes in working capital:		
Receivables from exchange transactions	(1 523 745)	(50 944)
Receivables from non-exchange transactions	(582)	(1 451)
Operating lease asset	48 550	(757)
Operating lease liability	(56 106)	(3 428)
Payables from exchange transactions	44 286	(344 632)
Provisions	208 391	232 677
Employee benefit obligations	(36 056)	44 237
Retention liabilities	38 721	24 623
Deferred revenue	700 253	116 193
	2 927 079	4 202 440

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

29. Budget differences

Reconciliation of budget to actual

	R'000
Net cash flows from operating activities	2 927 079
Net cash flows from investing activities	(3 048 456)
Net cash flows from financing activities	1 917
	<u>(119 460)</u>
Cash deficit	(119 459)
(Deficit) surplus for the year	<u>(1 911 829)</u>
Basis difference	<u>(2 031 288)</u>

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 was attributable to the invoices which were not fully paid by the Department of Defence, Health, National Treasury and Justice and Constitutional Development.

Accommodation charges – state owned

The variance on state owned accommodation was attributable to unpaid invoices, the Department of Correctional Services has reduced their budget by 50% and could not pay the full invoiced amount. The Department of Health did not pay the invoices for Civitas building. The main contributor of the unpaid invoices on client projects is the Department of Defence, owing 52% of the total unpaid invoices.

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 the significant owing Departments, namely Correctional Services, Defence, Justice and Constitutional Development and South African Police Services. .

Expenditure

Cleaning and gardening

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

29. Budget differences (continued)

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 was attributable to the delay in the procurement of new contracts where the existing contracts have expired and in the security clearance of certain companies/service providers.

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.

Operating Lease Expense

The actuals are less than the budgeted, is as a result of the moratorium placed by the Minister to stop paying Month to Month leases.

Repairs

The under expenditure was attributable to the delay in the execution and finalization of the projects which was caused by poor performance by some of the contractors as well as the delays of the extension of time on some of the projects. The other reason was the delay in finalizing some of the final accounts, this is mainly due to none or late submission of the final invoices by the contractors.

Administrative, goods and services

The under spending of 10% was attributable to the unspent funds which were allocated for the Total Facilities Management project, the project did not kick-start due to the National Treasury directive which instructed the Department to halt the process. An amount of R57 million which were allocated for the updating of the manual and professional specialized services, development of standard guidelines and the execution of projects dealing with the rectification of illegally occupied properties was not spent due to the delays that were experienced in procurement processes.

Covid-19 Projects

Additional funding which was allocated could not be fully spent as at the end of the financial year, only 59% of the total allocated funding (R31.3 million) was spent and this has resulted in under spending amounting to R12.9 million. .

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 3% (R54 million) is mainly due to the delay in the filling of vacant funded position.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

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 under expenditure is attributable to the unspent funds which were allocated for the acquisition of laptops due to a shortage of stock in the country. Delivery of laptops have improved, but payments will only be made in the next financial year.

Capital non-recoverable expenditure (Refurbishment and DPW Capital)

The under expenditure was attributable to the delay in the execution and finalization of the projects which was caused by poor performance by some of the contractors as well as the delays of the extension of time on some of the projects. The other reason was the delay in finalizing some of the final accounts, this is mainly due to none or late submission of final invoices by the contractors.

Capital recoverable expenditure (Client Capital)

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 was 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 are attributable to the Property Rates valuations which came lower than anticipated. The other reason was due to the Property Rates invoices which could not be paid before the end of the financial year due the late submission of the invoices.

Municipal Services

Municipal Services is based on the amount that will be due to local municipalities for the consumption of the municipal related services such as electricity, water, waste and removal for PMTE occupied buildings. The under expenditure was attributable to the Municipal Services invoices which could not be paid before the end of the financial year due the late submission of the invoices

Machinery and Equipment

The under expenditure is attributable to the unspent funds which were allocated for the acquisition of laptops due to a shortage of stock in the country. Delivery of laptops have improved, but payments will only be made in the next financial year.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

30. Contingencies

Contingent liabilities	2022	2021
	R'000	R'000
Municipal services and property rates	160 891	80 505
Legal claims against the PMTE	303 896	191 074
	464 787	271 579

Municipal services and property rates

The contingent Liability (Asset) relates to State Domestic Facilities (SDF) and unsurveyed properties (or land) where ownership has not yet been confirmed. The department has been billed by various municipalities on SDF properties but the department is unable to make payment due to the provisions of the Property Rates Act. The department approved a Circular on the payment process for R293 Properties on 20 November 2020. Therefore, R293 Properties are excluded from the Contingent liability (asset) disclosure as at 31 March 2022.

The additional undefined contingent liability is in relation to Mangaung Metropolitan Municipality supplementary valuation roll disputed by the DPWI on a specific property that was billed. The legal property description stipulated on the supplementary roll could not be found at the deeds registration information system and the account billed is not linked to any ERF stand number on the municipal billing system. The department further found that the municipality retrospectively implemented the supplementary valuation roll which is in violation with the MPRA provisions and therefore lacks the legal basis to justify Mangaung Metropolitan Municipality claim on the property. The department objected the same/similar property during the period of 2017 - 2021 and the municipality revalued the property/stand to a significantly lower amount. The department and the municipality continues to engage on a regular basis to resolve the dispute. A payable was recognised as an estimate based on the last accurate billing by the municipality to the department with an 8% annual escalation. The remaining liability portion cannot be determined until the dispute processes is finalised. 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.

Contingent assets	2022	2021
	R'000	R'000
Legal claims by the PMTE	107 309	-
Property, plant and equipment	U ndefined	U ndefined
	107 309	-

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

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

30. Contingencies (continued)

The Special Investigation Unit (SIU) was tasked to investigate various contracts on Proclamation 20 of 2018 relating to day to day maintenance. These active and ongoing investigations are reported as contingent assets amounting to R 44 million. These matters are currently in the courts and/or summons have been issued for recovery of funds. Any possible recovery is not determinable at this stage.

Property, plant and equipment

There are 68 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 2 848 land parcels (2021: 2 578 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 9 May 2022 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

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022 R'000	2021 R'000
31. Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	88 308	88 308
Fruitless and wasteful expenditure - relating to prior years	139	-
	88 447	88 308

The amount of R139 thousand relates to an instance where interest was paid on an overdue account. The matter has been referred to labour relations to institute disciplinary proceedings against the responsible officials. The necessary recoveries will be made in line with the Departments policy on debt management.

Details of current and prior year fruitless and wasteful expenditure - added current year (under determination and investigation)	2022 R'000	
Interest paid on overdue account	139	-

Details of fruitless and wasteful expenditure under assessment (not included in the main note)

Extension of time with cost	27 627
Variation on work re-done	119
Payments made for missing and damaged equipment	1 976
Inadequate project and contract management	411
Failure to adjust quantities	1 190
Discrepancies on extensions of time	13 416
Interest charged on claim amount	82
Irrecoverable debt	46 590
Interest paid for late payment	6 739
Remedial works due to contract termination	2 466
Costs incurred due to inefficiencies	<u>5 843</u>
	<u>106 451</u>

The amount of R106,5 million was identified by AGSA during the audit. Management is still assessing these transactions in terms of the NT's Fruitless and Wasteful Expenditure Framework and the necessary disclosures and adjustments will be made after the matters have been appropriately assessed.

32. Irregular expenditure

	2022 R'000	2021 R'000
Opening balance	1 935 531	1 852 594
Add: Irregular Expenditure - current year	98 078	63 813
Add: Irregular Expenditure - prior years	35 397	19 124
Less: Amounts not recoverable (not condoned)	(188 832)	-
	1 880 174	1 935 531

Analysis of awaiting condonation per age classification

Current year	98 078	63 813
Prior years	<u>1 782 097</u>	<u>1 871 718</u>
Total	<u>1 880 175</u>	<u>1 935 531</u>

Determination tests and investigations in line with National Treasury's Irregular Expenditure Framework and Policy on Management of Financial Misconduct are ongoing. Where responsible officials have been identified, consequence management are implemented in line with the relevant prescripts.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

32. Irregular expenditure (continued)

Details of irregular expenditure - current year

	2022 R'000
Appropriate approval not obtained from delegated authority	28 648
Award of contract to government employee	185
Bidder not awarded correct functionality points	14 772
CIDB related issues	496
Highest scoring bidder was unfairly disqualified	10 840
Incorrect procurement process followed	41 643
Irregular appointment of officials	5 930
Irregular appointment of service provider	3 448
Limitation of scope	430
Local content not implemented	19 284
Non-compliance with tax	2 705
Three quotations not obtained	2 945
Valid proof of BBBEE status levels not submitted by bidders.	1 353
Irregular award of contract	795
	<hr/> 133 474 <hr/>

Details of irregular expenditure written off (not recoverable)

	2022 R'000
Appropriate approval not obtained from delegated authority	12 574
CIDB related issues	1 116
Incorrect procurement process followed	121 994
Non-compliance with tax	74
Three quotations not obtained	2 371
	<hr/> 138 129 <hr/>

The amount of R138 million relates to instances that were assessed in terms of the Irregular Expenditure Framework and found to meet the criteria of transactions approved in terms of National Treasury's approval dated November 2015.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

32. Irregular expenditure (continued)

Details of irregular expenditure under assessment (not included in the main note)	2022 R'000
Appropriate approval not obtained from the delegated authority	5 169
Deviation not justified	4 442
Local content not implemented	38
Procurement of services through a deviation – unjustified	264
Quotations awarded to a non-tax compliant supplier	665
Winning bidder is non-responsive	4 131
Bid awarded to supplier who did not meet the minimum functionality	12 680
NT prohibited supplier awarded	22
Incorrect procurement process followed	40
Procurement and contract management	134 895
Minimum threshold not met	12 961
Extension of time with cost not in line with JBCC	697
	<u>176 004</u>

Included in the amount above is an amount of R135 million that was raised by AGSA during the 2020/21 audit and R40 million relates to findings that were raised during the current year interim audit. The remaining R1,4 million were discovered by management as potential irregular expenditure. The transactions are still in the process of being assessed to ensure that they meet the definition of irregular expenditure in line with National Treasury's Irregular Expenditure Framework. Appropriate disclosures and adjustments will be made after the assessment has been completed.

Prior period error

	2022 R'000
Appropriate approval not obtained from delegated authority	910
CIDB related issues	2
Declaration of interests	11
Incorrect procurement process followed	33 903
Limitation of scope	15 464
Roster Consultants	77
Three quotations not obtained	<u>335</u>
	<u>50 703</u>

The amount of R50,7 million was assessed in terms of NT's Irregular Expenditure Framework and found not to meet the definition of irregular expenditure.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022
Notes to the Annual Financial Statements

	2022 R'000	2021 R'000
33. Financial instruments disclosure		
Categories of financial instruments		
Financial assets at amortised cost		
Receivables from exchange transactions	3 090 963	3 734 832
Cash and cash equivalents	2 806	4 678
	3 093 769	3 739 510
Financial liabilities at amortised cost		
Bank overdraft	1 023 162	905 574
Payables from exchange transactions	4 273 742	3 459 047
Retention liabilities	406 170	367 449
Finance lease obligation	5 351	3 021
	5 708 425	4 735 091

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

Annual Financial Statements for the year ended 31 March 2022

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

2022	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	1 023 162	-	-	-	-	1 023 162
Accrued expenses - CAPEX projects	12	667 084	-	-	-	-	667 084
Accrued expenses - Cleaning and gardening	12	20 492	-	-	-	-	20 492
Accrued expenses - Leases	12	1 088 776	-	-	-	-	1 088 776
Accrued expenses - OPEX projects	12	359 868	-	-	-	-	359 868
Accrued expenses - Municipal services	12	794 428	-	-	-	-	794 428
Accrued expenses - Other	12	519 783	-	-	-	-	519 783
Accrued expenses - Property rates	12	457 170	-	-	-	-	457 170
Accrued expenses - Scheduled maintenance	12	154 627	-	-	-	-	154 627
Accrued expenses - Security	12	19 508	-	-	-	-	19 508
Revenue claimed in advance - leases	12	112 048	-	-	-	-	112 048
Trade payables	12	189 719	-	-	-	-	189 719
Retention liabilities	13	247 077	82 114	64 466	12 513	-	406 170
Capital commitments - Projects		1 958 005	2 654 558	1 202 565	760 117	678 639	7 253 884
Operating maintenance commitments - Projects Agency commitments - Projects		450 950	983 677	609 264	140 560	222 179	2 406 630
		72 919	54 500	58 684	57 734	54 737	298 574
		8 135 616	3 774 849	1 934 979	970 924	955 555	15 771 923
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 - CAPEX projects	12	648 846	-	-	-	-	648 846
Accrued expenses - Cleaning and gardening	12	33 037	-	-	-	-	33 037
Accrued expenses - Leases	12	1 227 298	-	-	-	-	1 227 298
Accrued expenses - OPEX projects	12	200 983	-	-	-	-	200 983
Accrued expenses - Municipal services	12	732 074	-	-	-	-	732 074
Accrued expenses - Other	12	123 201	-	-	-	-	123 201
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	101 274	-	-	-	-	101 274
Trade payables	12	64 630	-	-	-	-	64 630
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 commitments - Projects		450 734	676 991	656 881	339 068	18 048	2 141 722
		18 848	71 556	26 571	4 284	-	121 259

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

34. Risk management (continued)

7 643 924	4 049 171	2 317 811	1 089 336	669 016	15 769 258
-----------	-----------	-----------	-----------	---------	------------

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

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

34. Risk management (continued)

Financial and statutory assets exposed to credit risk at year end were as follows:

	2022 R'000	2021 R'000
Cash and cash equivalents	2 806	4 678
Operating lease asset	379 241	421 423
Receivables from exchange transactions	3 090 963	3 734 832
Receivables from non-exchange transactions	1 028	1 411
	<u>3 474 038</u>	<u>4 162 344</u>

The carrying values of the above financial assets are net of any impairments and approximate their fair value.

None of the amounts disclosed above have been pledged as security or collateral for liabilities or contingent liabilities.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The PMTE is exposed to limited interest rate risk from cash balances as it sweeps transactions through commercial accounts to the Reserve Bank account.

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

Annual Financial Statements for the year ended 31 March 2022

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:	2022	2021
Accommodation charges - freehold intergovernmental	R'000	R'000
Agriculture, Forestry and Fisheries	199 709	180 712
Arts and Culture	116 384	111 420
Correctional Services	1 388 412	1 312 851
Defence and Military Veterans	1 245 320	1 186 019
Higher Education	66	63
Environmental Affairs	37 395	35 480
Health	28 662	8 154
Office of the Public Protector	2 409	-
Home Affairs	81 933	77 735
Human Settlement	-	898
Independent Police Investigative Directorate	484	460
International Relations and Cooperation	519	714
Justice and Constitutional Development	461 943	438 303
Labour	81 101	76 946
Rural Development and Land Reform	-	55 054
Mineral Resources	4 549	4 259
National Treasury - SARS	47 540	45 104
Public Works	10 057	8 745
SA Police Services	1 563 758	1 467 768
Social Development	824	-
Sa Social Security Agency	883	503
Statistics South Africa	5 307	4 825
Trade and Industry	7	10
Water and Sanitation	275 298	239 580
Science & Innovation	5 116	-
	5 557 676	5 255 603

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
	R'000	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
- Kimberley
- Cape Town.

Revenue from non-exchange transactions

Public Works - Augmentation	4 349 655	4 239 987
-----------------------------	-----------	-----------

The Augmentation is funds that are received from DPWI to cover the operational costs of the PMTE.

Gross receivables from exchange transactions:

Accommodation charges - freehold intergovernmental

Agriculture, Forestry and Fisheries	5 060	5 060
Arts and Culture	30 554	1 253
Correctional Services	1 375 834	950 963
Health	20 773	27 174
Defence	32 281	-
International Relations and Cooperation	9 352	8 834
Office of the Public Protector	447	-
Environmental Affairs	37 395	-
Justice and Correctional Services	1 029	965
Mineral Resources	1 175	6
Sa Social Security Agency	883	-
Science & Innovation	5 116	-
Social Development	824	-
Statistics South Africa	1	1
South African Police Services	27 602	-
Trade and Industry	132	125
South African Police Services	-	79
	1 548 458	994 460

Impairment relating to exchange transactions:

Accommodation charges - freehold intergovernmental

Agriculture, Forestry and Fisheries	5 060	1 417
South African Police Services	-	20
Correctional Services	1 375 834	231 251
Arts and culture	2 060	-
Health	20 772	20 272
Defence	62	-
International Relations and Cooperation	-	8 834
Office of the Public Protector	447	-
Justice and Constitutional Development	966	959
Mineral Resources	12	-
Rural Development and Land Reform	-	1
Statistics South Africa	1	1
Trade and Industry	125	125
	1 405 339	262 880

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

2022
R'000

2021
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:

2022 Client Depa	Gross receivable balance 31 March 2022				Impairment Provision 31 March 2022			
	Freehold Intergover nmental	Leasehold intergover nmental	Municipal services	Total	Freehold Intergover nmental	Leasehold intergover nmental	Municipal Services	Total
Agriculture	7 367	-	1 292	8 659	5 119	-	339	5 458
Agriculture,	-	-57 319	69 662	12 342	-	-	69 404	69 404
Arts and Cu	124 751	1 133	55 421	181 305	70 292	-	39 178	109 470
Basic Educa	49 326	-	-	49 326	49 326	-	-	49 326
Companies	-	172	-5	167	-	149	-	149
Centre for p	-	-139	-	-138	-	-	-	-
Communica	-	-	160	160	-	-	160	160
Coop govt a	-	3 211	526	3 737	293	3	17	313
Correctiona	1 392 835	985	1 607 898	3 001 717	1 376 659	56	1 556 695	2 933 411
Defence	399 757	354 537	2 310 715	3 065 010	65 354	259 274	2 310 715	2 635 343
Die Afrikaa	-	-126	-	-126	-	-	-	-
Ditsong Mu	-	3	-	3	-	3	-	3
Energy	-	71 295	-558	70 738	-	61 173	-	61 173
Environmen	41 010	20 170	44 077	105 257	3 614	20 019	30 659	54 292
Eskom Hold	4 093	-	-	4 093	-	-	-	-
Film & Publ	-	1 540	664	2 204	-	143	17	159
Financial an	-	-	3 941	3 941	-	-	3 941	3 941
Gender Equ	-	151	2 691	2 842	-	151	1 285	1 436
Governmen	-	1 159	105	1 264	-	829	6	836
Governmen	1	-	-	1	1	-	-	1
Health	20 773	49 634	26 044	96 451	20 773	1 408	4 605	26 785
Health Civit	111 600	-	-	111 600	45 859	-	-	45 859
Governmen	-6 237	-24	-341	-6 602	-	-	-	-
Geo science	-	-	2 864	2 864	-	-	2 864	2 864
Higher Educ	-	3 010	3 434	6 445	-	2	2 160	2 162
Home Affai	2 884	5 320	13 900	22 104	24	747	40	811
Human Rig	-	151	63	215	-	151	30	181
Human Sett	-	61 153	-1 122	60 031	-	56 237	-	56 237
Independen	-	145 559	1 419	146 979	-	136 621	404	137 025
Inter Relati	97 101	49 517	5 786	152 403	78 571	16 833	5 441	100 846
Kwazulu-Na	-	-259	-	-259	-	-	-	-
Justice and	-	-	238 333	238 333	-	-	226 553	226 553
Justice & Co	-	-1 675	-	-1 675	-	-	-	-
Justice & Co	46 807	74 039	-	120 846	1 681	5 777	-	7 458
Labour	1 667	-34 590	-473	-33 396	-	-	-	-
Military Vet	-	4 888	81	4 968	-	1 685	1	1 686
Minerals Re	1 175	97	1 722	2 993	12	1	695	708
National Lib	-	315	-	315	-	-	-	-

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

						2022	2021	
						R'000	R'000	
35. Related parties (continued)								
National Pr	1 714	5 636	315	7 666	1 714	4 758	315	6 788
National M	-	-102	-	-102	-	-	-	-
National Sc	-	-1 363	-271	-1 634	-	-	-	-
National Tr	44	235 171	5 065	240 280	41	235 171	3 494	238 706
Pan South A	-	-497	-	-497	-	-	-	-
Parliament	1 084	2 068	-	3 151	1 084	2 011	-	3 095
Planning,M	-	228	-	228	-	228	-	228
Public Ente	-	-1 122	32	-1 090	-	-	27	27
Public Prote	534	723	107	1 365	534	125	3	662
Public Servi	6 503	5 513	161	12 176	6 503	5 513	151	12 166
Public Servi	-	-964	340	-623	-	-	340	340
Public Wor	-	-80	1 050	970	-	-	7	7
Rural dev a	5	-138 483	-8 049	-146 527	5	-	-	5
Robben Isla	-	-	-	-	-	-	-	-
Robben Isla	-	-	-	-	-	-	-	-
SA Police Se	52 462	-6 754	510 657	556 365	5 686	-	375 696	381 382
Sa Social Se	-	-3 828	-	-3 828	-	-	-	-
SAMAF	-	-	219	219	-	-	219	219
SARS	81	-	829	910	81	-	3	84
SASSA- Bloe	-	-	281	281	-	-	4	4
SASSA- Joha	-	-	2 501	2 501	-	-	509	509
SASSA- Kim	-	-	223	223	-	-	-	-
SASSA- Nels	-	-	284	284	-	-	167	167
SASSA- Polo	-	-	956	956	-	-	726	726
SASSA- Pret	-	-	227	227	-	-	-	-
SASSA- Umt	-	-	3 461	3 461	-	-	2 642	2 642
SASSA-Cape	-	-	741	741	-	-	405	405
SASSA-Durb	-	-	64	64	-	-	-	-
SASSA-Port	939	-	802	1 740	56	-	3	59
SASSA-Mm	-	-	315	315	-	-	33	33
Science and	5 226	6 677	182	12 085	110	6 677	182	6 969
SITA	3 048	-	3 989	7 037	3 048	-	3 007	6 055
Small Busin	-	1 087	-	1 087	-	1 087	-	1 087
Social Deve	824	1 914	270	3 008	-	389	238	627
Sports and	-	23 470	4 070	27 539	-	20 184	2 274	22 458
Statistics SA	70	23 344	10 127	33 541	70	14 386	6 573	21 029
Tourism	-	-568	7	-561	-	-	2	2
Trade and I	132	-220	1 095	1 008	125	-	867	992
Transport	-	84 840	114	84 954	-	69 455	37	69 491
Water Affai	-	-52 821	5 508	-47 312	-	-	15	15
Woman an	-	2 602	1	2 604	-	2 602	-	2 602
Totals	2 367 576	940 378	4 933 972	8 241 926	1 736 635	923 848	4 653 148	7 313 631

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022				2021			
	R'000				R'000			
35. Related parties (continued)								
2021	Gross receivable balance 31 March 2021				Impairment provision			
Client depa	Freehold	Leasehold	Municipal	Total	Freehold	Leasehold	Municipal	Total
	Intergover	Intergover	Services		Intergover	Intergover	Services	
	nmental	nmental			nmental	nmental		
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
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

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Sa Social Se	54	-5 751	-	-5 643	54	-	-	108
Sa Social Se	-	-	153	153	-	-	52	52

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

							2022	2021
							R'000	R'000
35. Related parties (continued)								
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 2022

Notes to the Annual Financial Statements

2022	2021
R'000	R'000

35. Related parties (continued)

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

12 809 4 926

Justice and Constitutional Development

253 040 276 447

265 849 281 373

Accruals raised

Arts and Culture

1 122 359

Justice and Constitutional Development

12 249 24 560

13 371 24 919

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

2022	Official	Basic salary	Non-pensionable salary	Structured service bonus	Post-employment benefits	Other short-term employee benefits	Total
Remuneration of management							
Employees: Regional Managers							
Bloemfontein	TP Zulu	889	33	74	116	213	1 325
Cape Town	PP Penxa	886	183	127	115	82	1 393
Durban	NN Vilakazi	762	366	63	99	4	1 294
Johannesburg	JM Monare	856	367	72	111	42	1 448
Kimberley	R Baulackey	889	144	74	116	102	1 325
Mmabatho	R Matlala	797	275	66	104	107	1 349
Nelspruit	PT Mashiane	871	369	-	113	122	1 475
Polokwane	M Ntshani	987	137	82	128	130	1 464
Port Elizabeth	JG Van Der Walt	911	486	-	118	25	1 540
Pretoria	TB Phiri	773	280	-	101	155	1 309
Mthatha (Acting)	MS Mabandla *	475	141	-	62	34	712
Mthatha	N Hlengwa **	296	23	-	39	150	508
							1 540
Employees: Other Officials							
Chief Director: Construction Management Inland	W Hlabangwane	911	403	76	118	32	
Chief Director: Financial Planning	J Prinsloo	871	393	73	113	22	1 472
Acting Chief Director: State Owned	GS Ncoane	751	120	63	98	62	1 094

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

35. Related parties (continued)

Exco Members: Head of units

Head of PMTE (Acting)	PJ Maroga ***	716	320	-	-	53	1 089
Head of PMTE	A Moemi ****	631	145	-	82	-	858
Construction Project Management	B Mokhothu	1 218	384	-	158	7	1 767
Supply Chain Management	H Isaacs	976	438	-	-	-	1 414

Exco Members: Deputy Director General:

Real Estate Management Services	NC Makhubele	1 081	166	90	141	87	1 565
Real Estate Investment Services	S Subban	1 081	182	90	141	71	1 565
Project Management Office (Acting)	NP Kubeka *****	944	116	79	123	227	1 489
		18 572	5 471	1 029	2 196	1 727	28 995

The remuneration disclosed above is for the period that the employee was occupying the role of management as indicated.

Other short term benefits comprise of housing allowance, travel allowance and bargaining council contributions. Post employment benefits comprises of pension fund and medical aid contributions to a defined contribution plan.

The following movements occurred in key management positions during 2021/22

* MS Mabandla was acting as regional manager for Mthatha from 1 April 2021 to 30 November 2021.

** NPT Hlengwa was appointed as regional manager for Mthatha with effect from 1 December 2021.

*** PJ Maroga he resigned as head of Operationalisation and Financial Sustainability on 30 November 2021

**** A Moemi was appointed as Head of PMTE from 1 November 2021

***** NP Kubeka was also acting as DDG Facilities Management Services from 1 April 2021 to 28 February 2022

The following employee was not remunerated by the PMTE, however he plays a key role in management decision making:

- 'Mr. M Sithole is the Chief Financial Officer of the DPWI Main Vote.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

R'000

35. Related parties (continued)

2021	Official	Basic salary	Non-pensionable salary	Structured service bonus	Post-employment benefits	Other short-term employee benefits	Total
Remuneration of management							
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: Operationalisatio 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

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

R'000

35. Related parties (continued)

Exco Members: Deputy Director General:

Real Estate Investment Services	S Subban	1 065	158	89	138	93	1 543
Facilities Management (Acting)	NC Makhubele	1 065	143	89	138	87	1 522
PMO (Acting)	NP Kubeka	930	93	77	121	196	1 417
		-	18 323	4 912	1 151	2 291	28 588

The remuneration disclosed above is for the period that the employee was occupying the role of management as indicated. Other short term benefits comprise of housing allowance, travel allowance and bargaining council contributions.

Post employment benefits comprises of pension fund and medical aid contributions to a defined contribution plan. The following movements occurred in key management positions during 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 the functions of Small Harbours branch was absorbed into Real Estate Management Services branch.

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.

36. Events after the reporting date

Kwazulu-Natal Province was severely affected by rainfalls in the month of April. The flooding resulted in damage to state owned properties under the custodianship of PMTE. Due to the flooding occurring after 31 March 2022, this is a non-adjusting post balance sheet event and thus no adjustment is to be made to the financial statements.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

37. Prior period errors

Material differences relating to prior years and the prior year financial statements will only be restated at year end.

	Restated
Statement of financial position	2021 R'000
Receivables from exchange transactions	(396 636)
Operating lease assets	6 368
PPE	(1 219 505)
Heritage assets	113 557
Operating lease liabilities	(7 209)
Deferred Revenue - Current	145 270
Payables from exchange transactions	(330 514)
Investment Property	(8 905)
Deferred Revenue - Non current	(60 591)
Decrease in net assets	<u>(1 758 165)</u>
Statement of Financial Performance	
Revenue from exchange transactions	9 471
Construction revenue	769
Construction expenses	(769)
Depreciation, amortisation and impairment	105 409
Impairment loss on receivables	(668 225)
Loss on transfer/disposals	(813)
Operating leases	(6 144)
Property rates	(4 921)
Decrease in profit	<u>(565 223)</u>
Decrease in opening accumulated surplus	<u>(1 192 942)</u>
	<u>(1 758 165)</u>

Management was made aware of devolved police stations that were constructed and completed prior to 31 March 2021 but which had not previously been disclosed to the DPWI. These were subsequently added to the Asset Register via the Asset Under Construction restatement. Additional information arose which corrected the dates of practical completion of some assets under construction and also corrected the classification of some construction projects. Management also identified errors in the immovable asset registers and the calculations thereof. In the course of correcting these balances, other balances are also affected including accumulated depreciation and the depreciation expense balances, impairment of immovable assets, amortisation, construction costs and construction revenue, property rates expenditure linked to recoverable property rates as well as deferred revenue and revenue from accommodation charges for recoverable projects. These adjustments affected all classes of immovable assets, viz PPE, Investment Property and Heritage Assets.

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 receivables balance, impairment, revenue from accommodation charges.

In 2021, Management incorrectly applied its policy of impairment on some receivable balances which resulted in an understatement of Impairment Expenditure and an understatement of the Provision for impairment. The prior period error in this regard was deemed to be material and the corresponding figures for 2021 was restated in the current year.

Property Management Trading Entity

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

38. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Although the PMTE has a bank overdraft of R1.02 billion (2021: R905 million) and the current liabilities exceed the current assets by R6,7 billion (2021: R4,4 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 R4.1 billion (2021: R3.4 billion) and other non-financial instruments of R503 million (2020: R743 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 R662 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 2022

ANNEXURE A - Entity Wide Disclosure

Notes to the Annual Financial Statements

31 Mar-22	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	413	-	-	-	-	-	-	-	-	-	-	-	413
Employee costs	471 263	106 333	220 623	203 801	151 353	76 770	81 020	79 767	106 708	116 159	236 511	83 239	1 933 547
Depreciation and Armotisation	3 109 210	-	-	-	-	-	-	-	-	-	-	-	3 109 210
Receivables Impairment	2 814 263	348	2 136	959	-	-	1 111	-	-	723	-	522	2 820 062
Operating leases	5 254 582	2 170	6 203	2 320	2 031	1 180	396	1 575	1 341	1 848	(9 376)	377	5 264 648
Property maintenance (contracted services)	(591 945)	21 858	917 300	193 203	544 266	66 122	115 519	53 339	191 429	362 941	735 149	160 207	2 769 388
Property Rates	38 126	79 966	294 866	282 983	128 148	76 179	16 119	118 430	47 064	167 471	456 609	59 288	1 765 250
Loss on disposal	5 004	-	-	-	-	-	-	-	-	-	-	-	5 004
Sundry operating expenses	223 411	33 963	162 835	68 399	89 836	49 923	59 916	27 960	32 157	53 180	515 056	13 201	1 329 837
Construction expenses	67 741	-	-	-	-	-	-	-	-	-	-	-	67 741
Total segment expenditure	11 392 068	244 637	1 603 964	751 665	915 635	270 175	274 080	281 070	378 699	702 323	1 933 950	316 834	19 065 100

