



**MPUMALANGA PROVINCIAL GOVERNMENT**  
Department of Public Works, Roads and Transport

**VOTE NO. 08**

**ANNUAL REPORT**  
**2021/22 FINANCIAL YEAR**

# TABLE OF Contents

<b>PART A: GENERAL INFORMATION</b>	<b>03</b>
1. DEPARTMENT GENERAL INFORMATION	04
2. LIST OF ABBREVIATIONS/ACRONYMS	05
3. FOREWORD BY THE MINISTER/MEC	07
4. REPORT OF THE ACCOUNTING OFFICER	09
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY	13
6. STRATEGIC OVERVIEW	14
6.1 Vision	14
6.2 Mission	14
6.3 Values	14
7. LEGISLATIVE AND OTHER MANDATES	15
8. ORGANISATIONAL STRUCTURE	18
<b>PART B: PERFORMANCE INFORMATION</b>	<b>19</b>
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	20
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	20
2.1 Service Delivery Environment	20
2.2 Service Delivery Improvement Plan (SDIP)	21
2.3 Organisational Environment	21
2.4 Key Policy Developments and Legislative Changes	22
3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES	23
4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	23
4.1 Programme 1: Administration	24
4.2 Programme 2: Public Works Infrastructure	27
4.3 Programme 3: Transport Infrastructure	31
4.4 Programme 4: Transport Operations	34
4.5 Programme 5: Community Based Programmes	36
5. TRANSFER PAYMENTS	39
5.1 Transfer payments to all organisations other than public entities	39
6. CONDITIONAL GRANTS	39
6.1 Conditional grants and earmarked funds received	39
7. CAPITAL INVESTMENT	40
7.1 Capital investment, maintenance and asset management plan	40
<b>PART C: GOVERNANCE</b>	<b>73</b>
1. INTRODUCTION	74
2. RISK MANAGEMENT	74
3. FRAUD AND CORRUPTION	74
4. MINIMISING CONFLICT OF INTEREST	74
5. CODE OF CONDUCT	74
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	75
7. PORTFOLIO COMMITTEES	77
8. SCOPA RESOLUTIONS	78
9. PRIOR MODIFICATIONS TO AUDIT REPORTS	78
10. INTERNAL CONTROL UNIT	78
11. INTERNAL AUDIT AND AUDIT COMMITTEES	78
12. AUDIT COMMITTEE REPORT	78
13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION	80
<b>PART D: HUMAN RESOURCE MANAGEMENT</b>	<b>81</b>
1. INTRODUCTION	82
2. OVERVIEW OF HUMAN RESOURCES	82
3. HUMAN RESOURCES OVERSIGHT STATISTICS	82
<b>PART E: FINANCIAL INFORMATION</b>	<b>105</b>
1. REPORT OF THE AUDITOR GENERAL	106
2. ANNUAL FINANCIAL STATEMENTS	167

# PART A

---

## General Information

**Physical Address:**

Department of Public Works, Roads and Transport  
Rhino Building (Building No. 7)  
Riverside Government Complex  
No. 7 Government Boulevard  
Riverside Park, Ext. 2  
Mbombela  
1200

**Postal Address:**

Mpumalanga Provincial Government  
Department of Public Works, Roads and Transport  
Private Bag X11302  
Mbombela  
1200

**Telephone number:**

+27 13 766 6696

**Fax Number:**

+27 13 766 8453

**Email Address:**

CommunicationDPWRT@mpg.gov.za

**Website Address:**

dpwrt.mpg.gov.za

**Facebook**

Mpumalanga Department of Public Works, Roads and Transport

**Instagram**

mpumalangadpwrt

**Twitter**

@DpwrtMpumalanga

**Youtube**

DPWRT Mpumalanga

# LIST OF Abbreviations/Acronyms

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
ANC	African National Congress
AO	Accounting Officer
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CA	Chartered Accountant
CAMP	Custodian Asset Management Plan
CBO	Community Based Organisation
CFO	Chief Financial Officer
CGICTPF	Corporate Governance ICT Policy Framework
CHC	Community Health Centre
CIA	Construction Industry Development Board
CIDB	Certified Internal Auditor
COE	Compensation of Employees
CSD	Central Supplier Database
COVID-19	Corona Virus Disease of 2019
DCSSL	Department of Community Safety, Security and Liaison
DCSR	Department of Culture, Sports and Recreation
DDM	District Development Model
DOE	Department of Education
DOH	Department of Health
DOT	Department of Transport
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DPWRT	Department of Public Works, Roads and Transport
DSD	Department of Social Development
ECD	Early Childhood Development
EIA	Environmental Impact Assessment
EOT	Extension of Time
EPWP	Expanded Public Works Programme
Eskom	Electricity Supply Commission
EWP	Employee Wellness Programme
EXCO	Executive Council
FPP	Fraud Prevention Plan
FTE	Full Time Equivalent
GIAMA	Government Immovable Asset Management Act
GIS	Geographical Information System
GMT	Government Motor Transport
HDI	Historical Disadvantaged Individual
HIV/Aids	Human Immune-Deficiency Virus/Acquired Immune-Deficiency Syndrome
HOA	Home Owners Allowance
HOD	Head of Department
HR	Human Resource
HRBP	Human Resource Budget Plan
HRM	Human Resource Management
HRU&CD	Human Resource Utilisation and Capacity Development
IAR	Immovable Asset Register
ICT	Information Communication Technology
ID	Identity Document
IDIP	Infrastructure Delivery Improvement Plan
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IOD	Injury on Duty
IPIP	Implementation Project Implementation Plan
IPMP	Infrastructure Project Management Plan
IPTN	Integrated Public Transport Network
IRMA	Integrated Rural Mobility and Accessibility
ISA	Infrastructure South Africa
IT	Information Technology
IYM	In Year Monitoring
JBCC	Joint Building Contracts Committee
JOC	Joint Operations Committee
LED	Light Emitting Diode
MANCO	Management Committee
MBA	Masters Business Administration
MEC	Member of Executive Council
MEGDP	Mpumalanga Economic Growth and Development Path
MERRP	Mpumalanga Reconstruction and Recovery Plan
MIMP	Mpumalanga Infrastructure Master Plan
MMS	Maintenance Management System
MPL	Mpumalanga Provincial Legislature
MTEF	Medium Term Expenditure Framework
MTPA	Mpumalanga Tourism and Parks Agency
MTSF	Medium Term Strategic Framework
MOU	Memorandum of Understanding
N/A	Not Applicable
NDP	National Development Plan

NDPW	National Department of Public Works
NGO	Non-Governmental Organisation
NIP	National Infrastructure Plan
NLTA	National Land Transport Act
NLTSP	National Land Transport Strategic Framework
NPA	National Prosecuting Authority
NT	National Treasury
NYS	National Youth Services
OHS	Occupational Health and Safety
OLAS	Operating Licence Administrative System
OLF	Operating Licensing Function
OPD	Outpatient Department
OSD	Occupation Specific Dispensation
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PAMA	Public Administration Management Act
PDP	Personal Development Plan
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act
PLTF	Provincial Land Transport Policy
PMDS	Performance Management Development System
PMU	Project Management Unit
POMM	Project Operations Management Meeting
PPOA	Provincial Programme of Action
PPE	Personal Protective Equipment
PPP	Public Private Partnership
PPFA	Preferential Procurement Policy Framework Act
PRE	Provincial Regulatory Entity
PRMG	Provincial Road Maintenance Grant
PVPA	Property Valuers Profession Act
PSA	Public Service Act
PSC	Provincial Steering Committee
PSR	Public Service Regulations
PTOG	Public Transport Operations Grant
PWD	People With Disabilities
PRMG	Provincial Road Maintenance Grant
PSCBC	Public Service Coordinating Bargaining Council
RAMS	Road Asset Management System
RGC	Riverside Government Complex
RTMC	Road Traffic Management Corporation
SANRAL	South African National Roads Agency Limited
SAPS	South African Police Service
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCA	Supreme Court of Appeal
SCM	Supply Chain Management
SCOPA	Select Committee on Public Accounts
SDF	Spatial Development Framework
SDG	Sustainable Development Goals
SEDM	Social Enterprise Development Model
SEDP	Social Enterprise Development Programme
SERO	Socio-Economic Review and Outlook
SETA	Sector Education and Training Authority
SDIP	Service Delivery Improvement Plan
SHEQ	Safety, Health, Environment and Quality
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SOP	Standard Operating Procedure
SOPA	State of the Province Address
SPLUMA	Spatial Planning and Land Use Management Act
TB	Tuberculosis
TBC	To Be Confirmed
TLP	Taking Legislature to the People
TMH	Technical Manual for Highways
TR	Treasury Regulations
UAMP	User Asset Management Plans
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
VCI	Visual Condition Index
VO	Variation Order
WC	Water Closet
WOE	Women Owned Enterprise
YDC	Youth Development Centre
YOE	Youth Owned Enterprise
YPP	Young Professionals Programme



# FOREWORD

## by the MEC



**MS M LATCHMINARAIN (MPL)**  
**HEAD: PUBLIC WORKS, ROADS AND TRANSPORT**

The Department of Public Works, Roads and Transport's vision is to provide an integrated transport system and infrastructure that promotes socio-economic development. To achieve this, we require a high-performance organisation, comprising of knowledgeable and committed people who are able to work together effectively and efficiently. Equally, we need a strong governance regime to ensure accountability and prudent financial management. More so, because our work touches every Mpumalanga citizen and underpins our economy and society. It is with this understanding that we were able to navigate this immensely difficult but stimulating period.

Infrastructure investment is an important ingredient in economic recovery, particularly those projects that lift productivity and create new opportunities for investment and growth. That is why we continue to strive for a coordinated approach that delivers better infrastructure outcomes. An integral part of our role is to support client departments to identify, plan and implement suitable infrastructure for their sectors. A number of achievements were recorded to this regard and details are outlined in Part B. More importantly though, we now have a better spatially transformed province in which residents have improved access to a wide-range of government services.

Mpumalanga also needs the right kind of economic infrastructure to support the positive socio-economic outcomes envisaged the Medium Term Strategic Framework 2019 -2024. Amongst these is roads infrastructure which is critical in giving forward momentum to the economic recovery and growth plans of the province. The Department worked with various stakeholders and delivered a broad range of projects such as upgrades, rehabilitations, reseals, re-gravelling, etc. These projects will have long term benefits to the State and people of Mpumalanga. Furthermore, additional plant and machines were procured in order to achieve better outcomes on asset management of transport infrastructure.

Transport infrastructure facilitates provision of an integrated, reliable and cost-effective transport system that meets the development needs of the province. In the context of Mpumalanga, this system comprises of three main modes of transport: unsubsidized commuter bus operators, minibus taxi operators and passenger rail services funded by the State. The Department is tasked with regulating public transport but also funds some bus and scholar transport services which amplifies its strategic role on transportation of people and goods. Combined, these activities have gone a long way in addressing the past geographies of exclusion and inequality – there is improvement on mobility and access to public amenities and education.

The channelling of support through existing public employment programmes such as the Expanded Public Works Programme (EPWP), Sakh'abakhi, Siyarentela and National Youth Service has allowed for a more rapid response to the current economic crisis. In addition, the Presidential Employment Stimulus were used to create more work opportunities, especially for young people. Overall, the province managed to create 38 989 work opportunities through EPWP. The main beneficiary of these opportunities were: 24 214 Women, 16 922 Young People and 190 People with Disabilities. Government continues to strengthen this programme so that it can increase participation opportunities for job-seekers and businesses.

In the past twelve months, the Department operated within an environment shaped by the impacts of the COVID-19 pandemic, fiscal constraints, community disruptions and climate change. In order to address these complex problems, several reforms have been introduced to enable development of infrastructure project pipelines that will grow the economy and create jobs. Collaboration between public and private sectors has become a priority in order to ensure increased capital investment. On the other hand, we are enhancing our public participation programmes to allow involvement of local communities at project inception stage. Now more than ever, we need to build resilient infrastructure which is also environmentally sustainable.

The achievements and mitigating strategies described throughout this report highlights the work undertaken by our staff and their contributions towards realisation of the planned outcomes. It is also through collaboration with other spheres of government and private sector that we were able to deliver upon our mandate. We thank them for their help and advice as we look forward to build upon from the past year. Let me express my sincere gratitude to the HOD, Mr Charles Morolo for his leadership and supporting me throughout the year. Lastly, let me thank the Portfolio Committee for its robust and uncompromising oversight. Your guidance has kept us on a path that places the aspirations of the people at the centre of our service delivery agenda.

**Ms M Latchminarain (MPL)**  
**MEC: Department of Public Works, Roads and Transport**  
**Date: 31 August 2022**







# REPORT OF THE Accounting Officer



**MR MC MOROLO**

**HEAD: PUBLIC WORKS, ROADS AND TRANSPORT**

- Overview of the operations of the Department:

#### Key achievements

Over the past year, the Department has continued to work hard to ensure sustainable delivery of infrastructure to drive economic activity and create the much needed jobs for the people of Mpumalanga. As an implementing agent for various client departments, it administered a collective budget of R2, 946 billion for building and maintenance of social infrastructure. This amount was directed towards the completion of 248 projects with varying scope and complexities. These projects include 211 projects that were done on behalf of the Department of Education, 3 projects for Department of Health, 25 projects for Department of Social Development and 9 projects for the Department of Culture, Sport and Recreation.

Approximately, R1, 669 billion was spent towards completion of paving projects, a sinkhole near the new Mapulaneng Hospital in Bushbuckridge and various maintenance projects in the regions. The expenditure includes multi-year capital works undertaken on access, tourism, coal haulage and flood damaged roads. Amongst these, is the construction of the Tekwane Bridge which collapsed during the heavy storms in February 2021 and the rehabilitation of P170/1 in Graskop along the Panorama Route. Furthermore, the Department procured 4 mechanical pothole patching vehicles to focus on vital road networks in the province particularly on tourism and coal haulage roads.

Despite challenges posed by COVID-19, the Expanded Public Works Programme (EPWP) continued to create the much needed work and training opportunities for the poor and unemployed, especially the youth of Mpumalanga. The projects implemented last year benefitted

local communities through the creation of 38 989 EPWP jobs and also provided local small-medium and micro-sized enterprises (SMMEs) with opportunities to participate in the mainstream economy. Also noteworthy is that, the capital investment on public infrastructure does not only support local participation but also assisted Mpumalanga to address the inherited spatial injustices. Now, there are more schools, clinics, libraries, roads, culverts, bridges, etc.

#### Key challenges

Infrastructure investment plays a crucial role in realisation of economic transformation and job creation priorities as espoused in the Department's Strategic Plan: 2020–2025 and Medium Term Strategic Framework: (MTSF) 2019-2024. Equally, it is central to achieving the objectives of the Mpumalanga Economic Reconstruction and Recovery Plan (MERRP). In the past, provincial infrastructure priorities were based on B5 tables and directives from client departments. Now, future priorities will be sourced from the Mpumalanga Infrastructure Master Plan (MIMP) - a thirty year long term plan comprising of five year implementation plans. The plan is currently under review and scheduled to be finalised in December 2022.

The current MTEF funding regime for transport infrastructure is insufficient to maintain the road network at increased performance levels. The over reliance on grant funding and equitable share is not sustainable hence the growing need to identify alternative funding for transport infrastructure. To this regard, the Department is pursuing strategic partnerships with SASOL, mining houses and farmers in order to meet the increasing demand for better roads. These engagements pave the way for introduction of user chargers on specific road users. If successful, a sizeable percentage of the revenue will be reinvested to preserve this strategic economic infrastructure

The biggest impediments towards effective and efficient management of the State's property portfolio are the shortfalls to address the building maintenance backlogs and payment of arrears for rates and taxes. In regards to rates and taxes, municipalities have resorted to aggressive approaches to get what is owed to them. The Department has not been affected since its current accounts for all municipalities are up to date. However, it has been battling to bring the arrear debt for Bushbuckridge municipality under control and has since made an arrangement to pay the outstanding amount.

#### Overview of the financial results of the Department:

This section provides an overview of the financial position of the Department for the 2021/22 financial year. The overall adjusted budget for the Department in the fiscal year under review was R4, 886 billion. However, it should be noted that this budget excludes capital budgets and EPWP projects which were allocated to the various client departments and municipalities. A summary of the Department's financial performance for the year ended 31 March 2022 indicates that the Department has spent (98.7%) within its allocated funding envelope. A comprehensive set of Annual Financial Statements (AFS) for 2021/22, is provided in Part E of this report on page 166 to 224.

## Departmental receipts

Departmental Receipts	2021/2022			2020/2021		
	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	8,947	9,589	(642)	8,603	9,033	(424)
Fines, penalties and forfeits	8,744	8,694	50	8,400	6,782	1,618
Interest, dividends and rent on land	0	2,578	(2,578)	0	2,422	(2,422)
Sale of capital assets	2,110	1,522	588	2,000	3,423	(1,452)
Financial transactions in assets and liabilities	865	2,785	(1,920)	820	882	(66)
<b>Total</b>	<b>20,666</b>	<b>25,168</b>	<b>(4,502)</b>	<b>19,823</b>	<b>22,542</b>	<b>(2,719)</b>

## Revenue collection

The projected revenue for the 2021/2022 financial year was R20, 6 million. At year end, the Department managed to collect R25, 1 million, equivalent to 121, 8%, which reflect an over collection by R4, 5 million for the financial year ending 31 March 2022. The sources of revenue that contributed to over collection are mainly: Interest received (bank balance) as well as Financial Transaction in Assets and Liabilities (previous years' expenditure and departmental debt receivable income).

## Determination of tariffs

The tariffs (e.g. renting of halls and guesthouses, sale of scrap metal etc.) charged by the Department are reviewed and approved by Provincial Treasury on an annual basis.

However, the National Department of Transport determines fees charged in terms of the National Land Transport Act. No. 5 of 2009. The user pay principle was applicable in terms of office accommodation provided by the Department and therefore there were no free services offered during the financial year under review.

## Bad debts written off

During the financial year 2021/22, the Department wrote off debtors to the amount of R 1, 285 million deemed irrecoverable and uneconomical to recover. This debt emanates from the non-payment of services rendered on behalf of other Departments.

## Programme Expenditure

Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	333,520	333,194	326	302,730	302,729	1
Public Works Infrastructure	956,376	950,987	5,389	1,133,826	1,133,674	152
Transport Infrastructure	2,173,257	2,122,870	50,387	1,933,051	1,928,081	4,970
Transport Operations	1,342,504	1,336,998	5,506	1,196,288	1,158,193	38,095
Community Based Programmes	80,738	79,534	1,204	61,115	60,547	568
<b>Total</b>	<b>4,886,395</b>	<b>4,823,583</b>	<b>62,812</b>	<b>4,627,010</b>	<b>4,583,225</b>	<b>43,785</b>

In the past 12 months, the Department managed to spend R4, 823 billion or 98.7% against its final appropriation of R4, 886 billion. This means that there was R62, 812 million of unspent funds at the end of the financial year. Details on the under expenditure are disclosed in the Appropriation Statement (refer to Part E: Annual Financial Statements - AFS). Below are the Programmes and reasons for the under expenditure recorded in the 2021/22 financial year:

### • Administration:

Programme 1 registered an under expenditure of R326 thousand. This funds were budgeted for procurement of information technology equipment in support of efficient service delivery. However, there were delays experienced in the delivery of the ordered equipment.

### • Public Works Infrastructure:

Programme 2 registered an under expenditure of R5, 4 million. This funds were meant for procurement of information technology equipment; however there were delays in the delivery of the equipment.

### • Transport Infrastructure:

Programme 3 registered an under expenditure of R50, 4 million. Various capital works could not be undertaken due to COVID-19 restrictions as a result of limited access to construction sites or delays in the delivery of material.

### • Transport Operations:

Programme 4 registered an under expenditure of R5, 5 million. Part of the Public Transport Operations Grant (PTOG) could not be spent due suspension of kilometres during social unrests. Additional savings (R3, 7 million) were accrued from the acquisition of scholar transport buses since the capital portion of this acquisition has been settled.

### • Community Based Programme:

Programme 5 registered an under expenditure of R1, 2 million. This funds were budgeted for procurement of information technology equipment in support of efficient service delivery. However, there were delays experienced in the delivery of ordered equipment.

## Virements/roll overs

The following virements were made after the 2021/22 budget adjustment appropriation:

Transfer From	Amount R'000	Transfer To	Amount R'000
Public Works Infrastructure	(16,850)	Administration	1,290
		Transport Operations	15,560
<b>Total</b>	<b>(16,850)</b>	<b>Total</b>	<b>16,850</b>
Transport Infrastructure	(1,923)	Public Works Infrastructure	933
		Transport Operations	1,020
<b>Total</b>	<b>(1,953)</b>	<b>Total</b>	<b>1,953</b>
Community Based Programmes	(510)	Transport Operations	510
<b>Total</b>	<b>(510)</b>	<b>Total</b>	<b>510</b>
<b>Overall Total</b>	<b>(19,313)</b>	<b>Overall Total</b>	<b>19,313</b>

## Reason for the virements

The Department applied virements in terms of section 43(3) of the Public Finance Management Act (Act No. 1 of 1999 as amended) to defray over/under expenditure within and between Programmes and economic classifications under the same vote. In Public Works Infrastructure, virements were done to cater for the over expenditure on payment of property rates and taxes as well as on storm damaged buildings. Other virements were done in Transport Operations to cater for the over expenditure on goods and services.

## Request for rollovers

The Department requested rollovers of R 52,622 million.

## Reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence

The Department did not incur any unauthorised, fruitless or wasteful expenditure in the 2021/22 financial year.

## Strategic focus over the short to medium term period

The focus areas for the short to medium term period of the Department are contained in its Strategic Plan 2020 – 2025 and Annual Performance Plans. However, COVID-19 pandemic has had a devastating impact on the overall plans of both Government and the Private Sector. Nature of the crisis requires immediate interventions to re-igniting the provincial economy and these are set out in the Mpumalanga Economic Reconstruction and Recovery Plan (MERRP). Also noteworthy is that, this Department sits at the centre of both provincial and national interventions hence it is tasked with coordination of Economic Transformation and Job Creation. Here-below are some of the sub-objectives that are on the radar of DPWRT:

- Rebuild, repair and rehabilitate flood damaged public infrastructure.
- Infrastructure investment and delivery to help drive economic recovery.
- Filling of critical posts to enhance the capacity of the Department /State.
- Repositioning of the Social Enterprise Development Programme (SEDP).
- Strengthening of inter-governmental relations through the District Development Model (DDM).
- Employment stimulus and economic inclusion of women, youth and people with disabilities.
- Improved infrastructure planning through collaboration with Infrastructure South Africa (ISA).
- Resuscitation of Government Motor Transport (GMT) workshops and maintenance units.

## Public Private Partnerships

The Department did not enter into any Public Private Partnerships during the 2021/22 financial year.

## Discontinued key activities / activities to be discontinued

The following projects were discontinued or deferred to outer years due to budgetary constraints and reprioritisation of budgets:

- The Department deferred a total of 3 roads infrastructure projects.
- The Department of Social Development placed 10 projects on hold.
- Mkhondo Boarding School was put on hold due to non-allocation of budget.
- The Department of Culture, Sport and Recreation deferred 6 libraries to the 2021/22 financial year.
- The Department of Education withdrew 37 projects, whilst 8 projects were reprioritised and 7 placed on hold.
- The monitoring of scholar transport services will be done internally as part of building capacity of the State.
- The contracts for EPWP interns that were appointed to assist with COVID-19 interventions came to an end in March 2022.
- Provincial Treasury was forced to reprioritise the budget for Parliamentary Village after the project encountered continuous community disruptions and poor performance of contractors.

## New or proposed key activities

Here below are the identified key activities for the year ahead:

- Secure funding for updating of the feasibility study for Moloto Rail Corridor.
- Development of One Plan to ensure better management of the provincial roads infrastructure.
- Implementation of the Rural Welisizwe Bridges in collaboration with the Department of Defence
- Deployment of specialized vehicles to repair potholes, mainly on provincial tourism roads.
- Implementation of the Contractor Development Programmes for Building Infrastructure (Women Contractors - Sakh'abakhi V) and Transport Infrastructure.

## Supply Chain Management

### List of unsolicited bid proposals concluded for the year under review

There were no unsolicited bid proposals concluded.

### The following SCM processes and systems are in place to prevent irregular expenditure:

- Procurement delegations are issued at the beginning of each financial year and compliance is monitored regularly.
- Central Supplier Database (CSD) has been implemented for the registration of prospective suppliers including the verification of key supplier information (e.g. directorship, tax compliance, etc.)
- Procurement of goods and services is done in accordance to the prescribed threshold values from National Treasury.
- Competitive bids are invited for goods and services above R500 000.00 to ensure that equal opportunities are given to all suppliers to compete.
- CSD is utilised to invite three quotations for goods and services below R500 000.
- Deviations from normal procurement processes (procurement without inviting competitive bids) are justified, recorded and reported to both the Provincial Treasury and the Auditor General.



- The completeness of SBD 4, 8 and 9 is checked to ensure compliance with SCM prescripts.
- ID numbers of the directors are verified on CSD and PERSAL systems.
- VAT registration of suppliers is verified on the SARS website to ensure that service providers who claim VAT are duly registered and are compliant.
- The status of CIDB grading of service providers is verified on the CIDB website to ensure that their status is active prior to awards.
- Contract records are properly managed and kept safe to ensure that awards made are in accordance to the requirements of SCM legislation and prescripts.
- Transaction checklists are implemented and monitored to ensure compliance to SCM prescripts.

Challenges experienced in Supply Chain Management and how they were resolved

No.	Challenges	Action taken to resolve challenges
1.	Management of costs in the procurement of Personal Protective Equipment (PPE) and deep cleaning of exposed surfaces and facilities.	<ul style="list-style-type: none"> <li>• Procurement of all goods and services was done in line with the approved threshold from Treasury.</li> <li>• Costs on services rendered on behalf of other institutions were recovered.</li> </ul>
2.	Lack of an electronic system to detect government officials doing business with the Department especially those not on the PERSAL system.	<ul style="list-style-type: none"> <li>• ID numbers of company directors were checked on PERSAL and CSD report to ensure that members were not government employees.</li> <li>• Contracts of service providers, whose directors are government employees, were cancelled</li> <li>• Other government institutions were notified to enable them to take disciplinary action against their officials who had done business with DPWRT.</li> </ul>
3.	Failure to declare conflict of interest by service providers	<ul style="list-style-type: none"> <li>• Completeness of SBD4, 8 and 9 was checked and verified.</li> <li>• Service providers who failed to complete the prescribed declaration forms (SBD4) were disqualified.</li> <li>• The National Treasury Database of Restricted Suppliers and the CSD were verified prior to award to ensure that restricted service providers are disqualified.</li> </ul>
4.	Invalid VAT numbers of the invoices	<ul style="list-style-type: none"> <li>• VAT registration of suppliers was checked on SARS website.</li> </ul>
5.	Misuse of Government owned vehicles after working hours and during weekends	<ul style="list-style-type: none"> <li>• A new service provider was appointed and vehicle tracking devices were installed on government fleet.</li> <li>• This allows for monthly monitoring of vehicles and improved fleet management.</li> </ul>

### Gifts and Donations received in kind from non-related parties

There were no gifts or donations received.

### Exemptions and deviations received from the National Treasury

There were no exemptions and deviations received from National Treasury on the compilation of the 2021/22 financial year's Annual Financial Statements (AFS). The AFS set out on pages 166 to 224 have been approved by the Accounting Officer.

### Events after the reporting date

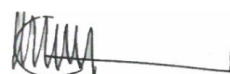
There were no events after the reporting date.

### Acknowledgement/s or Appreciation

First and foremost, let me appreciate the staff in the Department whose dedication and commitment has allowed us to achieve almost 80% of our planned key performance indicators. The people of Mpumalanga can feel proud that their public servants are doing their utmost to lead the province through these challenging times. Also, this feat would not be possible if it was not for the collaborative work across Government and multi stakeholders. The contributions from various oversight committees were instrumental in enhancing our governance regime and prudent financial management. Lastly, I want to thank my MEC, Honourable Mohita Latchminarain for her continuous support and pushing all us to do our best.

### Conclusion

The Department is proud once again to receive an unqualified audit opinion for the 2021/2022 financial year. However, of concern is the irregular expenditure that has increased mainly due to utilisation of expired/extended panel or database of contractors deemed irregular by the Auditor General (AG). In addition, the over-payments in the Transport Infrastructure Programme will be investigated as directed by the AG and the irregular expenditure will be managed according to the Irregular Expenditure Framework. I am happy with the lessons learnt because we are now wiser and better equipped to deal with the future. The year ahead presents the Department with unique opportunities to make a positive impact to Mpumalanga's economic wellbeing and spatial transformation. Little by little, we shall provide an integrated transport system and infrastructure that promotes socio-economic development!



**Mr MC Morolo**  
Accounting Officer  
Department of Public Works, Roads & Transport  
Date: 31 August 2022



## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2022.

Yours faithfully,



**Mr MC Morolo**  
Accounting Officer  
Department of Public Works, Roads & Transport  
Date: 31 August 2022

6. STRATEGIC OVERVIEW

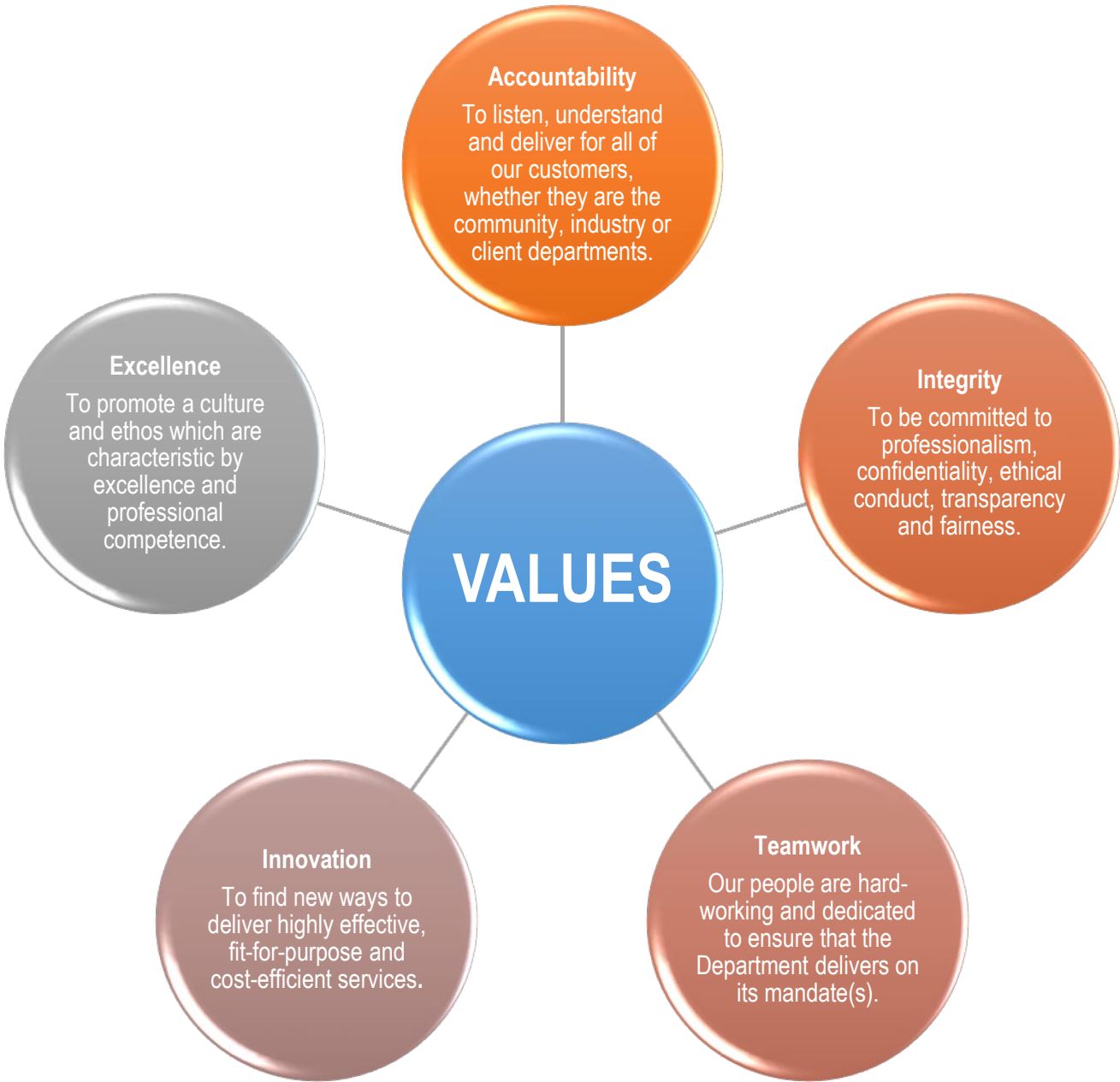
6.1 Vision

An integrated transport system and infrastructure that promotes socio-economic development.

6.2 Mission

- To provide an integrated, reliable and cost-effective transport system that meets the development needs of the Province.
- To deliver infrastructure that promotes sustainable economic development and job creation.

6.3 Values



## 7. LEGISLATIVE AND OTHER MANDATES

### - Legislative and Policy Mandates

The Department is responsible for implementing, managing or overseeing the following legislations:

#### **Broad-Based Black Economic Empowerment Act (Act 53 of 2003)**

The Act provides a legislative framework for the promotion of BEE, empowering the Minister of Trade and Industry to issue Codes of Good Practice and publish Transformation Charters, and paving the way for the establishment of the B-BBEE Advisory Council.

#### **Construction Industry Development Board Act, (Act 38 of 2000)**

Provides for the establishment of the Construction Industry Development Board; to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith.

#### **Cross-Border Road Transport Act, 1994 (Act 4 of 1998)**

Provides for co-operative and co-ordinated provision of advice, regulation, facilitation and law enforcement in respect of cross-border road transport by the public and the private sectors; to that end, to provide for the establishment of the Cross-Border Road Transport Agency; to repeal certain laws; and to provide for matter connected therewith.

#### **Deeds Registries Act, (Act no 47 of 1937)**

To consolidate and amend the laws in force in the Republic relating to the registration of deeds.

#### **Expropriation Act, 1975 (Act 63 of 1975)**

Provides for the expropriation of land and other property for public and certain other purposes; and to provide for matters connected therewith.

#### **Extension of Security of Tenure Act, 1997 (Act no 62 of 1997)**

ESTA deals with the eviction of lawful occupiers or occupiers of rural or peri-urban land whose occupation was previously lawful, subject to certain conditions

#### **Fencing Act, 1963 (Act 31 of 1963)**

Consolidates the laws relating to fences and the fencing of farms and other holdings and matters incidental thereto.

#### **Government Immovable Asset Management Act (GIAMA), 2007 (Act no. 19 of 2007)**

Aims to promote Government's service delivery objectives through the sound management of immovable assets they use or control. GIAMA gives clear responsibilities of the user and that of the custodian, which is Provincial Department of Public Works, Roads and Transport in Mpumalanga.

#### **Infrastructure Development Act, 2014 (Act 23 of 2014)**

Provides for the facilitation and coordination of public infrastructure development, which is of significant economic or social importance to the Republic.

#### **Mpumalanga Archives Act, (Act 14 of 1998)**

Provides for the establishment of Mpumalanga records services, provides for proper management and care of the records of provincial governmental bodies and the preservation and use of provincial archival heritage.

#### **Mpumalanga Road Act, (Act 1 of 2008)**

Provides for the establishment, transformation, restructuring and control of the Mpumalanga Provincial road network; to develop and implement Provincial road policy and standards;

#### **Mpumalanga Road Traffic Act (Act 4 of 1998)**

Consolidates and amend the provisions relating to road traffic and to provide for matters connected therewith.

#### **National Archives and Records Services Act (Act No. 43 of 1996)**

Provides for a National Archives and Record Service; the proper management and care of the records of government bodies; and the preservation and use of national archival heritage; and to provide for matters connected therewith.

#### **National Building Regulations and Building Standards Act, 1977 (Act 103, of 1997)**

Ensures that all building and construction on government property, irrespective of by whom is undertaken, complies with the legislation.

#### **National Environment Management Act, 1998 (Act 107 of 1998)**

Provides for co-operative environmental governance by establishing principles for decision-making on matters affecting the environment, institutions that will promote co-operative governance and procedures for co-ordinating environmental functions exercised by organs of state, to provide for certain aspects of the administration and enforcement of other environmental management laws; and to provide for matter connected therewith.

#### **National Land Transport Act, (Act 5 of 2009)**

Provides further the process of transformation and restructuring the National land transport system initiated by the national land transport transition Act, 2000 (Act No. 22 of 2000); and to provide for matters connected therewith.

#### **National Road Traffic Act, 1996 (Act 93 of 1996)**

Provides for road traffic matters, which shall apply uniformly throughout the Republic for matters connected therewith.

#### **National Veld and Forest Fire Act, 1998 (Act 101 of 1998)**

Reforms the law on veld and forest fires; to repeal certain provisions of Forest Acts 1984; and to provide for related matters.

#### **Public Finance Management Act (PFMA), (Act 29 of 1999)**

Regulates financial management in the national government and provincial government, to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively, to provide for the responsibilities persons entrusted with financial

#### **Public Service Act (PSA), 1994**

Provides the organisation and administration of the public service, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

#### **Preferential Procurement Regulations**

The revised regulations were gazetted on 20 January 2017 and took effect 01 April 2017. In the main, these provide a mechanism to empower SMME's, co-operatives, township and rural enterprises, designated groups and promotion of local industrial development through government procurement.

#### **Protection of Personal Information Act, 2013**

To promote the protection of personal information processed by public and private bodies. This includes the introduction of certain conditions so as to establish minimum requirements for the processing of personal information.

#### **Promotion of Access to Information Act (PAIA), 2000 (Act no. 2 of 2000)**

Gives effect to section 32 of the Constitution, 1996. In terms of this provision everyone has the right of access to information held by the State.

#### **Promotion of Administrative Justice Act (PAJA), 2000 (Act no. 3 of 2000)**

Gives effect to section 33 of the Constitution 1996 which stipulates that everyone has the right to administrative action that is lawful, reasonable, and procedurally fair.



### **Road Safety Act, 1972 (Act 9 of 1972)**

Promotes and regulates road safety.

### **Municipal Property Rate Act 2004 (Act 6 of 2004)**

To make provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies. To make provision for fair and equitable valuation methods of properties, to make provision for an objections and appeals process.

### **Occupational Health and Safety Act, 1983 (Act no 85 of 1993)**

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery.

### **Property Valuers Profession Act (PVPA), 2000 (Act 47 of 2000)**

To provide for the establishment of a juristic person to be known as the South African Council for the Property Valuers Profession; to provide for the registration of professionals, candidates and specified categories in the property valuation profession; to provide for the regulation of the relationship between the South African Council for the Property Valuers Profession and the Council for the Built Environment; and to provide for matters connected therewith

### **State Land Disposal Act, 1961 (Act no 48 of 1961)**

To provide for the disposal of certain State land and for matters incidental thereto, and to prohibit the acquisition of State land by prescription.

### **State Affairs Agency Act of 1976**

To provide for the establishment of an Estate Agency Affairs Board and an Estate Agents Fidelity Fund; for the control of certain activities of estate agents in the public interest; and for incidental matters.

### **Sectional Titles Act, 1986 (Act no 95 of 1986)**

To provide for the division of buildings into sections and common property and for the acquisition of separate ownership in sections coupled with joint ownership in common property; the control of certain incidents attaching to separate ownership in sections and joint ownership in common property; the transfer of ownership of sections and the registration of sectional mortgage bonds over, and real rights in, sections; the conferring and registration of rights in, and the disposal of, common property; the establishment of bodies corporate to control common property and for that purpose to apply rules; and the establishment of a sectional titles regulation board; and to provide for incidental matters.

### **Rental Housing Act, 1999 (Act no 50 of 1999)**

To create mechanisms to promote the provision of rental housing property; to promote access to adequate housing through creating mechanisms to ensure the proper functioning of the rental housing market; to make provision for the establishment of Rental Housing Tribunals; to define the functions, powers and duties of such Tribunals; to lay down general principles governing conflict resolution in the rental housing sector; to provide for the facilitation of sound relations between tenants and landlords and for this purpose to lay down general requirement relating to leases; to repeal the Rent Control Act, 1976; and to provide for matters connected therewith.

### **Spatial Planning and Land Use Management Act (SPLUMA), 2013 (Act No. 16 of 2013)**

SPLUMA aims to develop a new framework to govern planning permissions and approvals, sets parameters for new developments and provides for different lawful land uses in South Africa.

### **Land Survey Act, 1997 (Act 8 of 1997)**

To regulate the survey of land in the Republic; and to provide for matters connected therewith.





## - Policy frameworks that govern the Department

Source	Purpose
<b>National Development Plan (NDP) 2030</b>	The NDP is a long-term vision for the country which provides a broad strategic framework to guide key government choices and actions, and focuses on the critical capabilities needed to transform the economy and society.
<b>Medium Term Strategic Framework (MTSF): 2019-2024</b>	The MTSF outlines the country priorities of the 6 <sup>th</sup> administration and provides a medium-term roadmap for developing five-year institutional plans to enable the NDP's goals to be achieved.
<b>2019 Election Manifesto of the ANC</b>	It is a coherent and bold people's plan for a better life for all, addressing the persistent realities of unemployment, poverty and inequality.
<b>Agenda 2063</b>	Agenda 2063, published by the African Union Commission in 2015, is a strategic framework for the socio-economic transformation of Africa over the next 50 years.
<b>United Nations Sustainable Development Goals (SDGs)</b>	The SDGs aim to create the conditions for sustainable, inclusive and sustained economic growth, shared prosperity and decent work for all, taking into account different levels of national development and capacities.
<b>National Infrastructure Plan</b>	The plan aims to transform our economic landscape while simultaneously creating significant numbers of new jobs, and strengthen the delivery of basic services. The plan also supports the integration of African economies.
<b>Mpumalanga Vision 2030</b>	It provides a provincial expression of the key priorities, objectives and targets enumerated in the NDP and expressed within the manifesto.
<b>Mpumalanga's Economic Growth and Development Path (MEGDP)</b>	The MEGDP illustrates the current economic landscape of Mpumalanga with a view to future economic growth and development.
<b>Socio - Economic Review &amp; Outlook (SERO) Report</b>	It provides an overview of the socio-economic situation and challenges of Mpumalanga for planning, decision making, intervention and budget purposes.
<b>Spatial Development Frameworks (SDFs)</b>	The purpose of SDFs is to optimise, integrate and coordinate strategic interventions in national spaces to achieve spatial development and transformation.
<b>Mpumalanga Infrastructure Master Plan (MIMP)</b>	MIMP serves as guide for government departments, agencies and private sector infrastructure providers in planning, providing, managing and maintaining infrastructure.
<b>Standard for an Infrastructure Delivery Management System, 2012</b>	IDMS was developed to improve planning, implementation, monitoring and maintenance of infrastructure in government.
<b>District Development Model (DDM)</b>	DDM provides a streamlined and well-coordinated approach between government departments and municipalities when responding to a multitude of development needs of communities.
<b>Gender Policy Framework</b>	It details the overarching principles which will be integrated by all sectors into their own sectoral policies, practices and programmes.
<b>National Youth Policy</b>	It is a cross-sectoral policy affecting positive youth development outcomes amongst youth people of local, provincial and international level in South Africa.
<b>South African Disability Policy Framework</b>	It focuses on increased and equal opportunities for people with disabilities.

# ORGANISATIONAL Structure

The Department delivers its services through three branches, namely: Corporate Strategy, Public Infrastructure and Transport Management. These branches are made up of five (5) Programmes and each of these have a district footprint in Ehlanzeni, Bohlabela, Nkangala and Gert Sibande. The districts and their cost centres are at the coalface of service delivery and as such play an important role in the execution of the Department's mandate. The high level organisational structure below indicates clear accountabilities and responsibilities for all directorates and enables an open and steady flow of information.

