



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

**VOTE NO. 08**

**ANNUAL REPORT**  
**2023/2024 FINANCIAL YEAR**

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PART

A

## GENERAL INFORMATION

1. DEPARTMENTAL GENERAL INFORMATION

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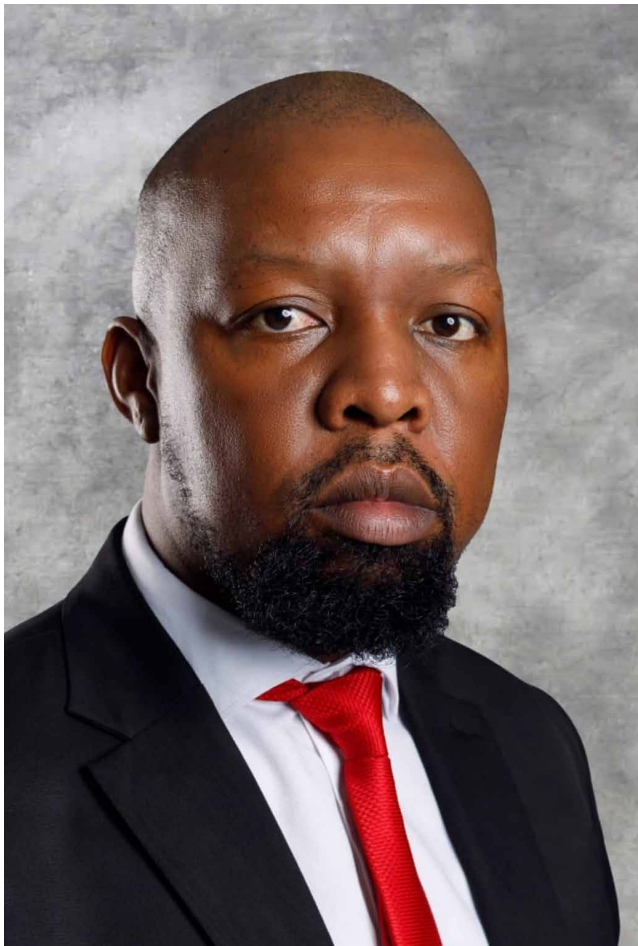
## 2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
ANC	African National Congress
AO	Accounting Officer
APP	Annual Performance Plan
BA	Baccalaurei Artium
BAS	Basic Accounting System
BEE	Black Economic Empowerment
BFI	Budget Facility for Infrastructure
BBBEE	Broad Based Black Economic Empowerment
CA	Chartered Accountant
CAMP	Custodian Asset Management Plan
CBO	Community Based Organisation
CFO	Chief Financial Officer
CHC	Community Health Centre
CIA	Certified Internal Auditor
CIDB	Construction Industry Development Board
CSD	Central Supplier Database
CPA	Contract Price Adjustment
CTA	Cumulative Translation Adjustment
COE	Compensation of Employees
COVID-19	Corona Virus Disease of 2019
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of Southern Africa
DCSSL	Department of Community Safety, Security and Liaison
DCSR	Department of Culture, Sports and Recreation
DDG	Deputy Director General
DDM	District Development Model
DEDT	Department of Economic Development and Tourism
DNO	Did Not Operate
DOE	Department of Education
DOH	Department of Health
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
EE	Employment Equity
EIA	Environmental Impact Assessment
EMS	Emergency Medical Services
EOT	Extension of Time
EPWP	Expanded Public Works Programme
EWP	Employee Wellness Programme
EXCO	Executive Council
GCCN	Government Common Core Network
GIAMA	Government Immovable Asset Management Act
HATC	High Altitude Training Centre
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
HVAC	Heating, Ventilation and Air Conditioning
IBT	Innovative Building Technology
ICT	Information Communication Technology
ID	Identity Document
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IFS	Interim Financial Statements
IOD	Injury on Duty
ITP	Integrated Transport Plan
IRMA	Integrated Rural Mobility and Accessibility
ISA	Infrastructure South Africa
IT	Information Technology
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
MINMEC	Ministers and Members of Executive Council
MMS	Maintenance Management System
MOA	Memorandum of Agreement
MP	Member of Parliament
MPL	Mpumalanga Provincial Legislature
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework



MTSF	Medium Term Strategic Framework
NCDP	National Contractor Development Programme
NDP	National Development Plan
NDPWI	National Department of Public Works and Infrastructure
NEHAWU	National Education, Health and Allied Workers Union
NGO	Non-Governmental Organisation
NIP	National Infrastructure Plan
NLTA	National Land Transport Act
NYS	National Youth Services
OHS	Occupational Health and Safety
OPD	Outpatient Department
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
PLTP	Provincial Land Transport Policy
PMDS	Performance Management Development System
PMU	Project Management Unit
POMM	Project Operations Management Meeting
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PRE	Provincial Regulatory Entity
PRMG	Provincial Road Maintenance Grant
PSA	Public Service Act
PSCBC	Public Service Coordinating Bargaining Council
PSR	Public Service Regulations
PWD	People With Disabilities
RAMS	Road Asset Management System
SANDF	South African National Defense Force
SANRAL	South African National Roads Agency Limited
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCM	Supply Chain Management
SCOPA	Select Committee on Public Accounts
SDF	Spatial Development Framework
SDG	Sustainable Development Goals
SERO	Socio-Economic Review and Outlook
S&T	Subsistence and Travel
SETA	Sector Education and Training Authority
SIU	Special Investigation Unit
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SOPA	State of the Province Address
SPLUMA	Spatial Planning and Land Use Management Act
STI	Sexual Transmitted Infections
TB	Tuberculosis
TMH	Technical Methods for Highways
TVET	Technical and Vocational Education and Training
UAMP	User Asset Management Plans
VAT	Value Added Tax
VCI	Visual Condition Index
VO	Variation Order
VCT	Voluntary Counselling and Testing
VIP	Very Important Person
VPN	Virtual Private Network
WC	Water Closet
WHB	Wash Hand Basin
WPTSPS	White Paper on Transformation of the Public Service
YDC	Youth Development Centre
YP	Young Professionals

### 3. FOREWORD BY THE MEC



**Mr TS Thomo (MPL)**  
MEC: Public Works, Roads & Transport

#### **Achievements in relation to policy directives, 2019-24 Medium Term Strategic Framework and the Department's outcomes**

It is a singular honour as the newly appointed MEC for the Mpumalanga Department of Public Works, Roads and Transport, to present the 2023/24 Annual Performance Report. This Report provides a detailed account on the performance of the Department during the 2023/24 financial year. Overall, the Department achieved 67% of the planned targets set out in the Annual Performance Plan (APP) whilst 98.2% of the budget was spent to achieve these and other operational targets. The Auditor-General (AG) concluded its audit for the 2023/24 financial year, and the Department has once again received an unqualified audit opinion. The AG's report has highlighted critical areas that require attention, with a particular focus on recurring themes such as material misstatements, irregular expenditure, and non-compliance. These findings have been identified as key focal points for corrective action. In response, I have directed our management to develop comprehensive action plans to address all identified weaknesses, which will be closely monitored and regularly reviewed to ensure implementation and lasting improvement.

The Medium Term Strategic Framework (MTSF) outlined the priorities of the 6th administration and provided a medium-term roadmap for developing five-year institutional plans to enable the achievement of goals in the National Development Plans' (NDP). Seven overarching priorities were identified to promote coherence, better coordination and improved efficiency between Government, private sector and civil society. In terms of this framework, the DPWRT was responsible for the coordination of Priority 2: Economic Transformation and Job Creation. The Department further supports achievement of the other six priorities

– an indication of the inherent collaborative work to address socio-economic challenges. The NDP identifies infrastructure as a catalyst for economic growth and job creation.

Massive infrastructure rollouts have been in the forefront to re-ignite the provincial economy and to create job opportunities. To this regard, the Province has invested R21.3 billion in the delivery of socio and economic infrastructure which includes 1 189 building infrastructure projects and 44 transport infrastructure projects. Through collaborating with Small Medium Micro Enterprises (SMMEs), Women-Owned Enterprises, Youth-Owned Enterprises and enterprises owned by People with Disabilities (PWD), government is using public procurement to achieve sustainability, diversity, equity and inclusion. Infrastructure governance also demands a clear strategy and institutional framework to promote robust coordination across levels of government. In response, the Mpumalanga Infrastructure Master Plan (MIMP) has been reviewed and updated to focus on agreed spatial and development priorities for the period until 2060.

The Department remains resolute in its determination to tackle the triple challenges of poverty, unemployment and inequality. Government can overcome these challenges by expanding public employment programmes through the implementation of effective and sustainable job massification initiatives. One of those interventions is the Expanded Public Works Programme (EPWP), which continues to create work and training opportunities for the unemployed. For the past 5 years, the province created 177 188 work opportunities through the EPWP which includes 114 922 women, 78 875 youth and 950 people with disabilities. In the Medium Term Development Plan: 2024 – 2029, the Department will coordinate the creation of 191 732 work opportunities through the use of labour intensive methods. These opportunities will be created through EPWP's four sectors namely: (i) Infrastructure, (ii) Social (iii) Environment & Culture and (iv) Non-State sector.

#### **Challenges for the financial year under review**

A critical aspect of the 2023/24 financial year was the budget cuts and introduction of cost containment measures by National Treasury. Some infrastructure projects had to be deferred to subsequent financial years due to insufficient funds. Infrastructure and maintenance backlogs remain high due to limited funds and external factors such as community disruptions. The impact of climate change is also economically devastating hence the need for innovative solutions to ensure sustainable infrastructure. In response, infrastructure resilience is being created through incorporating climate data into infrastructure designs and spatial layouts. Simultaneously, existing infrastructure needs to be managed differently, given this natural crisis.

The surge of heavy trucks on the Maputo Corridor and Coal Belt (which connects the coal mining areas near Witbank in Mpumalanga with the Richards Bay Port) places additional burden on the maintenance and rehabilitation demands of provincial roads. The proliferation of trucks on our roads poses a significant threat to the safety of all road users, including tourists who frequent our game reserves and natural attractions. Moving cargo transportation from road to rail will relieve the burden on the fiscus and improve road safety. Equally, the transition from road to train commuting can be one of the safest and most time-efficient travel methods. Transforming the public transport system is a relatively long journey which requires focused and phased interventions.

The implementation model for Welisizwe Bridges is very complex since it involves 4 departments. These are the National Department of Transport (DOT), South African National Defence Force (SANDF), National Department of Public Works & Infrastructure (DPWI) and the Provincial Department (DPWRT). The SANDF was appointed as the main contractor due to the skillset (including civil engineering). The application for funding was made by DPWI but the funds were disbursed through the Department of Transport using the Provincial Road Maintenance Grant (PRMG) to distribute the money to the provinces. Suppliers were appointed from national to supply the components and material across all the 6 participating provinces. As a result, only 4 bridges were completed in Thembisile Hani instead of 17 bridges across 4 municipalities. To rectify these delays and expedite our infrastructure development, the Department has made a formal representation to the DPWI and requested approval to adopt an accelerated delivery model by utilising the capabilities of local suppliers and term contractors, thereby stimulating economic growth and creating vital job opportunities for our local communities.

### Acknowledgements and conclusion

Let me take this opportunity to extend my appreciation to the previous MEC and now Premier, Honourable Mandla Ndlovu for his work with this Department. Also to the Head of Department, Mr Charles Morolo, the Senior Management and staff of the Department of Public Works, Roads and Transport for the hard work and dedication to make this Department a success. I hope this report will provide Members of Parliament, stakeholders and the general public with useful information regarding our account on the use of public funds and how we fared against our planned outputs. As we look to the future, we do so with a clear understanding of our role in the pursuance of government priorities as set out by the new Government of National Unity GNU).



**TS Thomo (MPL)**  
**MEC: Public Works, Roads & Transport**  
**Date: 31 August 2024**



## 4. REPORT OF THE ACCOUNTING OFFICER



**Mr MC Morolo**

Head: Public Works, Roads & Transport

### ■ Overview of the operations of the Department:

This annual report reflects progress made by the Department of Public Works, Roads and Transport (DPWRT) in pursuance of its mandate. It also gives an account of how the Department's resources were used, assess performance against set targets and measure compliance with laws and regulations. Furthermore, it provides evaluation results of the management controls within the Information Technology environment and effectiveness of the organisation's consequence management regime. Not only does this report help enhance transparency and accountability but the report also ensures that the DPWRT meets its regulatory requirements as outlined in the Public Finance Management Act (PFMA).

The foremost priorities of the DPWRT is to facilitate economic transformation and job creation. This is done through infrastructure development and provision of an integrated transport system. Notable, the rollout of infrastructure does not only support economic growth and job creation but also facilitates eradication of infrastructure backlogs and spatial injustices. Through the public works programme, 130 building infrastructure projects were completed on behalf of the following client departments: education (101), health (6), social development (5) and culture sport & recreation (18). The DPWRT's performance during the past 12 months reflects its position as one of the key players in the social infrastructure delivery value chain.

Renewable energy has become fundamental for public buildings to improve their energy security situation. The provincial government's energy efficiency programme began in earnest in 2016 with the replacement of fluorescent light bulbs with LED lighting. In 2023/24, more renewables and efficient technologies were persuaded which included installation of solar panels at Riverside Government Complex (RGC) and Mmamethlake Hospital. Although both projects are multi-year, significant progress, (95%) was recorded at

the construction of solar plant at the hospital. These projects are part of the provincial government's grand plan to develop a sustainable energy mix for state-owned facilities.

Apart from social infrastructure, DPWRT is also responsible for the rollout of economic (i.e. roads) infrastructure. Over the past years, 11 capital infrastructure projects and several road maintenance activities such as patching of potholes, reseal of surfaced roads, re-graveling and blading of gravel roads were completed across Mpumalanga. These achievements include 3 bridges under the Welisizwe Rural Bridge Programme which reflect government's balanced approach to ensure urban and rural development. Investment in transport infrastructure supports access to public amenities and provincial main growth areas - tourism, manufacturing, agro processing and forestry as well as unlock housing and urban development.

COVID-19 has had an unexpected and significant impact on the economy, and will continue to do so for the near future. A critical aspect of last year's budget was the cuts and introduction of cost containment measures by National Treasury. Consequently, the Department and its client departments had to defer some of their infrastructure projects to subsequent financial years due to insufficient funds. This will severely impact the province's fight against high unemployment levels especially amongst women, youth and people with disabilities. Therefore, investment alongside government is critical to address the finance gap and facilitate the rollout of massive infrastructure to reignite the economy post the pandemic.

Current data suggests that there has been a significant increase in trucks on the provincial roads recently as companies are unable to rely on the country's ailing railway network to transport goods. The increase in trucks transporting commodities to ports is causing destruction of the roads infrastructure. On the other hand, the lack of public finances has forced government to seek alternative funding solutions to finance social and economic infrastructural projects. The Budget Facility for Infrastructure (BFI) is one of the key instruments that National Treasury has introduced to support implementation of provincial priority projects that have a high multiplier effect.

The availability of adequate transport infrastructure encourages people to shift to public transport. It is against this understanding that various partnerships were persuaded with multiple stakeholders within the public transport sector to identify synergies that will bring improvements to commuter experience. As a result, subsidised transport services were provided to 130 324 users on a daily basis and a further 75 000 learners benefited from the scholar transport services. To ensure appropriate governance arrangements, the MEC appointed a Transport Advisory Committee to oversee the provincial efforts to unite the taxi industry and it will forward this work to the Minister of Transport for consideration as part of the national reforms.

The fundamental purpose of infrastructure development is to improve people's wellbeing, enabling economic growth and job creation. As such, the DPWRT has created jobs and empowered a number of small, medium and micro-sized enterprises (SMMEs) by creating a demand for labour and various materials. Departmentally, 9 337 much-needed jobs were created through the Expanded Public Works Programme (EPWP) during the year under review. The EPWP was designed as a poverty and income relief programme aimed at creating temporary work opportunities for the unskilled, unemployed, poor and vulnerable (including, women, youth and people with disabilities).

A large number of enterprises also benefitted from the public infrastructure investment that was undertaken by government. Several emerging contractor development programmes were implemented in support of business development and local economies. Furthermore, the Department leveraged on existing empowerment legislation,

public procurement reforms, incentives and subsidies in pursuit of inclusive economic growth. More importantly though, several enterprises who were previously excluded from the mainstream economy benefitted from public procurement thus enabling their owners to create wealth for themselves and employment for others.

## Overview of the financial results of the Department:

This section provides an overview of the financial position of the Department for the 2023/24 financial year. Departmental receipts

Departmental Receipts	2023/2024			2022/2023		
	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	9,751	10,171	(420)	9,304	9,384	(80)
Fines, penalties and forfeits	9,567	10,507	(940)	9,129	12,175	(3,046)
Interest, dividends and rent on land	-	5,417	(5,417)	-	3,948	(3,948)
Sale of capital assets	2,317	337	1,980	2,211	5,261	(3,050)
Financial transactions in assets and liabilities	951	1,639	(688)	907	1,215	(308)
<b>Total</b>	<b>22,586</b>	<b>28,070</b>	<b>(5,485)</b>	<b>21,551</b>	<b>31,983</b>	<b>(10,432)</b>

## Revenue collection

The projected revenue for the 2023/2024 financial year was R22,5 million. At year end, the Department managed to collect R28 million, equivalent to 124%, which reflect an over collection by R5,5 million for the financial year ending 31 March 2024. The sources of revenue that contributed to over collection are mainly: Interest received (bank balance), impound fees, sales of goods especially operating licenses as well as recovery of previous year's expenditure.

## Determination of tariffs

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

The debts written off during the 2023/24 financial year amounted to R42 thousand rand.



## Programme Expenditure

Programme Name	2023/2024			2022/2023		
	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	363,513	363,309	204	367,642	367,642	-
Public Works Infrastructure	1,339,092	1,312,278	26,814	1,209,120	1,209,120	-
Transport Infrastructure	2,376,294	2,303,470	72,824	1,919,467	1,917,587	1,880
Transport Operations	1,413,159	1,413,041	118	1,362,391	1,358,393	3,998
Community Based Programmes	74,142	73,727	415	74,231	74,231	-
<b>Total</b>	<b>5,566,200</b>	<b>5,465,825</b>	<b>100,375</b>	<b>4,932,851</b>	<b>4,926,973</b>	<b>5,878</b>



In the past 12 months, the Department managed to spend R5, 465 billion or 98.2% against its final appropriation of R5, 566 billion. This means that there was R100, 375 million of unspent funds at the end of the financial year. Details on the under expenditure are disclosed in Part F: Annual Financial Statements (AFS) on page 115 to 172 of this report. The reasons for the under expenditure per Programme are as follows:

- Public Works Infrastructure: Programme 2 registered an under expenditure of R26,814 million due to construction of Parliamentary Village and Mkhondo Boarding School which could not be completed as planned due to site related challenges.
- Transport Infrastructure: Programme 3 registered an under expenditure of R72, 824 million due to delays in the commencement of Welisiwe projects.

### Virements/roll overs

The following virements were made after the 2023/24 budget adjustment appropriation:

Transfer From	Amount R'000	Transfer To	Amount R'000
Transport Infrastructure	(41,913)	Administration	4,373
		Public Works Infrastructure	13,282
		Transport Operations	24,258
<b>Total</b>	<b>(41,913)</b>	<b>Total</b>	<b>41,913</b>
Community Based Programme	(5,695)	Transport Operations	5,695
<b>Total</b>	<b>(5,695)</b>	<b>Total</b>	<b>5,695</b>
<b>Overall Total</b>	<b>(47,608)</b>	<b>Overall Total</b>	<b>47,608</b>

### Reasons for the virements

Virements are applied 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. Virements were done to cater for goods and services in Administration, Public Works Infrastructure and Transport Operations respectively.

### Request for rollovers

The Department has made requests for rollover of R72, 839 million from the Provincial Roads Maintenance Grant (PRMG) and R27 million from equitable share.

### 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 2023/24 financial year.

### Strategic focus over the short to medium term period

The 6th Administration has identified seven overarching priorities for the Medium Term Strategic Framework (MTSF): 2019 -2024. These priorities seek to promote coherence, better coordination and improved efficiency between Government, private sector and civil society: In terms of this framework, the DPWRT is responsible for the coordination of Priority 2: Economic Transformation and Job Creation. The Department further supports achievement of the other six priorities – an indication of the inherent collaborative work to address socio-economic challenges. In the next five years, we have committed our budget to pursue the following broad Provincial Priorities:

- Spatial transformation
- Improvement of tourism routes
- Accelerate the provision of social infrastructure
- Maintenance of road infrastructure in mining towns
- Safe and reliable public and scholar transport services
- Revitalisation of rural and township industrial economies
- Increase employment in public employment programmes

### Public Private Partnerships

The Department did not enter into any Public Private Partnerships (PPPs) during the 2023/24 financial year. However, a partnership has been forged and MOA signed

for the upgrading and rehabilitation of Road P171/1 with the following mining houses in the Mashishing area: Dwarsrivier Chrome Mine (Pty) Ltd, Glencore Operations SA, Rustenburg Platinum Mines (Pty) Ltd, Samancor Chrome Ltd, Northam Platinum and Two Rivers Platinum. The parties have entered into an agreement of co-funding the construction works in a proportion of the Department contributing 40% of the works and the mining houses collectively contributing 60%.

### Discontinued key activities/ activities to be discontinued

The fiscus was never going to be enough to address the roads maintenance backlogs and further accommodate new construction projects. In realisation of this, the province is in discussion with South African National Roads Agency Limited (SANRAL) to transfer 1 041 kilometres of roads, valued at R7,6 billion. The criteria used to identify these roads were the following, amongst others: roads leading to borders posts, inter-provincial roads, roads linking with SANRAL roads, the current condition of roads, previous, current and future investment considerations and the cost of rehabilitation and maintaining these roads. Noteworthy is that the savings from maintenance costs will be utilised to relief the budget pressure on equitable share – funding of deferred projects. However, discussions are still ongoing between the Department and SANRAL.

The DPWRT is also a custodian of a vast building asset portfolio, which can be a burden if it is not properly managed. The proposal to dispose state-owned houses is currently at Executive Council level and if approved, it has a potential of generating additional revenue for the province. More importantly, such a will drastically reduce maintenance costs and enable redirection of resultant savings to other service delivery programmes.

Several infrastructure projects were withdrawn/reprioritised due to site changes and budgetary constraints (e.g. School for the Deaf from the Department of Education, Airport Road D636, etc). These projects are earmarked for final planning and design with implementation to commence in the 2024/25 financial year.

### New or proposed key activities

The upcoming projects in the 2024/25 financial year should be understood in the context of the infrastructure priorities from the Annual Performance Plans. The following projects will bring change in the infrastructure landscape of Mpumalanga:

- Upgrading of the bridge that connects Driekoppies and Schoemansdal is going to improve access to important public amenities such as Shongwe Hospital, schools and workplaces. The current bridge is prone to overtopping whenever there are heavy rains, especially upstream of the bridge. A solution has been in the making for the past 24 months and it is finally ready for implementation in the next financial year. The estimated cost of the project amounts to R123 million.
- The eMalahleni Bridge is going to be an engineering megastructure never implemented before at a provincial level. Planning and design of the bridge from eMalahleni city centre leading to Pine Ridge, Klarinet, Siyanqoba and Verena is now at a gateway review stage. Once fully operational, the bridge is expected to improve safety and ease traffic flow in that area. The estimated cost of the project amounts to R87,5 million.
- The planning and design of the Linah Matlatjie Tertiary Hospital (400 beds) in Emalahleni has progressed, with authorisation in terms of Environmental Impact Studies granted. The town planning processes as well as the preliminary and concept designs have been completed. This project is amongst those that were part of the BFI application and it is planned to commence during the 2024/25 financial year. The estimated cost of the project amounts to R3,2 billion.
- Leasing of accommodation for Members of the Provincial Legislature (MPLs) has proven to be unsustainable hence construction of the Mpumalanga Parliamentary Village. As at 31 March 2024, the project was at 73% and the planned revised completion is now August 2024. The estimated cost of the project amounts to R481 million. While the long term benefits are widely acknowledged, the Department is currently developing an operationalisation model that will indicate the cost implications in the short term.

## Supply Chain Management

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

No unsolicited bid proposals were concluded.

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

The 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.)

- CSD is utilised to invite three quotations for goods and services below R1 000 000.
- Procurement of goods and services is done in accordance to the prescribed threshold values from National Treasury and in line with the Preferential Procurement Regulations, 2022.
- Competitive bids are invited for goods and services above R1 000 000.00 to ensure that equal opportunities are given to all suppliers to compete.
- 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 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.
- Procurement delegations are issued at the beginning of each financial year and compliance is monitored regularly.

## Challenges experienced in Supply Chain Management and how they were resolved

Challenges	Action taken to resolve challenges experienced in Supply Chain Management
Procurement and contract management (non-compliance with legislation)	<ul style="list-style-type: none"> <li>Expired contracts were advertised, and some are already appointed.</li> <li>Programmes are continuously informed about expiring contracts.</li> <li>Ensuring that all deviations submitted are in line with Instruction Note No 3/2022/25</li> <li>SCM is fully enforcing the implementing and enforcing all SCM checklists during procurement.</li> <li>Completion of SBD6.2 and Annexure C is enforced on all bid that have local and production content.</li> <li>All bids evaluated and adjudicated from the second quarter has been thoroughly reviewed to comply with the local content requirement.</li> <li>A letter was written to Provincial Treasury requesting training and still awaiting their response</li> <li>The Contract Register is updated on monthly basis.</li> <li>Letters have been written to all programmes that have contracts that are about to expire within 12 months period</li> <li>All Office Accommodation Deviations and extensions done in accordance to PFMA Instruction note No 3 of 2022/23</li> <li>Department received an invitation for a meeting Provincial Treasury to discuss government leases which emanates from the request for special dispensation by the Department and the meeting was held during December 2023 and we are still waiting for an outcome</li> <li>Various governance structures i.e. Risk Management Committee, Audit Committee, Budget and Programme Managers Forum etc. are in place to oversee compliance with existing prescripts.</li> <li>An Audit Action Plan was developed and is monitored on a monthly basis.</li> </ul>

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

A total of 7 laptops, valued at R50 thousand, were donated by Cypren for the purpose of enhancing Expanded Public Works Programme (EPWP) reporting in the Province.

### Exemptions and deviations received from the National Treasury

There were no exemptions and deviations received from National Treasury on the compilation of the 2023/24 financial year's Annual Financial Statements (AFS). The AFS set out on pages 115 to 172 have been approved by the Accounting Officer.

### Events after the reporting date

There were no events after the reporting date.

### Acknowledgment/s or Appreciation

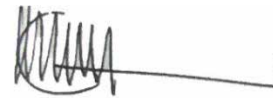
I would like to offer my sincere thanks to the MEC, the Honourable Mandla Ndlovu for his continuous support. I am also grateful for the commitment and strong support shown

by the Senior Management and all the staff members. Further appreciation is extended to the Portfolio Committee on Public Works, Roads and Transport; Community Safety, Security and Liaison, the Select Committee on Public Accounts, the Audit and Risk Committee for their objective oversight on our operations.

### Conclusion

DPWRT remains committed to our stakeholders and the people of Mpumalanga as a whole and will continue to strive to provide an integrated transport system and infrastructure that promotes socio-economic development.

Approval and sign off



**MC Morolo**  
Accounting Officer  
Department of Public Works, Roads & Transport  
Date: 31 August 2024





## 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 F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

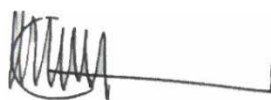
The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance

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 2024.

Yours faithfully,



**MC Morolo**  
**Accounting Officer**  
**Date: 31 August 2024**



## 6. STRATEGIC OVERVIEW

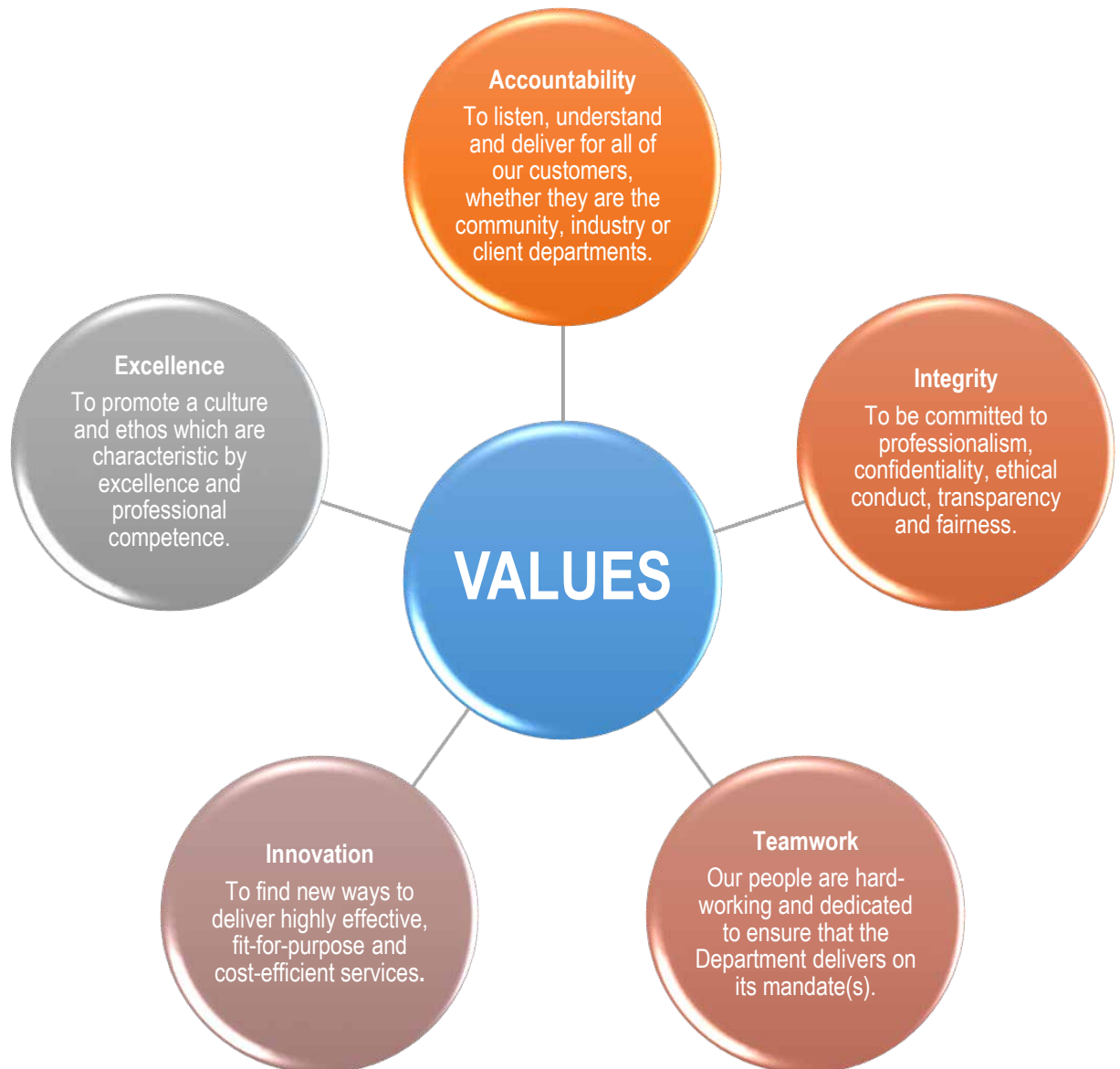
### 6.1 Vision

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

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 no. 9 of 1972)**

Promotes and regulates road safety.

**Municipal Property Rate Act 2004 (Act no. 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 no. 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 no. 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>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>SERO (Socio - Economic Review &amp; Outlook) Report</b>	It provides an overview of the socio-economic situation and challenges of Mpumalanga for planning, decision making, intervention and budget purposes.

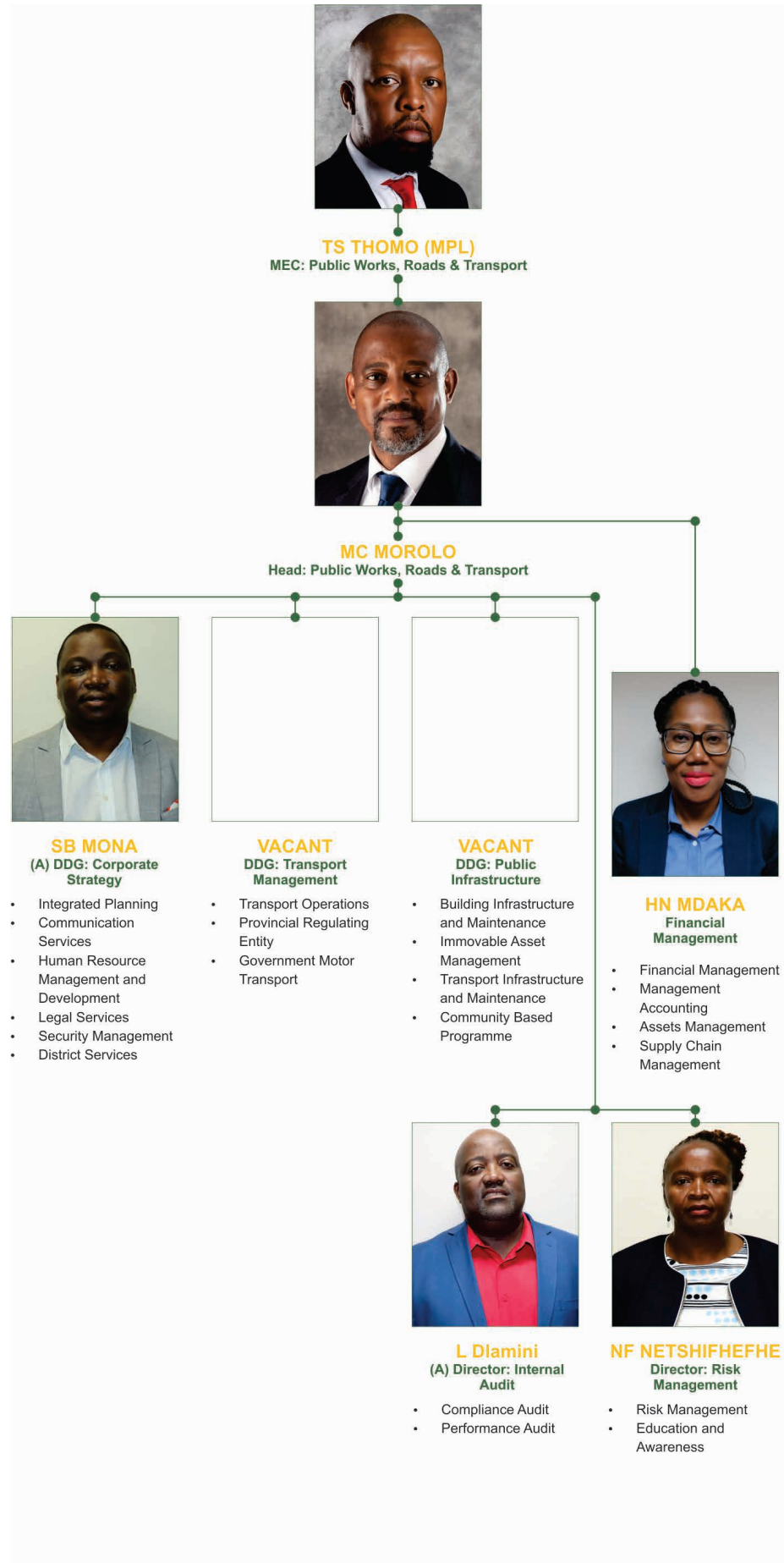
Source	Purpose
<b>Spatial Development Frameworks (SDFs)</b>	The purpose of SDFs is to optimise, integrate and coordinate strategic interventions in national spaces to achieve spatial development and transformation.
<b>Mpumalanga Infrastructure Master Plan (MIMP)</b>	MIMP serves as guide for government 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-co-ordinated 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.



## 8. 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 how delivery of government services is efficiently and effectively facilitated.









PART

B

PERFORMANCE INFORMATION

1. AUDITOR GENERAL’S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit opinion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor’s report. Refer to page 108 of the Report of the Auditor General, published as Part F: Financial Information.

Summary of the Department’s Performance per Programme

 = Achieved (100% and above)       = In progress (80-99%)       = Not achieved (0% - 79%)

Programme	Targets in the APP	Targets Achieved	In Progress	Targets Not Achieved	% of Targets Achieved
1. Administration	9	7	0	2	78%
2. Public Works Infrastructure	8	6	1	1	75%
3. Transport Infrastructure	12	7	1	4	58%
4. Transport Operations	6	5	1	0	83%
5. Community Based Programmes	7	3	1	3	43%
Total	42	28	4	10	(67%)

The overall performance was 67% in the 2023/24 financial year which is a decline from the 73% obtained in the 2022/23 financial year. The overall expenditure was 98.2% compared to 99.9% in the 2022/23 financial year. It should however be noted that Department’s APP contains some targets that are dependent on client departments, other spheres of government and external factors i.e. building infrastructure, contractor performance, creation of EPWP work opportunities, etc.

2.1 Service Delivery Environment

2.1.1 Summary of Services

The Department of Public Works, Roads and Transport delivers its services through five Programmes namely: (1) Administration, (2) Public Works Infrastructure (3) Transport Infrastructure, (4) Transport Operations and (5) Community Based Programmes. Most of these services depend on several client departments, government agencies, non-governmental organizations, local communities and private sector contractors. As such, the Department’s APP included a number of performance targets that were based on specific actions and support from various stakeholders. These institutional dynamics provide an overview of the context and environment within which the Department operated to implement its mandate(s) and how service delivery was impacted.

- **Administrative Services** – These services are designed to provide support to the four core Programmes and employees of the Department. However, there are other services such as capacity building initiatives targeting both the workforce and those that aspire to build a career in the public service. Other services include ensuring that benefits are paid out efficiently, accurately and on time to beneficiaries.
- **Transport Infrastructure** - National Treasury has consistently reduced infrastructure conditional grants to provinces and municipalities as the budget deficit and debt have risen. This has reinforced the need for innovative approaches to bridge the funding gap and this include matching the Provincial Roads Maintenance Grant (PRMG) – rand for rand and forming partnerships with mining houses and private sectors.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

A total of 42 performance targets were set in the APP, of which 28 were achieved as planned. This translates to an overall performance achievement of 67% of the total planned targets for the financial year. More details on the Departmental performance against each key performance indicator as at end of March 2024 is set out on page 26 to 43. This include reasons for the under-performance, proposed strategies on how to address the under-performance going forward and reasons for over achievement where applicable. A summation of the performance per programme based on overall performance results is tabulated below.

- **Building Infrastructure** - There is a need for strong and effective project management within the Department to oversee infrastructure projects on behalf of client departments. Equally, these departments need to submit their plans on time, honour their commitments and ensure that service providers are paid within 30 days from receipt of invoices.
- **Immovable Asset Management** - The Department of Public Works, Roads and Transport is responsible for providing and managing accommodation, housing, land and infrastructure needs for all provincial departments. Most importantly, user departments are responsible to budget for maintenance works while the custodian advises and provide the necessary technical expertise.
- **Integrated Transport System** - The Department is responsible for transport planning, public transport policy development and implementation, scholar transport management and regulation and control. The Transport Infrastructure Programme is assisting the Transport Operations Programme to implement non-motorised transport projects. There is also a Provincial Regulatory Entity (PRE) that is responsible for processing operating licenses.
- **Job Creation** - The Department is mandated to coordinate Government’s job creation initiatives through the implementation of the Expanded Public Works Programme (EPWP). This programme involves participation of 30 public bodies (i.e. departments and municipalities) who were collectively tasked with the creation of 45 925 work opportunities during the 2023/24 financial year.

Key Challenges and Corrective Steps Taken

Construction Mafias

The construction industry in South Africa is a key driver to economic growth and development. Investment in the sector contributes to improved infrastructure and job creation. This lucrative industry is grappling with construction mafia syndicates in the whole country. These syndicates extort money from contractors and as a result the quality and project time span gets affected. Nationwide interventions



have been implemented which includes investigations by the Special Investigation Unit (SIU) to avoid this corruption. The Department is committed to countenance the law enforcement to decisively deal with this crime

### Strategic Social Infrastructure

The Mpumalanga Department of Public Works, Roads and Transport (DPWRT) acts as an implementing agent of infrastructure projects for a number of provincial departments, namely: Education, Health, Social Development, Culture, Sport & Recreation, Economic Development & Tourism and the Legislature. In addition the Department is also entrusted with the responsibility of improving the conditions of the Provincial road network. The Mpumalanga Infrastructure Master Plan (MIMP) as a key tool for the planning and implementation in the development of all types of infrastructure in the Province has been reviewed in 2023/24. Long-term infrastructure plans must now be developed by each entity to realise targets set in the MIMP: 2060, for economic growth and job creation in the Province. In addition the Road Asset Management Systems (RAMS) was also updated in line with the road condition analysis to provide a high level decision support information to DPWRT in its road asset management function.

### Payment of Rates and Taxes

The Department is responsible for the payment of valuation rates for properties belonging to Mpumalanga Provincial Government. It is also responsible for payment of municipal services in properties that are shared by various departments and those which are occupied by DPWRT. To ensure correct billing, the provincial asset register was provided to all municipalities which saw either additional or reduction billed properties in 2023/24. Trade-offs are also being considered whereby the work done by the Department on behalf of municipalities is quantified and costed to offset the debt on rates and taxes. Another alternative payment method involves the use of redundant assets in the provincial register to settle municipal utility bills. The table below reflects the 2023/24 status on payment of rates and taxes.

### Integrated Transport System

The Department plays a leading role in transport planning, public transport policy development and implementation, scholar transport management and regulation and control. The Provincial Regulatory Entity (PRE) that is responsible for processing operating licenses and application backlogs. In 2024/25 financial year the Department will transition from the old order subsidy regime to regulated competition through tendered or negotiated contracts as per the MINMEC resolutions. Further the Department has established a Public Transport Advisory Panel to deal with the taxi conflicts, killings, malicious damage of property thus unifying the taxi industry. Some of the municipalities within the Province were assisted to develop Integrated Transport Plans (IPTs) which serves as the basis for issuing of new operating licences. Apart from this, the Transport Infrastructure Programme has been delegated to assist the Transport Operations Programme in dealing with Non-Motorised Transport related issues. During all of this, government remains committed in ensuring that commuters are afforded a safe and reliable transport system.

### Increased Demand for Scholar Transport

The increasing demand for scholar transport led to the resolution to revisit the boarding schools to accommodate deserving learners and curb the school of choice phenomena guided by the Learner Transport Policy. The National Department of Transport is also currently reviewing learner transport systems across all provinces in terms of implementation between the Departments of Transport and Education.

### High Unemployment Levels

Mpumalanga's unemployment rate was at 35, 5% as at the end Q3 2023 and the hardest hit being the youth at 45.8% (15-34 years) and 58.4% (18-24 years) to which the majority are females. As such, the Department in collaboration with the economy cluster led the development and implementation of a Provincial Job Massification Strategy to address the high unemployment rate. Identified interventions include: increase the labour intensity percentage of implemented projects in infrastructure, replicate and massify best implemented projects, increase youth participation to 70% in all implemented programmes/projects, people with disabilities to be prioritized across all sectors and spheres of government amongst others. The Department continued with creation of work opportunities and the implementation of interventions such as Public Employment Programmes in 2023/24 (e.g. EPWP, Siyatentela, Sakh'abakhi, National Contractor Development Programme (NCDP) the National Youth Service (NYS) that included Internship and Learnership programmes. Moreover, this Department facilitated the transformation of the built environment and ensured increased participation of youth, women and people with disabilities on public infrastructure implementation.

#### 2.1.2 Other Significant Developments

##### Industrial / Strike Actions

South Africa has a long history of strike actions and mainly due to the massive discrepancy between asset prices and wages. Notable, employees have the right to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection. However, lock-outs or infringement on the rights of others is prohibited. Most of the strikes were about: high fuel costs; load shedding; demand for 30% of Buscor's contract; NEHAWU wage increase demand; poor service delivery; high crime rate and contractual disputes on project sites. Most of these disagreements were resolved in boardrooms or public gatherings or courts or through political interventions but way later after they had a negative impact on service delivery.

##### War between Russia and Ukraine

Also of significant concern is the increasing oil price as result of the Russia-Ukraine conflict which has triggered turmoil in the financial markets and South Africa's (SA's) economic recovery efforts. Alongside this, there has been interest rate hikes but there are projections that the repo rate will start to decline from the fourth quarter of 2023. In the meantime, the country needs much higher growth to address the triple challenges of inequality, poverty, and unemployment. This means that continued commitment to a macroeconomic framework to encourage investment, accelerated progress on economic reforms; improved state capability and enhanced quality of public spending are no longer optional.

#### 2.2 Service Delivery Improvement Plan (SDIP)

The Department of Public Service and Administration (DPSA) has embarked on a process to strengthen the coordination, integration, collaboration and facilitation of Service Delivery Improvement Plans in the various Provinces and Departments. The revised SDI Directive went through various governance processes before DPSA could approve the Provincial Plans. Notwithstanding this, the Department continued to render various services and strived for compliance to the Batho Pele principles. The development of the service delivery model supports to Department's response to service delivery in terms of where and how the delivery of services will take place.



## 2.3 Organisational Environment

### Wage Bill

The Department saw a high staff turnover ( $\pm 1100$ ) during the period between February 2015 and September 2020 and no replacements were appointed due to the provincial moratorium. It is against this background that the Department advertised 583 posts in the endeavour to re-source its core programmes and cost centres. A total of 440 of the 583 posts have since been filled to enhance the capacity of the Department. That said, there Department has been advised by Provincial Treasury to review the number of posts that it can afford especially after the new cost curtailment measures were introduced. There is consensus that managing the wage bill is critical for ensuring sustainable public finances. That is why in the current economic downturn; the size of the public sector wage bill is once again in the spotlight.

### Fraud and Corruption

Investments to fund large scale infrastructure roll-out and address service delivery backlogs were constrained due slow economic recovery. Considering the limited resources of government, minimising inefficient spending, fighting corruption and enhancing the effectiveness of public expenditure have become critical during this period. As we manage infrastructure procurement, various internal controls are in place to mitigate against high risk of fraud and corruption. For example, financial disclosure for members of senior management and procurement officials is not optional. This and other internal controls will go a long way towards regaining public and more specifically client trust.

### Cyber Threats

There has been a quantum leap as far as adoption of information technology solutions within the Department. Initiatives such as the work from home strategy has increased the potential of cyber-attacks hence the rollout of hardware, software and support to mitigate against the emerging risks was intensified in the year under review. However, the excessive use of the gov. (government) Virtual Private Network (VPN) and load shedding resulted in the system being slow. To enable better network connectivity the Provincial Treasury appointed State Information Technology Agency (SITA) to rollout a virtual private network for the province outside the gov. VPN. To date the project plan, project charter and rules of engagement have been developed as building blocks towards the connection of transversals systems to Government Common Core Network (GCCN) and Basic Accounting Systems (BAS) servers.

### Service Delivery Model

The Department has developed a Service Delivery Model which describes where and how the delivery of services will take place. The organisational structure indicates how the Department is configured so that it can achieve its vision to provide an integrated transport system and infrastructure that promotes socio-economic development. The current organogram was approved in 2016 but it has not been fully implemented due to the moratorium on filling of posts that was in effect between 2015 and 2020. Notwithstanding this, the Department has done minor changes on the organogram which do not require approval by DPSA. These include alignment as per the Revised Guide for Members of the Executive, Job Evaluation Results, DPSA directives, etc.

There are three forces that influences the service delivery model that the Department must choose going forward. Firstly, the rise of digital technology has been a powerful influence on how we work, secondly, the adoption of the integrated governance approach as per the DDM and thirdly, the impact of Covid-19 on how we deliver services. Even prior this crisis, technology had become an increasingly important part of the workforce. During a crisis, strategy needs to be revised and harnessed with operations hence there is a need to review the organisational structure in the current financial year. More importantly, there must be a shift on thinking of organisational structures beyond the boxes on the organogram but towards improved service delivery.

## 2.4 Key Policy Developments and Legislative Changes

The following policy developments have affected the operations of the Department during the period under review:

Policy/Legislation	Details
<b>1. Transport Regulations</b>	The regulations outlined the transport sector's response aimed at limiting the spread of the virus through the transport system. These were amended according to the determined risk level.
<b>2. Budget Adjustment</b>	In the final budget adjustment, a total of R60, 4 million was reduced from the original budget allocation after two budget adjustments were made within the financial year due to funds on some projects rescheduled to the next financial year.
<b>3. Mpumalanga Economic Reconstruction and Recovery Plan (MERRP)</b>	Taking cue from the National Plan, Mpumalanga developed its own reconstruction and recovery plan. It details the specific interventions to get the provincial economy back on track.
<b>4. Budget Facility for Infrastructure (BFI)</b>	Mpumalanga has identified catalytic infrastructure projects that will address the provincial development agenda. Projects were registered with Infrastructure South Africa (ISA) to assist the province to develop project pipelines for investment mobilisation.
<b>5. National Infrastructure Plan (NIP): 2050</b>	The goal of NIP 2050 is to create a foundation for achieving the NDP's vision of inclusive growth.

To enhance internal controls and good governance, the following policies were reviewed in the 2023/24 financial year:

1. Financial Disclosure
2. Health & Productivity Policy
3. HIV & AIDS and STIs Management in the workplace
4. Job Evaluation Policy
5. Overtime Policy
6. Recruitment Policy
7. Resettlement Policy
8. S&T Policy
9. Wellness Management Policy

### 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Covid-19 pandemic has had a negative impact on the socio-economic outcomes articulated in the Strategic Plan: 2020-2025, the Medium Term Strategic Framework (MTSF): 2019-2024 and the National Development Plan (NDP). In response, the Mpumalanga Economic Reconstruction

and Recovery Plan (MERRP) was developed to re-igniting the provincial economy through focusing on specific interventions. Significant strides have been made towards achievement of these targets as indicated in the summary below. However, the Department needs to accelerate service delivery in order to realise the set priorities of the 6<sup>th</sup> Administration.

Impact Statement 01		Public value and trust; active citizenry and partnerships in society	
Outcome	Outcome Indicator	MTSF Target 2020-2025	Progress by end of March 2024
Improved governance and accountability	Audit opinion of the regulatory audit by Auditor General South Africa (AGSA)	Clean audit opinion	Unqualified audit opinion with matters.

Impact Statement 02		Maintenance, strategic expansion, operational efficiency, capacity and competitiveness of provincial infrastructure ensured	
Outcome	Outcome Indicator	MTSF Target 2020-2025	Progress by end of March 2024
An efficient, competitive and responsive economic infrastructure network	Percentage of road network in very good condition	15%	4%
	Percentage of road network in good condition	25%	15%
An efficient, competitive and responsive economic infrastructure network	Percentage of road network in fair condition	32%	29%
	Percentage of road network in poor condition	24%	32%
	Percentage of road network in very poor condition	4%	4%

Impact Statement 03		Reduced unemployment especially amongst women, youth and people with disabilities	
Outcome	Outcome Indicator	MTSF Target 2020-2025	Progress by end of March 2024
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Number of jobs created	220 575	177 188
	Number of youth employed (18-35)	121 316	78 875
	Number of women employed	132 345	114 922
	Number of persons with disabilities employed	4 412	950

Impact Statement 04		Transformed, representative and inclusive economy which prioritises women, youth and persons with disabilities	
Outcome	Outcome Indicator	MTSF Target 2020-2025	Progress by end of March 2024
Increased economic participation, ownership and access to resources and opportunities by women, youth and persons with disabilities	Value of contracts awarded to black people expressed as a percentage of the total value of contracts awarded	80%	100%
	Value of contracts awarded to black women expressed as a percentage of the total value of contracts awarded	40%	53,5%
	Value of contracts awarded to black people who are youth expressed as a percentage of the total value of contracts awarded	30%	25,7%
	Value of contracts awarded military veterans expressed as a percentage of the total value of contracts awarded	2%	0%
	Value of contracts awarded to black people with disabilities expressed as a percentage of the total value of contracts awarded	2%	0,3%



4.1 Programme 1: Administration

Purpose

The purpose of the Programme is to provide the Department with administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

Sub-Programmes

Sub-programmes	Purpose of the Sub-Programmes
Office of the MEC	To render advisory, secretarial, administrative and office support services.
Management of the Department	Overall management and support of the Department.
Corporate Support	To manage personnel, procurement, finance, administration and related support services.
Departmental Strategy	Provide operational support in terms of strategic management, strategic planning, monitoring and evaluation, integrated planning and coordination across all spheres of government, departments and the private sector organisations including policy development and co-ordination.

Institutional outcomes

- Improved governance and accountability
- Increased economic participation, ownership and access to resources and opportunities by women, youth and persons with disabilities

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

This Programme offers support to the Department's four core Programmes and to ensure a Capable, Ethical and Developmental Department and State. A number of internal accountability forums and committees (i.e. Audit-, Risk-, Finance IT Steering- and Policy Committees, Budget and Programme Managers Forums and Top Management Meetings) are in place to ensure good governance and accountability and to provide assurance that public money and resources are used effectively and efficiently. The Department is striving to meet the targets on employment equity in the Public Service which requires a 50% representation of women in Senior Management level and 2% employment of persons with disabilities across all levels as per the White Paper on Transformation of the Public Service (WPTSPS). However, these targets could not be achieved due to unavailability of suitable candidates for the vacant positions.



The following table includes all outputs, performance indicators and targets in line with the tabled APP:

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
<b>Programme / Sub-programme: Human Resource Utilisation and Capacity Development</b>								
Improved governance and accountability	Compliance to the Performance Management and Development System	Percentage of performance agreements signed	100%	100%	100%	100%	0	None.
	Skills development through Internship	Number of interns enrolled	150	150	300	340	40	Additional funding received from Bank SETA.
	Skills development through Learnership	Number of learners enrolled	100	134	700	765	65	Additional Learnership programmes implemented
<b>Programme / Sub-programme: Human Resource Practices and Administration</b>								
Improved governance and accountability	Employment Equity	% of Women in SMS positions	-	37.5%	50%	37.5%	-12.5%	Insufficient suitable candidates applied.
	Employment Equity	% of Persons with disabilities employed	-	2.4%	2%	2%	0%	None.
	Employment Equity	% of Persons with disabilities employed in SMS positions	-	0%	2%	0%	-2%	Insufficient suitable candidates applied.
<b>Programme / Sub-programme: Management Accounting</b>								
Improved governance and accountability	Enhancement of revenue collection	Total amount of revenue collected	R25.2 million	R31,9 million	R22,5 million	R28 million	R5,5 million	Interest on the bank balance and proceeds from auction.
<b>Programme / Sub-programme: Risk Management</b>								
Improved governance and accountability	Disaster Management Plan	Disaster Management Plan developed	-	-	Disaster Management Plan	Disaster Management Plan developed	None.	None.
<b>Programme / Sub-programme: Financial Accounting</b>								
Improved governance and accountability	Payment of invoices within 30 days	Percentages of invoices paid within 30 days	100%	100%	100%	100%	0	None.

### Linking performance with budgets

Programme 1 (Administration) managed to spend 99, 9% of its budget for the 2023/24 financial year and in the process achieved 7 of the 9 (78%) planned outputs at year end. This expenditure relates to support services that were provided to the other four Programmes. It also includes Compensation

of Employees and related benefits for the staff complement under all the sub-programmes. Note should be taken that the targets that were not achieved (i.e. Number of women in SMS positions and SMS with disabilities) did not have direct implications on the overall expenditure of the Programme.



## Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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
Office of the MEC	11,721	11,721	-	10,741	10,741	-
Management of the Department	5,100	5,098	2	4,873	4,873	-
Corporate Support	323,961	323,775	186	330,899	330,899	-
Departmental Strategy	22,731	22,715	16	21,129	21,129	-
<b>Total</b>	<b>363,513</b>	<b>363,309</b>	<b>204</b>	<b>367,642</b>	<b>367,642</b>	<b>-</b>

## Strategies to overcome areas of under performance

Areas of under-performance	Reasons for under-performance	Strategies to overcome area of under performance
% of Women in SMS positions % of Persons with disabilities employed in SMS positions	<ul style="list-style-type: none"> <li>Seven (7) SMS posts were not filled in the 2023/24 financial year due to DPSA Circular 49 of 2023; i.e.: "Directive on the implementation of control measures aimed at assisting Executive Authorities in managing fiscal sustainability during the process of creating and filling vacant posts in the Department".</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of equality in line with the Employment Equity Act 55 of 1998 as amended.</li> <li>Implementation of affirmative action measures to aid workplace transformation.</li> </ul>

## Changes to planned targets

There were no changes to planned targets.

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

There were no sectoral or provincial approved standardised outputs and output indicators for Programme 1. Notwithstanding this, the Department included employment equity targets and its own indicators as reflected in the APP and annual report.





## 4.2 Programme 2: Public Works Infrastructure

### Purpose

The purpose of the Programme is to provide a balanced and equitable provincial government building infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive which supports economic development and social empowerment.

### Sub-programmes

Sub-programme	Purpose of the Sub-Programmes
Programme Support	Overall management and support of the program; to manage the activities of the professional components strategically; to render an administrative support service to the professional components with regard to provincial government building infrastructure and property management its management administration, financial matters and supply chain management.
Planning	Management of the demand for infrastructure. Development, monitoring and enforcement of built sector and property management norms and standards. Assist in the development of user asset management plans. Development of Custodian Management Plans. Development of Infrastructure Plans. Development of Infrastructure Implementation Plans.
Design	Design of new and upgrading building infrastructure.
Construction	New construction, upgrading and refurbishment.
Maintenance	Will entail the following four maintenance activities and or sub-sub programmes i.e. Routine maintenance; Scheduled maintenance; Conditions assessment of all buildings and Alterations - Alterations refers to changes that are required for reasons other than 'maintaining the asset, e.g. changes to interior walls.
Immovable Asset Management	To manage the property portfolio of the province; to establish and manage the provincial strategic and infrastructure plan; to provide accommodation for all provincial departments and other institutions; to acquire and dispose of accommodation which entails: Acquiring and disposal of properties; Manage leasing in of properties; Managing leasing out of redundant government properties; Collection of revenue and revenue generation; Management of the asset register; Management of the lease management tools; monitor the utilisation of provincial government facilities and Management of payment of all utilities.
Property Management	To manage the operations of buildings including facilities management, cleaning, greening, beautification, interior decoration and designs and day to day preventative maintenance of electronic, electrical, and mechanical equipment All services related to managing a building.

### Institutional outcome

- More decent jobs created and sustained, with youth, women and persons with disabilities prioritised.

### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department is responsible for the implementation of social infrastructure and taking care of state-owned properties in partnership with several client and user departments whose projects supports socio-economic imperatives related to employment, education, skills, health and social cohesion. To this regard, it managed to complete 132 infrastructure projects and the main beneficiaries of these public facilities were women, youth, women and persons with disabilities. As the custodian of the property portfolio, it conducted condition assessment on 90 state-owned properties and further sponsored the maintenance of 10 state-owned buildings.



The following table includes all outputs, performance indicators and targets in line with the tabled APP:

Outcome	Output	Output Indicator	Audited Actual Performance 2021/ 2022	Audited Actual Performance 2022/ 2023	Planned Annual Target 2023/ 2024	Actual Achievement 2023/ 2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Programme / Sub-programme: Design								
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Building infrastructure designs approved	Number of infrastructure designs ready for tender	380	161	178	187	9	See breakdown below:
			DoE=305	143	157	157	0	None.
			DOH=11	2	11	10	-1	Delays in confirmation of budget by client.
			DSD=44	1	7	8	1	Completed an additional project as requested by the client department
			DCSR=12	15	3	8	5	Additional projects completed as requested by DCSR.
			DPWRT=0	-	0	4	4	Designs completed for renewable energy projects.
Programme / Sub-programme: Construction								
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Building infrastructure projects completed	Number of capital infrastructure projects completed	248	149	164	132	-32	See breakdown below:
			DoE=211	134	121	101	-20	Payment delays due to shortage of funds by client department
			DOH=3	3	11	6	-5	Change in scope, poor performance by contractor and delayed compliance inspections by local municipality
			DSD=25	2	5	5	0	None.
			DCSR=9	3	12	15	3	Additional maintenance projects completed as per request from client.
			Special Projects			-	-	Provincial Legislature=03

Outcome	Output	Output Indicator	Audited Actual Performance 2021/ 2022	Audited Actual Performance 2022/ 2023	Planned Annual Target 2023/ 2024	Actual Achievement 2023/ 2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
			-	-	Mkhondo Boarding School= 01	0	-1	Prolonged work stoppages.
			-	-	International Fresh Produce Market =01	0	-1	S l o w progress by contractor and failure to pay sub-contractors.
			-	-	High Altitude Training Centre (HATC)= 04	3	-1	Poor performance by contractor (abandoned site)
			-	-	Renewable energy for Government facilities=04	0	-4	L a t e delivery of material on site and insufficient funds.
			-	7	KwaMhlanga Government Complex=02	2	0	None.
Sub-Programme: Maintenance								
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Building maintenance projects completed	Number of planned maintenance projects completed	21	12	5	10	5	Additional projects completed due to savings realised.
Sub-Programme: Immovable Asset Management								
More decent jobs created and sustained, 1with youth, women and persons with disabilities prioritised	Provision of facilities	Number of facilities provided	-	-	18	18	0	None.
	Effective facilities management	Number of shared office accommodation receiving facilities management services	8	8	9	9	0	None.
	Office accommodation utilisation inspections	Number of utilisation inspections conducted for office accommodation	-	50	50	50	0	None.
	Disposal of properties	Number of properties disposed	-	14	226	1	-225	Awaiting approval from EXCO on disposal of houses.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/ 2022	Audited Actual Performance 2022/ 2023	Planned Annual Target 2023/ 2024	Actual Achievement 2023/ 2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
	Effective property management	Number of condition assessments conducted on state-owned buildings	60	120	50	90	40	Additional assessments were completed for health facilities.

### Linking performance with budgets

Programme 2 (Public Works Infrastructure) spent 98% of its budget for the 2023/24 financial year and achieved 6 of the 8 (75%) planned targets at year end. The expenditure includes Compensation of Employees and related benefits for the staff complement under all the sub-programmes.

The targets that were not achieved relates to the construction of capital building infrastructure projects on behalf of client departments and disposal of properties. The under expenditure mainly relates to community unrest and poor performance by contractors on construction of the Parliamentary Village and Mkhondo Boarding School.

### Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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
Programme Support	3,621	3,621	-	3,638	3,638	-
Planning	16,020	16,020	-	17,192	17,190	2
Design	17,178	17,178	-	18,116	18,115	1
Construction	387,565	355,818	31,747	184,166	190,034	(5,868)
Maintenance	367,672	348,608	19,064	340,192	334,361	5,831
Immovable Asset Management	409,471	412,146	(2,675)	525,515	525,517	(2)
Facility Operations	137,565	158,887	(21,322)	120,301	120,265	36
<b>Total</b>	<b>1,339,092</b>	<b>1,312,278</b>	<b>26,814</b>	<b>1,209,120</b>	<b>1,209,120</b>	<b>-</b>

### Strategies to overcome areas of under performance

Areas of under-performance	Reasons for under-performance	Strategies to overcome area of under performance
Completion of capital infrastructure projects	Projects were not completed on time due to delayed payments, changes in scope of work, labour disputes and community disruptions.	<ul style="list-style-type: none"> <li>Revised work schedules for affected projects will be closely monitored in the 2024/25 financial year.</li> <li>Client departments will be reminded to arrange Project Operations Management Meetings (POMMs) to discuss the status of projects and payment of service providers.</li> </ul>
Disposal of properties	<ul style="list-style-type: none"> <li>Awaiting approval from EXCO on disposal of houses.</li> <li>Provincial Treasury's discord in its participation as member of Provincial Disposal Committee (as per EXCO Resolution 3 of 2014) opted to seek legal opinion and the decision is still pending.</li> </ul>	Fast-track disposals in the 2024/25 financial year.

### Changes to planned targets

There were no changes to planned targets.

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

There were no sectoral or provincial approved standardised outputs and output indicators for Programme 2. Notwithstanding this, the Department developed its own indicators and these were reflected in the APP and annual report.



### 4.3 Programme 3: Transport Infrastructure

#### Purpose

The purpose of the Programme is to promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.

#### Sub-Programmes

Sub-programmes	Purpose of the Sub-Programmes
Programme Support	Overall management and support of the program.
Infrastructure Planning	<ul style="list-style-type: none"> <li>Provides planning for all modes of transport including the movement of goods and passenger to integrate transport and spatial planning</li> <li>Provides for the planning and co-ordination towards the formulation of provincial transport policies and statutory plans.</li> <li>Planning of integrated modal transport facilities and systems for all modes of transport including non-motorised transport.</li> <li>To promote and improve safety on the transport infrastructure.</li> <li>To facilitate the provision of road safety audits on all roads and transport infrastructure to ensure safe traffic and people movement.</li> <li>The provision of data collection services; research to provide management information systems for the provincial road network. (e.g.: road condition, traffic counts and accident data).</li> </ul>
Design	To provide design of road and transport infrastructure including all necessary support functions such as environmental impact assessments, traffic impact assessments, survey, expropriation, material investigations and testing.
Construction	To develop new, reconstruct, upgrade and rehabilitate road and transport infrastructure.
Maintenance	To effectively maintain road and transport infrastructure.

#### Institutional outcome

An efficient, competitive and responsive economic infrastructure network.

#### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Transport Infrastructure is the Department's largest Programme and the capital investment demonstrates its commitment to improve the provincial road network. Fundamentally, what drives this programme is the need to improve access and mobility to public amenities and economic opportunities. In the past 12 months, several noticeable outputs were registered including the support offered to local municipalities. The continued investment in roads infrastructure will help DPWRT to achieve its priority outcome of improving connectivity and growing the economy through enhancements to the transport network. The following table includes all outputs, performance indicators and targets in line with the tabled APP:



Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviation
<b>Sub-Programme: Planning</b>								
An efficient, competitive and responsive economic infrastructure network	Visual condition assessment of the provincial surfaced road network conducted	Number of kilometers of surfaced roads visually assessed as per the applicable TMH manual	4 393	5 627	3 500	4 496,43	996,43	Additional assessments were conducted based on the available budget.
	Visual condition assessment of the provincial gravel road network conducted	Number of kilometers of gravel roads visually assessed as per the applicable TMH manual	3 583	8 038	3 000	3 068,04	68,04	Additional assessments were conducted based on the available budget.
<b>Sub-Programme: Design</b>								
An efficient, competitive and responsive economic infrastructure network	Roads infrastructure designs completed	Number of Infrastructure designs completed	11	4	6	6	0	None.
<b>Sub-Programme: Construction</b>								
An efficient, competitive and responsive economic infrastructure network	Rural and access roads upgraded	Number of kilometres of gravel roads upgraded to surfaced roads	1	7	16	13	-3	See breakdown below:
		Surfaced roads	-	3	9	9	0	None.
		Paving	-	4	7	4	-3	Budget cuts.
	Rural mobility and accessibility improved	Number of IRMA projects completed	3	5	4	1	-3	Cashflow and rainfall challenges, theft of material and diesel.
	Rural mobility and accessibility improved	Number of Weliswwe projects completed	-	-	16	3	-13	Delays in assessments/ verification of bridge sites by the NDPW and SANDF.
	Contractors participating in the National Contractor Development Programme (NCDP)	Number of contractors participating in the National Contractor Development Programme (NCDP)	-	53	35	35	0	None.
<b>Sub-Programme: Maintenance</b>								
An efficient, competitive and responsive economic infrastructure network	Coal haulage and tourism network rehabilitated	Number of square-kilometers of surfaced roads rehabilitated	-	141 000	358 620	394 470	35 850	Additional output reported from Road P36/1.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviation
	Strategic and access roads resealed	Number of square meters of surfaced roads resealed	495 326	574 360	1 150 000	860 821	-289 179	Contractor cashflow challenges.
	Strategic and rural roads regavelled	Number of km of gravel roads re-gravelled	294	284	249	338	89	High demand due to poor road conditions
	Strategic and access roads patched	Number of square meters of blacktop patching	186 755	204 612	142 000	243 109	101 109	High demand due to poor road conditions.
	Strategic and rural roads bladed	Number of kilometres of gravel roads bladed	20 432	16 792	36 500	22 526	-13 974	Shortage of grader operators.

### Linking performance with budgets

Programme 3 (Transport Infrastructure) spent 96.9% of its budget and achieved 7 of the 12 (58%) planned targets at year end. The expenditure includes Compensation of Employees and related benefits for the staff complement of under all the sub-programmes. There were under expenditure under road

designs, construction and maintenance due various reasons as stated in the table above and below under the heading 'Strategies to overcome areas of underperformance'. More details on the capital works and related challenges per project can be found on page 56 and 57.

### Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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
Programme Support	3,039	3,034	5	2,301	2,301	-
Infrastructure Planning	58,232	58,232	-	61,818	61,818	-
Design	87,070	78,738	8,332	38,635	38,635	-
Construction	888,108	832,945	55,163	741,143	743,601	(2,458)
Maintenance	1,339,845	1,330,521	9,324	1,075,570	1,071,232	4,338
<b>Total</b>	<b>2,376,294</b>	<b>2,303,470</b>	<b>72,824</b>	<b>1,919,467</b>	<b>1,917,587</b>	<b>1,880</b>

### Strategies to overcome areas of under performance

Area of under-performance	Reasons for under-performance	Strategies to overcome area of under performance
Upgrading of gravel roads to surfaced roads (paving)	Project implementation was delayed due to budget cuts and/or limitations.	Paving of Road D567 in Moloto Village (Phase 4) was deferred to the 2024/25 financial year.
Construction of IRMA projects	Projects were not completed due to: <ul style="list-style-type: none"> <li>Cashflow and rainfall challenges on Daggakraal Culvert (D282).</li> <li>Cashflow and resource capacity challenges on Gomora culvert (D2946).</li> <li>Theft of material and diesel on Wittenburg culvert.</li> </ul>	Projects will be closely monitored to ensure achievement in the first quarter of the 2024/25 financial year: <ul style="list-style-type: none"> <li>Daggakraal culvert is 85% completed and planned for completion in April 2024.</li> <li>Gomora Culvert is 98% complete and planned for completion in April 2024.</li> <li>Wittenburg culvert is 75% complete and planned for completion in August 2024.</li> </ul>
Construction of Welisizwe bridges	Delays in assessments/ verification of bridge sites by the NDPW and SANDF.	The SANDF's construction team will commence in other municipalities once all 4 projects in Thembisile Hani is completed (3 of 4 completed).
Surfaced roads resealed	Contractor cashflow challenges.	Cession agreements between supplier and contractor and works to be completed in the next financial year 2024/25.
Blading of gravel roads	Shortage of grader operators.	Request to fill additional posts in the 2024/25 financial year.



**Changes to planned targets**

There were no changes to planned targets.

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

All sectoral or provincial approved standardised outputs and output indicators for Programme 3 were included in the Department's Annual Performance Plan (APP).





#### 4.4 Programme 4: Transport Operations

##### Purpose

The purpose of the programme is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, CBOs, NGOs and the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access.

##### Sub-Programmes

Sub-programmes	Purpose of the Sub-Programmes
Programme Support	Overall management and support of the programme.
Public Transport Services	The management of integrated land transport contracts to provide mobility to the commuters.
Transport Safety and Compliance	To manage/co-ordinate and facilitate the transport safety and compliance in all modes with related legislation, regulations and policies through pro-active and reactive tactics and strategies. This includes the monitoring of public transport operators in terms of national and provincial legislation to ensure safety of commuters.
Transport Systems	To manage and operate public transport systems and the support services required such as; mass movement systems, Intelligent traffic systems, Fare management systems, integrated ticketing system, electronic traffic signs etc.
Infrastructure Operations	To manage transport terminals such as inter modal terminals, air passenger and freight terminals.

##### Institutional outcome

An efficient, competitive and responsive infrastructure network.

##### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department provides public transport to more than 130 300 daily commuters through its bus subsidization scheme. In addition, it facilitates the transportation of approximately 75 000 learners and further regulates public transport operations through its Transport Inspectorate; in partnership with various local municipalities and the Department of Community Safety, Security and Liaison (DCSSL).

The following table includes all outputs, performance indicators and targets in line with the tabled APP:





Outcome	Output	Output Indicator	Audited Actual Performance 2021/ 2022	Audited Actual Performance 2022/ 2023	Planned Annual Target 2022/ 2023	Actual Achievement 2023/ 2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
<b>Sub-Programme: Public Transport Services</b>								
An efficient, competitive and responsive infrastructure network	Effective management of bus subsidy contracts	Number of routes subsidized	154	154	154	154	0	None.
	Effective management of bus subsidy contracts	Number of vehicle kilometers subsidized	27 091 280	26 763 584	26 591 226	26 594 176	2 950	Projections for shut-downs and calendar days were incorrectly calculated.
	Effective management of bus subsidy contracts	Number of trips subsidized	802 318	812 007	822 573	817 933	-4 640	Less trips were operated due to DNO's and standing kilometers.
	Effective management of Scholar Transport Services	Number of scholar transport routes monitored	1 673	1 673	1 680	1 680	0	None.
<b>Sub-Programme: Transport Safety and Compliance</b>								
An efficient, competitive and responsive infrastructure network	Monitoring and enforcement of NLTA	Number of roadside checks conducted	3 774	4 129	3 700	3 911	211	Additional operations conducted for monitoring of scholar transport.
<b>Sub-Programme: Transport Systems</b>								
An efficient, competitive and responsive infrastructure network	Oversight and monitoring of public transport in the Province	Number of Provincial Regulating Entity (PRE) hearings conducted	52	48	48	48	0	None.

### Linking performance with budgets

- Programme 4 (Transport Operations) spent 99,9% of its budget and in the process achieved 5 of the 6 (83%) planned targets at year end. The expenditure includes Compensation of Employees and related benefits for

the staff complement under all the sub-programmes. Expenditure also includes funds spent on coordination of regional logistics and cross border operations along various corridors in Mpumalanga.





## Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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
Programme Support	2,741	2,742	(1)	1,037	1,037	-
Public Transport Services	1,318,249	1,318,130	119	1,275,343	1,271,345	3,998
Operator Licenses Permits	8,077	8,077	-	-	-	-
Transport Safety and Compliance	70,041	70,041	-	65,804	65,804	-
Transport Systems	8,580	8,580	-	14,622	14,622	-
Infrastructure Operations	5,471	5,471	-	5,585	5,585	-
<b>Total</b>	<b>1,413,159</b>	<b>1,413,041</b>	<b>118</b>	<b>1,362,391</b>	<b>1,358,393</b>	<b>3,998</b>

## Strategies to overcome areas of under performance

Area of under-performance	Reasons for under-performance	Strategies to overcome area of under performance
Number of vehicle kilometers subsidized	Less trips were operated due to DNO's and standing kilometers by operators (i.e. Buscor and Putco).	Savings on the Provincial Transport Operations Grant (PTOG) were utilized to off-set the equitable share allocation.

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

All sectoral or provincial approved standardised outputs

and output indicators for Programme 4 were included in the Department's Annual Performance Plan (APP).







4.5 Programme 5: Community Based Programmes

**Purpose**  
The purpose of the programme is to manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme (EPWP).

**Sub-Programmes**

Sub-programmes	Purpose of the Sub-Programmes
Programme Support	Overall management and support of the programme.
Community Development	Programmes to bring about the development and empowerment of impoverished communities.
Innovation and Empowerment	Programmes to develop contractor empowerment, development of new programmes and training.
EPWP Coordination and Monitoring	The management and co-ordination of expenditure on the Expanded Public Works Programme.

**Institutional outcome**  
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised.

**Outcomes, Outputs, Output Indicators, Targets and Actual Achievements**  
The Mpumalanga Province created a total of 38 337 work opportunities in the past year as part of the Expanded Public Works Programme (EPWP) and the main beneficiaries of these jobs were 24 653 women, 17 148 youth and 232 people with disabilities. DPWRT contributed a total of 8 310 of these work opportunities created in the Province. The Programme continued to create the much needed work and training opportunities for the poor, unemployed, youth and women. The EPWP has further provided training to assist job seekers to build the skills necessary to gain employment and create new enterprises.



The following table includes all outputs, performance indicators and targets in line with the tabled APP:

Outcome	Output	O u t p u t Indicator	Audited Actual Performance 2021/ 2022	Audited Actual Performance 2022/ 2023	Planned Annual Target 2022/ 2023	Actual Achieve-ment 2023/ 2024	Devia-tion from planned target to Actual Achieve-ment 2023/2024	Reasons for deviations
Sub-Programme: Community Development								
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Work opportunities created by Provincial Public Works, Roads and Transport	Number of work opportunities created by Provincial Public Works, Roads and Transport	9 430	8 310	12 238	9 337	-2 901	See breakdown below:
		Public Works Sector	1 526	657	1 173	636	-537	Delayed appointments, poor performance by contractors, terminations and community unrests.
		Transport Sector	7 904	7 653	11 065	8 701	-2 364	
Sub-Programme: Co-ordination and Compliance								
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	E m p o w - e r - m e n t P r o - g r a m m e s implemented (NYS, Sakha-bakhi and Si-yatentela)	Number of beneficiary empowerment interventions	3	4	3	3	0	None.
	Interventions Implemented to support Public Bodies in relation to EPWP	Number of interventions implemented to support public bodies in the creation of targeted n u m b e r of work opportunities in the Province	5	3	3	3	0	None.
Sub-Programme: Coordination and Compliance								
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Public bodies reporting on work opportunities created through EPWP	Number of public bodies reporting on EPWP targets within the Province	30	30	30	30	0	None.
Sub-Programme: Coordination and Monitoring								
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Youth work opportunities created	Number of youths employed (18 – 35)	-	3 499	6 731	3 931	-2 800	See breakdown below:
		Public Works Sector	-	557	645	527	-118	D e l a y e d appointments, p o o r performance by contractors, terminations and community unrests. I n s u f f i c i e n t provision of projects focusing on youth.
		Transport Sector	-	2 942	6 086	3 404	-2 682	

Outcome	Output	O u t p u t Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2022/2023	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
	Women work opportunities created	Number of women employed	-	5 899	7 343	6 618	-725	See breakdown below:
		Public Works Sector	-	406	704	366	-338	D e l a y e d appointments, p o o r performance by contractors, terminations and community unrests. I n s u f f i c i e n t provision of projects focusing on women.
		Transport Sector	-	5 493	6 639	6 252	-387	
	People with Disabilities work opportunities created	Number of persons with disabilities employed	-	3	245	8	-237	See breakdown below:
		Public Works Sector	-	3	24	4	-20	Delayed appointments, poor performance by contractors, terminations and community unrests and lack of provision of projects which can accommodate persons with disabilities.
		Transport Sector	-	0	221	4	-217	

### Linking performance with budgets

Programme 5 (Community Based Programmes) spent 99,4% of its budget and in the process achieved 3 of the 7 (43%) planned targets by year end. The expenditure includes Compensation of Employees and related benefits for the staff complement under all the sub-programmes. The budget for this Programme relates to the coordination of EPWP while

the budget for implementation is allocated to the various Programmes, departments and municipalities. Inherently, any adverse developments outside the Department will have a negative impact on the provincial targets. Therefore, there is no direct relationship between the performance and expenditure for this Programme.

### Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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
Programme Support	1,653	1,644	9	1,187	1,187	-
Community Development	43,327	43,122	205	47,812	47,812	-
Innovation and Empowerment	11,467	11,416	51	10,129	10,129	-
EPWP Co-ordination and Monitoring	17,695	17,545	150	15,103	15,103	-
<b>Total</b>	<b>74,142</b>	<b>73,727</b>	<b>415</b>	<b>74,231</b>	<b>74,231</b>	<b>-</b>



### Strategy to overcome areas of under performance

Area of under-performance	Reasons for under-performance	Strategy to overcome area of under performance
Work opportunities created by the Provincial Department of Public Works, Roads and Transport	Delayed appointments, poor performance by contractors, poor project management and performance, terminations and community unrests.	<ul style="list-style-type: none"> <li>Strengthen project management;</li> <li>Enhance public participation.</li> </ul>
Creation of work opportunities for women	Insufficient provision of capital projects focusing on women.	<ul style="list-style-type: none"> <li>Enterprise/SMMs development so that these businesses can graduate to become employers.</li> <li>Job massification focused on women, youth employment (e.g. strengthen partnerships with TVETs and SETAs to ensure placement after training) and people with disabilities (e.g. strengthen partnerships with institutions dealing with PWD and create databases of PWD).</li> </ul>
Creation of work opportunities for youth (18 – 35)	Insufficient provision of capital projects focusing on youth.	
Creation of work opportunities for persons with disabilities	Insufficient provision of projects focusing on people with disabilities.	

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

There are no sectoral or provincial approved standardised outputs and output indicators for Public Works and Infrastructure sector. However, all sectoral or provincial approved standardised outputs and output indicators, as prescribed by the Transport Sector, were included in the Department's Annual Performance Plan (APP).



## 5. TRANSFER PAYMENTS

### 5.1. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024:

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Bus operators X 6	Public transport operators	Bus subsidies	Yes	742,468	742,353	Community protests, trips not operated and blockade by taxi operators.
Provincial Taxi Council	Public transport operators	Training and skill development	Yes	12,000	12,000	None.
All provincial local municipalities	Municipalities	Rates and taxes	Yes	301,462	301,462	None.
Households	Employees	Injury on duty, leave gratuity and claims against the state (cash)	Yes	26,919	29,693	None.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Not applicable.				

## 6. CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds received

The Department received R2, 150, 302 of grant funding and managed to spend R2, 077, 363 (96, 6%) by the end of the financial year. The tables below detail the conditional grants and earmarked funds received for the period 1 April 2023 to 31 March 2024:

#### Conditional Grant 1: Provincial Road Maintenance Grant (PRMG)

Department who transferred the grant	To supplement provincial roads investments and support preventative, routine and emergency, maintenance on provincial road networks.
Purpose of the grant	Improvement of the provincial roads infrastructure.
Expected outputs of the grant	<ul style="list-style-type: none"> <li>358 620 square meters of surfaced roads rehabilitated</li> <li>1 150 000 square meters of surfaced roads resealed</li> <li>249 km of gravel roads re-gravelled</li> <li>142 000 square meters of blacktop patching</li> <li>36 500 kilometers of gravel roads bladed</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>394 470 square meters of surfaced roads rehabilitated</li> <li>860 821 square meters of surfaced roads resealed</li> <li>338 km of gravel roads re-gravelled</li> <li>234 109 square meters of blacktop patching</li> <li>22 526 kilometers of gravel roads bladed</li> </ul>
Amount per amended DORA	1,399,219
Amount received (R'000)	1,399,219
Reasons if amount as per DORA was not received	None.
Amount spent by the department (R'000)	1,326,395
Reasons for the funds unspent by the entity	Community unrest and poor performance by contractors.
Reasons for deviations on performance	Enforcement of contractual conditions (e.g. revised work plans, penalties, terminations, etc.).
Measures taken to improve performance	Performance reports, contractors' and consultants' meetings and physical inspection of progress.
Monitoring mechanism by the receiving department	To supplement provincial roads investments and support preventative, routine and emergency, maintenance on provincial road networks.

**Conditional Grant 2: Public Transport Operations Grant (PTOG)**

Department who transferred the grant	National Treasury.
Purpose of the grant	To provide supplementary funding towards public transport services provided by the provincial department.
Expected outputs of the grant	To provide access to transport facilities for the citizens of the Province.
Actual outputs achieved	<ul style="list-style-type: none"> <li>154 Routes subsidised</li> <li>26 594 176 Kilometers subsidised</li> <li>817 933 Trips subsidised</li> </ul>
Amount per amended DORA	742, 468
Amount received (R'000)	742,468
Reasons if amount as per DORA was not received	Not applicable.
Amount spent by the department (R'000)	742, 353
Reasons for the funds unspent by the entity	Community protests, trips not operated and blockade by taxi operators.
Reasons for deviations on performance	Community protests, trips not operated and blockade by taxi operators.
Measures taken to improve performance	Enforcement of contractual conditions (e.g. penalties) and NLTA (e.g. fines, impoundment, etc.).
Monitoring mechanism by the receiving department	Performance reports, public operators' and commuters' meetings and monitoring of trips and routes.

**Conditional Grant 3: Expanded Public Works (EPWP) Grant**

Department who transferred the grant	National Treasury.
Purpose of the grant	Performance based grant for job creation.
Expected outputs of the grant	Creation of 350 Youth work opportunities.
Actual outputs achieved	350 Work opportunities were created.
Amount per amended DORA	8,615
Amount received (R'000)	8,615
Reasons if amount as per DORA was not received	Not applicable.
Amount spent by the department (R'000)	8,615
Reasons for the funds unspent by the entity	None.
Reasons for deviations on performance	None.
Measures taken to improve performance	EPWP departmental forum established.
Monitoring mechanism by the receiving department	Performance reports and EPWP reporting system and mentorship reports by the mentors.

**7. CAPITAL INVESTMENT****7.1 Capital investment, maintenance and asset management plan**

The table below highlights the overall expenditure for immovable assets (building and transport infrastructure) whose budget was allocated to the Department of Public Works, Roads and Transport.

Infrastructure projects	2023/2024			2022/2023		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	293,000	403,665	(110,665)	120,059	167,522	(47,463)
Existing infrastructure assets	1,913,711	1,656,970	256,741	1,386,358	1,366,828	19,530
Upgrades and additions	643,322	386,003	257,319	425,682	429,054	(3,372)
Rehabilitation, renovations and refurbishments	430,375	442,777	(12,402)	359,620	339,774	19,846
Maintenance and repairs	840,014	828,190	11,824	601,056	598,000	3,056
<b>Infrastructure transfer</b>						
Current	1,366,697	1,453,077	(86,380)	601,056	598,000	3,056
Capital	872,739	860,003	12,736	905,361	936,350	(30,989)
<b>Total</b>	<b>2,239,436</b>	<b>2,313,080</b>	<b>(73,644)</b>	<b>1,506,417</b>	<b>1,534,350</b>	<b>(27,933)</b>



## Infrastructure projects which were completed in the 2023/24 financial year:

Project Name	Scope of work	Targeted Completion Date	Actual completion Date	Reasons for variance
<b>Department of Education</b>				
1. Qokisa Secondary School	Renovations of 16 classrooms, refurbishment of borehole and 16 waterborne toilets and 4 enviro-loo toilets.	20-May-23	11-Apr-23	Project completed ahead of schedule.
2. Manzolwandle Primary School	Renovation of 20 existing classrooms, administration building, laboratory, library, bookstore and computer Centre.	20-Apr-23	12-Apr-23	Project completed ahead of schedule.
3. Thubelihle Primary School	Renovation of 2 x 8 existing waterborne toilets and renovation of 5 x 7 waterborne toilets.	15-Mar-23	13-Apr-23	Adverse effect of weather conditions.
4. Mawewe Primary School	Renovation of 12 existing classrooms and the administration building	16-Apr-23	17-Apr-23	None
5. Laerskool Nelspruit	Renovations to the existing roofs of classroom blocks 1, renovations to the existing roof of classroom block 2, renovations to the existing roof of classroom block blocks 3, renovations to the existing roof of classroom block 4, renovations to the existing roof of the cafeteria building, renovation to the walkways, mechanical and electrical works and external storm water works.	02-May-23	25-Apr-23	Project completed ahead of schedule.
6. Magcekeni Primary School	Renovation of 23 classrooms.	19-May-23	28-Apr-23	Project completed ahead of schedule.
7. Emtfuntini Primary School	Renovation of 30 classrooms and administration block.	13-Jul-23	02-May-23	Project completed ahead of schedule.
8. Nalithuba Secondary School	Drill 1 borehole, refurbish 18 non-functional waterborne toilets.	10-Apr-23	03-May-23	Community unrest, no EoT application, penalties were deducted.
9. Azalea Combined School	Repairs and renovations to 20 classrooms, admin block, 4 computer centre and relocate Grade R mobile.	04-May-23	04-May-23	None
10. Maminza Primary School	Renovation of 20 classrooms.	16-May-23	10-May-23	Project completed ahead of schedule.
11. Emtfonjeni Primary School	Renovation of 14 classrooms.	19-May-23	17-May-23	Project completed ahead of schedule.
12. Ian Mackenzie Secondary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	29-May-23	19-May-23	Project completed ahead of schedule.
13. Chakaza Primary School	Construction of a guard house and provision of security/ perimeter fencing and other related services	24-May-23	24-May-23	None
14. Kwetse Primary School	Construction of a guard house and provision of security/ perimeter fencing and other related services	23-Dec-23	24-May-23	Project completed ahead of schedule.
15. Phola Secondary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	01-Jun-23	24-May-23	Project completed ahead of schedule.
16. Mtimandze Secondary School	Renovation of 18 existing enviro- loo toilets. Construction of 30 new enviro-loo toilets, 8 urinals, 7 wash trough and 1 drinking fountain. Connect to existing water connection and allow for sewer reticulation.	13-Apr-23	29-May-23	Adverse effect of weather conditions, community unrest, riot, strike or lockout and default by nominated sub- contractor or any contracting party.
17. Babutheni Secondary School	Renovation and Refurbishment of existing 16 classrooms and two large classrooms with toilets	18-Aug-23	31-May-23	Project completed ahead of schedule.
18. Matempule Secondary School	Refurbishment and renovation of 16X classrooms and 16 waterborne ablutions	19-Jun-23	31-May-23	Project completed ahead of schedule.

Project Name	Scope of work	Targeted Completion Date	Actual completion Date	Reasons for variance
19. Ditau Secondary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	29-May-23	09-Jun-23	Delay in receiving payment due to Department financial year end, contractor was not able to procure enough building materials to bring the project into practical completion.
20. Makerana Primary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	10-Jun-23	12-Jun-23	Completion date fell on a weekend.
21. Ligugulethu Primary School	Renovations of 18 classrooms	19-May-23	21-Jun-23	EoT approved for contract instruction not occasioned by default by the contractor.
22. Moolman Primary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	29-Jun-23	22-Jun-23	Ahead of schedule.
23. Sindzawonye Primary School	Renovation to 20 classrooms and 7 waterborne toilets	26-Jun-23	22-Jun-23	Ahead of schedule.
24. Nkwenkwezi Primary School	Renovate doors, ceilings, fans and windows and damaged floors on 8 classrooms	23-May-23	23-Jun-23	EoT approved for community unrest, strike and lockout.
25. Silindokuhle Special School	Demolition of the existing 16 pit toilets, construction of new female learner's enviro- loo toilets inclusive of disable toilets as per the norms and standards. Construction of new male learner's enviro- loo toilets inclusive of disable toilets as per the norms and standards. Construction of new female staff enviro- loo toilets inclusive of disabled toilets as per norms and standard, construction of new male staff enviro- loo toilets inclusive of disabled toilets as per norms and standard, construction of two new drinking fountains to address the current need for quality drinking water. Civil/ Structural works inclusive of water reticulation, equipping of borehole and water storage tanks and stand.	16-Mar-23	23-Jun-23	EoT approved for adverse weather conditions.
26. Zithulele Primary School	Demolition of pit toilets, renovation of existing 14 waterborne toilets, conversion of 2 Toilets into 1 disabled toilet, construction of Grade R Centre inclusive of Toilets, Fence, Guard House, Aprons, Mechanical and Electrical work	27-Aug-23	26-Jun-23	Project completed ahead of schedule.
27. EJ Singwane Secondary School	Renovation of 24 classrooms, administration block and 28 enviroloo toilets	26-Jun-23	26-Jun-23	None.
28. HTS Middelburg	Demolition of asbestos structures and Construction of 6 classrooms and additional ablution facilities in line with the Norms and Standards	26-Jun-23	26-Jun-23	None.
29. Bongani Primary School	Renovations to 13 classrooms and administration block	28-Jun-23	20-Jul-23	Ahead of schedule.
30. Mpuluzi Circuit Offices	Refurbishment of existing admin block, renovation of 4 classroom block A, renovation of 4 classroom block B, renovation of existing 8 waterborne toilets	28-Jun-23	10-Mar-23	EoT approved for adverse effect of weather conditions and community unrest, riot, strike or lockout.
31. Pungutsha Secondary School	Refurbishment and renovations to 16 classrooms, administration block laboratory, library and refurbishment of 12 waterborne ablution facilities.	30-Jun-23	16-Jul-23	Project completed ahead of schedule.

Project Name	Scope of work	Targeted Completion Date	Actual completion Date	Reasons for variance
32. Lydenburg Primary School	Refurbishment of 17 classrooms and ablutions	30-Jun-23	30-Aug-23	Project completed ahead of schedule.
33. Jerusalem Secondary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	03-Jul-23	03-Jul-23	None
34. Bonganiven Primary School. Isiyalu Primary School (replaced)	Construction of 15 enviro-loo toilets, 6 WHB, 2 wash trough, 5 urinals, sewer and water reticulation. Equipping a new borehole.	03-Jul-23	3-Jul-23	None
35. Sozama Secondary School	Refurbishment of existing 30 classrooms, 24 waterborne toilets, administration block, 06 laboratories, library, kitchen, demolition of fence and guardhouse and construction of fence, guardhouse with refuse area.	31-May-23	06-Jul-23	EoT approved for inability to obtain materials and goods.
36. Bashele Primary School	Renovate 14 classrooms and office.	29-Jun-23	06-Jul-23	EoT approved for community unrest, riot, strike or lockout.
37. Ehlanzeni District Offices	Maintenance of examination centre (Block L)	05-Apr-23	10-Jul-23	C o m m u n i t y disruptions.
38. Makuke Secondary School	Renovations of classrooms, roof ceiling, plugs & electricity	21-Aug-23	11-Jul-23	Project completed ahead of schedule.
39. LD Moetanalo Secondary School	Renovations to 32 existing waterborne toilets, construction of a Guard house and refuse area, fencing, sewer reticulation, 8 5000L elevated Jojo tanks, fencing around new and existing tanks and 3 drinking fountain.	31-Jul-23	17-Jul-23	Project completed ahead of schedule.
40. Phumulani Primary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	28-Jul-23	26-Jul-23	Project completed ahead of schedule.
41. Nqobangolwazi Secondary School	Demolition of existing 4 classrooms and construction of 4 new classrooms, Repairs and Refurbishment to existing classrooms, toilets and administration block. Implementation of storm water management, Provision of Clear Vu perimeter fencing, Repairs to Electrical and Mechanical works and compliance to fire requirements.	28-Jun-23	28-Jul-23	EoT approved for adverse effect of weather conditions and community unrest, riot, strike or lockout.
42. Khanyisile Primary School	Repairs and refurbishment of 09 classrooms, 01 Grade R classrooms, 01 HOD office, principal's office store room, 03 teachers waterborne toilets and Electrical and Mechanicals works	06-Oct-23	28-Jul-23	Project completed ahead of schedule.
43. Mandlethu Secondary School	Refurbishment and structural repairs of the existing administration block, 16 classrooms, staffroom block, woodwork block, kitchen and laboratory, 3 enviro-loo ablution block, boundary fence, repairs existing parking, honey sucking of the existing septic tank, electrical and mechanical repairs	18-Jul-23	02-Aug-23	None.
44. Hobo Secondary School	Refurbishment of 16 classrooms and administration block, construction of guard house and fencing	15-Jan-24	02-Aug-23	Project completed ahead of schedule.
45. Lefiso Primary School	Renovate 12 waterborne toilets, Refurbishment of existing 11 classrooms, administration block, library, computer centre, kitchen and construction of perimeter fence	18-Aug-23	02-Aug-23	Project completed ahead of schedule.
46. Tekwane Primary School	Renovations and repairs to 18 Classrooms	21-Sep-23	04-Aug-23	Project completed ahead of schedule.
47. Manzini Primary School	Refurbishment of existing 12 Classroom	16-Sep-23	07-Aug-23	Project completed ahead of schedule.



Project Name	Scope of work	Targeted Completion Date	Actual completion Date	Reasons for variance
48. Emoyeni Primary School	Renovation of 2 x 6 waterborne toilets, administration block, 2 x 4 classroom block, construction of guardhouse with refuse area, 1 x 2 classroom block, fence, sewer reticulation and water reticulation	19-Jun-23	08-Aug-23	EoT approved for community unrest, riot, strike or lockout.
49. Bhekithemba Primary School	Demolishing of 4 VIP toilets and Construction of 9 Enviroloo toilets, urinals and 7 concrete wash through (basins), 1 drinking fountain including soakaways and 1 5000L elevated Jojo tank and palisade fence around tank.	25-Aug-23	10-Aug-23	Project completed ahead of schedule.
50. Lindani Primary School	Refurbishment of existing 21 classrooms, administration block, construction of perimeter fence and guard house	24-Aug-23	11-Aug-23	Project completed ahead of schedule.
51. Vandama Primary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	03-Nov-23	16-Aug-23	Project completed ahead of schedule.
52. Mkhutshwa Secondary School	Construction of a guard house and provision of Security/perimeter fencing and other related services	19-Aug-23	16-Aug-23	Project completed ahead of schedule.
53. Sizimisele Primary School	Repairs to 2X4 classroom block (one partitioned to be converted to admin)	21-Sep-23	16-Aug-23	Project completed ahead of schedule.
54. White River Primary School	Waterproofing of concrete walkways, replacement of damaged structural steelwork on walkways, replacement of damaged ceilings, asbestos, fascial boards, paintwork to walls and ceilings and replacement of damaged floor coverings.	24-Dec-23	22-Aug-23	Project completed ahead of schedule.
55. Sidloko Primary School	Renovation and repairs to 2X4 classrooms, 1X4 classroom (used as the Principal's office, staff room, computer centre and 1 classroom)	22-Sep-23	24-Aug-23	Project completed ahead of schedule.
56. KaMagugu Inclusive School	Renovation of the administration block, existing 03 classrooms block with ablution	23-Aug-23	24-Aug-23	None.
57. Ben Matlushe Primary School	Renovation of 17 waterborne toilets and 09 classrooms	20-Sep-23	29-Aug-23	Project completed ahead of schedule.
58. Hoyo Hoyo Secondary School	Renovation of laboratory, school hall and upgrade borehole and renovate 24 waterborne toilets	06-Jul-23	29-Aug-23	EoT approved for inability to obtain materials and goods but exceeded.
59. Nelspruit Primary School	Demolition of 5 asbestos classroom, construction of 12 new classrooms renovation existing classroom into Grade R with related services	15-Feb-23	30-Aug-23	No EoT application submitted, slow performing contractor.
60. Khaliphani Primary School	Repair and refurbishment of 20 classrooms, kitchen, laboratory, library, administration block, maintenance of electricity and provision of ramps.	06-Sep-23	01-Sep-23	Project completed ahead of schedule.
61. Entabamhlophe Combined School	Renovate and repairs to administration block and grade R and 4 classroom block	21-Sep-23	08-Sep-23	Project completed ahead of schedule.
62. Camalaza Secondary School	Renovation of 16 Classrooms and admin space	01-Aug-23	14-Sep-23	EoT approved for community unrest, riot, strike or lockout.
63. Hlulani Primary school	Renovations to 8 existing enviro- loo toilets, construction of 2 new enviro- loo toilets, construction of Guardhouse and refuse area. Refurbishment of fencing, supply water reticulation, 3X 5000L Jojo tanks, fencing around new and existing tanks and 2 drinking fountains.	29-Mar-23	15-Sep-23	EoT no 2 was applied for, pending due to late prime information.

Project Name	Scope of work	Targeted Completion Date	Actual completion Date	Reasons for variance
64. Mshengu Inclusive Primary School	Repairs to the School access roads and storm water drainage	20-Sep-23	18-Sep-23	Project completed ahead of schedule.
65. Khahlela Primary School	Phase 1: Demolition of 14 dilapidated enviro loo toilets, construction of 20 environ loo toilets, 2 drinking fountains, 1 steel stand, steel palisade fencing, water reticulation and borehole equipping including Geo-hydro Investigations. Phase 2: Provision of fence	1-Sep-23	18-Sep-23	Project was put on-hold for a long period due to scope dispute by the School.
66. Zwile Primary School	Removal and replacement of roof trusses and roof coverings to administration block, carports, parking shades, steel members including roof coverings to 2 dilapidated classrooms.	25-Aug-23	19-Sep-23	EoT approved for community unrest, riot, strike or lockout.
67. Lomahasha Secondary School	Repairs to 4 classrooms block and admin block	21-Sep-23	21-Sep-23	None.
68. Manyano Primary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	11-Sep-23	22-Sep-23	EoT approved for community unrest, riot, strike or lockout.
69. Zakheleni Primary School	Full renovation of roofing and fencing and ceiling in classes and admin block	27-Sep-23	26-Sep-23	Project completed ahead of schedule.
70. Tamajane Secondary School	Construction of a guard house and provision of Security/perimeter fencing	27-Sep-23	26-Sep-23	Project completed ahead of schedule.
71. Enzani Primary School	Renovations of 16 classrooms with Grade R classroom	17-Jul-23	27-Sep-23	EoT approved for inability to obtain materials and goods.
72. Senone Primary School	Renovate 2X4 classrooms block and 1X3 classrooms block	20-Sep-23	02-Oct-23	None.
73. Siyancoba Primary School	Renovate and repairs 16 classrooms	30-Sep-23	02-Oct-23	None.
74. Keledi Senior Secondary School	Renovate 4X4 classrooms block and 2X3 classrooms	12-Dec-23	05-Oct-23	Project completed ahead of schedule.
75. Sibusisiwe Secondary School	Demolition of 10 pit toilets, refurbishment of 24 existing waterborne toilets. Construction of 5 enviro- loo toilets, 2 new Jojo tanks and stands, provision of fencing around tanks, water reticulation, refurbishment of existing 4X standard drinking fountain	05-Oct-23	11-Oct-23	EoT approved for community unrest, riot, strike or lockout, but still exceeded therefore penalties applied.
76. Inkunzi Secondary School	Renovations and refurbishment of 16 classrooms block, Block 3: 4X classroom, Block 4: 12 classroom and Administration.	12-Oct-23	12-Oct-23	None.
77. Greendale Combined School	Demolitions and replacement of walkways	06-Aug-23	18-Oct-23	EoT approved for inability to obtain materials and goods.
78. Insika Secondary School	Renovation of 5X 4 classroom block, administration block with staff ablutions, laboratory block with the computer centre, library and toilets. Construction of aprons around buildings.	20-Oct-23	19-Oct-23	Project completed ahead of schedule.
79. Imemeza Secondary School	Renovations and refurbishment to administration block, library, 20X classrooms, 30X waterborne toilets and construction of new perimeter fence including guardhouse and refuse area	18-Aug-23	25-Oct-23	Project exceeded completion date however no EoT submitted and they experience business forum interactions, penalties were applied.
80. Injabulo Secondary School	Repairs 2X4 classroom block	13-Dec-23	25-Oct-23	Project completed ahead of schedule.
81. Highveld Park Combined School	Demolition and replacement of the unsafe pedestrian walkways	27-Oct-23	27-Oct-23	None.

Project Name	Scope of work	Targeted Completion Date	Actual completion Date	Reasons for variance
82. Mbuzini Primary School	Renovations and repairs to the 3X4 classrooms, 1X3 classrooms, 1X5 classrooms, administration block, kitchen, library and computer centre	04-Mar-24	02-Nov-23	Project completed ahead of schedule.
83. Khulani Primary School	Renovate 2X5 classroom block, 1X2 classroom block and admin block	29-Jan-24	17-Nov-23	Ahead of schedule.
84. Endlunkulu Primary School	Renovate 2X5 classroom block, 1X2 classroom block and admin block	31-Oct-23	22-Nov-23	EoT approved for community unrest, riot, strike or lockout, however exceeded by 22 days and penalties were applied.
85. Litho Secondary School	Demolition of 8 classrooms and administration block. Renovation and refurbishment of 14 classrooms and laboratory. Construction of 2 X 4 classrooms blocks and library.	02-Oct-23	24-Nov-23	EoT application was returned back for corrections and was never resubmitted, PA to account for late submission.
86. Kamhola Secondary School	Repairs and refurbishment of 32 learners waterborne toilets seats, 32 classrooms, 04 centres, kitchen, media centre, 07 offices, 09 stores, electrical and mechanical works, construction of Guard house and Fence	14-Jun-24	29-Nov-23	Project completed ahead of schedule.
87. Lungisani Secondary School	Repairs and refurbishment to Administration block including 05 Teachers waterborne toilets seats, 18 Classroom, 01 Science Lab, 01 Consumer centre, 01 Computer centre, Electrical and Mechanical works and construction of Guard house and fence	27-May-24	05-Dec-23	Project completed ahead of schedule.
88. Thembeka Secondary School	Construction of a guard house and provision of Security/ perimeter fencing	05-Dec-23	05-Dec-23	None.
89. Hlabangemehlo Secondary School	Renovation of 5 X 4 classroom block, administration block with staff ablutions, laboratory block with the computer centre, library and toilets. Construction of aprons around buildings.	12-Dec-23	07-Dec-23	Project completed ahead of schedule.
90. Ekwazini Secondary School	Refurbishment of existing 18 waterborne toilets, renovation of 18 classrooms, administration block, Library, School hall and fence	11-Dec-23	11-Dec-23	None.
91. Siyanqoba Secondary School	Provision of perimeter fencing, guard house and basic services (electricity, water and sewer connection)	21-Dec-23	21-Dec-23	None.
92. Ntiyi Secondary School	Renovations and repairs of 2 classrooms, school access roads and storm water drainage	22-Jan-24	17-Jan-24	None
93. Phola Secondary School	Renovate 13 Enviro-loo toilets, 2X4 classroom block, 2X5 classrooms block and admin block	23-Jan-24	23-Jan-24	None
94. Engabezweni Secondary School	Completion renovation of 19 classrooms, administration block and ablution facilities fittings.	14-Jun-24	30-Jan-24	Project completed ahead of schedule.
95. Mbhudula Secondary School	Renovation and repairs to the admin block, science lab, home economics centre, school hall, 6 classrooms, storm water drainage, general site works and paving flooded between classrooms	19-Feb-24	02-Feb-24	Project completed ahead of schedule.
96. Izimbali Combined Boarding School	Repairs of storm damaged facilities: Dormitories - blocks B,C,E,G and H, administration block, dining hall and carports	25-Apr-24	06-Feb-24	Project completed ahead of schedule.
97. Sidlamafa Secondary School	Demolish of dilapidated buildings	12-Oct-23	13-Feb-24	EoT approved for community unrest, riot, strike or lockout



Project Name	Scope of work	Targeted Completion Date	Actual completion Date	Reasons for variance
98. Masana Primary School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	08-Feb-24	21-Feb-24	Delayed payments.
99. Tikhuni High School	Construction of a guard house and provision of Security/ perimeter fencing and other related services	06-Mar-24	19-Feb-24	Project completed ahead of schedule.
100. Setsheng Secondary School	Demolition of unsafe structures, refurbishment of admin block, library and 03 classrooms block.	15-Feb-24	04-Mar-24	EoT approved for community unrest, riot, strike or lockout.
101. Tshokolo Primary School	Construction of a guard house and provision of security/ perimeter fencing and other related services	15-Mar-24	13-Mar-24	None.

#### Department of Health

1. Bethal Hospital	Upgrading and alteration to include Task 1: Demolition of ward 3, 5, 6, pharmacy, filling station, residence on adjoining site, garden buildings, medical class, including site works etc. 2 New hostels, doctor's accommodation, alteration to laundry. Task 2: Demolition of nursing training centre, mortuary, stores, EMS, nurses home, Doctor's flats and accommodation, pre-school, lecture room, mobile school, asset store and wellness clinic. Construction of new wards, kitchen, mortuary, gas bank, laboratory, high care, theatre, casualty, x-ray, dental, OPD, waste collection, guardhouses and site related works. Task 3: Demolition of ward 1, theatre, kitchen, human resources, admin, ward 2, x-ray, construction of new admin, stores, allied health and site related works.	03-Jul-23	26-Apr-23	Poor performance by contractor.
2. Mapulaneng IBT Structure	Construction of new maternity ward	08-Sep-23	08-Sep-23	None.
3. Rob Ferreira Hospital (Phase 2A)	Repairs and Upgrades to Electrical installations, Mechanical installations, Fire installations and related building works. Provision and installation of scaffolding and mobile cranes.	10-Feb-24	05-Mar-24	Poor performing contractor resulting in the involvement of a session contractor to complete the work.
5. Rob Ferreira Hospital (Phase 2B)	2B - Alterations to builders work, wet works, duct covers and decking, balustrades, structural steel and paintwork, as well as plumbing and drainage to the existing nurses' accommodation.	10-Feb-24	05-Mar-24	A session contractor was appointed to complete the works due to a poor performing contractor.
4. Rob Ferreira Hospital (Phase 2C)	Repairs, renovations and rehabilitation of all carpentry, joinery, ceilings, ironmongery, metalwork, aluminium doors, windows and shopfronts, tiling, paintwork to the existing nurses accommodation	30-Jun-23	05-Mar-24	Poor performing contractor resulting in the involvement of a session contractor to complete the work.
6. Rob Ferreira Hospital (Phase 2D)	Repairs and upgrades to nursing accommodation.	10-Feb-24	05-Mar-24	A session contractor was appointed to complete the works due to a poor performing contractor.

#### Department of Social Development

1. Daantjie Youth Development Centre	Construction of a new Youth Development Centre	30-Jun-23	30-Jun-23	None.
2. Morgenzon Branch Office	Provision of mobile Office, fencing, drilling of a borehole and services	03-Aug-23	22-Aug-23	Delay in the power supply connection by Eskom.

Project Name	Scope of work	Targeted Completion Date	Actual completion Date	Reasons for variance
3. Leroro Branch Office	Dismantling, relocation and construction of mobile offices	21-Dec-23	21-Dec-23	None.
4. Swartfontein Combo Courts	Construction of 2 x combo courts	05-Mar-24	05-Mar-24	None.
5. Nkangala In Patient Youth Centre	Construction of 2 x combo courts	31-Mar-24	11-Mar-24	Completed ahead of schedule.
<b>Department of Culture, Sport and Recreation</b>				
1. Emjindini Public Library	Renovations and repairs	27-Jun-23	27-Jun-23	None.
2. Saul Mkhize Public Library	Renovations and repairs	27-Jun-23	27-Jun-23	None.
3. Libangeni Public Library	Renovations and repairs	30-Jun-23	29-Jun-23	None.
4. Maphotla Library	Renovations and repairs	30-Jun-23	29-Jun-23	None.
5. Kwamhlanga Combo Courts	Construction of double combo courts	28-Jul-23	19-Jul-23	None.
6. Jeppes Reef Combo Courts	Construction of double combo courts	23-Jul-23	08-Aug-23	Poor performing contractor.
7. Nomoya Masilela Museum	Renovations and repairs	30-Jun-23	28-Sep-23	Poor performing contractor.
8. Cassim Park Library	Renovations and repairs	31-Oct-23	31-Oct-23	None.
9. Silindile Public Library	Renovations and repairs	30-Nov-23	09-Nov-23	Completed ahead of schedule.
10. Grootvlei Public Library	Renovations and repairs	30-Nov-23	09-Nov-23	Completed ahead of schedule.
11. Funda Public Library	Renovations and repairs	04-Dec-23	21-Nov-23	Completed ahead of schedule.
12. Emanzana Combo Courts	Construction of double combo courts	21-Jul-23	21-Nov-23	Scope changes on site.
13. Phola Public Library	Renovations and repairs	06-Dec-23	30-Nov-23	Completed ahead of schedule.
14. Hluvukani Public Library	Renovations and repairs	18-Dec-23	07-Dec-23	Completed ahead of schedule.
15. Msogwaba Public Library	Renovations and repairs	30-Nov-23	14-Dec-23	C o m m u n i t y disruptions.
<b>High Altitude Training Centre (HATC)</b>				
1. High Altitude Training Centre	Bulk water supply pipeline construction, Section 1	31-May-23	23-May-23	Completed ahead of schedule.
2. High Altitude Training Centre	Bulk water supply pipeline construction, Section 2	31-Aug-23	30-Nov-23	Delays due to supply of unreliable material.
3. High Altitude Training Centre	Bulk water supply pipeline construction, Section 3	31-Aug-23	31-Aug-23	None.
<b>Kwahlanga Government Complex</b>				
4. KwaMhlanga Government Complex	Upgrading of the existing water reticulation system	18-Nov-23	15-Nov-23	Completed ahead of schedule.
5. KwaMhlanga Government Complex	Maintenance and repair work to Buildings 2, 3, 4, 6, 7, 8 and 16.	18-Nov-23	15-Nov-23	Completed ahead of schedule.
<b>Transport Infrastructure</b>				
1. Road P57/2 Rock-fall protection	Protecting of rock face to prevent rock from falling onto the road – patching and installing of storm water channel	30-May-23	17-Aug-23	Contractor had cash flow challenges.
2. Road D2486 N2-Klipwal Phase 1	Light rehabilitation of road (9 km)	30-Aug-23	13-Nov-23	Contractor had cashflow challenges.

Project Name	Scope of work	Targeted Completion Date	Actual completion Date	Reasons for variance
3. Road D1875 Gembokspruit-Tweefontein	Upgrading from gravel to block paving (2 km)	30-May-23	04-Jul-23	Adverse weather conditions and contractor had cash flow challenges.
4. Road D567 Moloto Village	Upgrading from gravel to block paving (2 km)	30-May-23	06-Sep-23	Contractor had cash flow challenges and community disputes.
5. Bridge on Road D4400 Sand River near Rolle	Construction bridge and extra lane on existing bridge`	31-May-23	19-Dec-23	Adverse weather conditions and contractor cash flow challenges.
6. Road P29/1 Delmas	Rehabilitation of road (12.55 km)	30-Sep-23	01-Mar-24	Contractor had cash flow challenges.
7. Road D3976 Mathibela - Phase1	Upgrading from gravel to block paving (1 km)	30-Mar-23	07-Mar-24	Contractor had cash flow challenges.
Welisiswe Bridges				
1. Zakheni-Leratong	Construction of Bailey Bridge	20-Dec-23	12-Mar-24	Delays in assessments / verification of bridge sites by the NDPW and SANDF.
2. Vezubuhle-Sun City	Construction of Bailey Bridge	20-Dec-23	27-Mar-24	
3. Rietfontein	Construction of Bailey Bridge	20-Dec-23	27-Mar-24	
Integrated Rural Mobility And Access (IRMA) Projects				
1. kaShoty Culvert on Road D4415	Reinstatement of washed away culvert	30-Jun-23	14-Jun-23	Contractor had cashflow challenges.

**Building maintenance projects that were completed by the DPWRT during the 2023/24 financial year:**

Project name	Scope of work	Targeted completion date	Actual completion date	Reasons for variance
Ehlanzeni District				
1. State Garage	Renovations of the State Garage (phase 2)	31-Mar-24	20-Jul-23	Completed ahead of schedule.
Gert Sibande District				
1. Batho Pele Laboratory	Renovation of laboratory	31-Mar-24	26-Oct-23	Completed ahead of schedule.
2. Bethal Boiler House	Renovation of Boiler House	31-Mar-24	31-Oct-23	
3. Mkhondo Cost Centre	Renovations of Cost Centre	31-Mar-24	23-Jan-24	
4. Mayflower Cost Centre	Renovation of Cost Centre hall	31-Mar-24	08-Feb-24	
Nkangala District				
5. Thembisile Hani Cost Centre	Renovation of stores and replacement of blinds	31-Mar-24	10-Aug-23	Completed ahead of schedule.
6. Victor Khanye Cost Centre	Erecting of fence (ClearVu) (phase 2)	31-Mar-24	04-Oct-23	
7. Kwaggafontein Offices	Renovation of Roads offices and workshop	31-Mar-24	05-Dec-23	
8. Kwamhlanga Technicon offices	Renovations of former Technicon offices	31-Mar-24	11-Dec-23	
9. Dr JS Moroka Cost Centre	General Renovations of Cost Centre (Roads offices)	31-Mar-24	15-Feb-24	



## The following projects were not completed in the 2023/24 financial year:

Project name	Scope of work	Targeted completion date	Revised completion date	Reasons for the delays
<b>Department of Education</b>				
1. Mkhondo Boarding School (new)	Construction of 28 classrooms, admin block, library, computer laboratory, science laboratory, 8 ablution blocks, dining/ multi/ purpose hall, 8 dormitories, 3 grade R accommodation, guard house, rails , ramps, parking, paving, fence, water supply, electricity, sewerage and storm water.	21-Sep-20	30-Jun-24	Budget constraints for 2021/22 and community disruptions.
2. Mgobodi Primary School	Demolition of 15 classrooms, admin block, grade r centre, kitchen and guard house. Refurbishment of 04 classrooms. Construction of 19 new classrooms, 2 grade R centres, library, admin block, media centre, kitchen, guard house, electricity, water, ramps & rails, car park and 02 sports fields.	02-Oct-24	27-Nov-24	Project is behind schedule due to discovery of underground water seepage which had to be resolved,
3. Laerskool Laeveld	Demolition of 5 asbestos classrooms, construction of 13 new classrooms with related services.	30-Nov-23	30-Jun-24	Project was initially delayed due to termination of PA and Engineer and appointment of new PA's. Further delays due to payment delays.
4. Mvuzo Primary School	Renovation of existing administration block, 22 classrooms and 36 existing waterborne ablutions.	24-Jan-24	11-Apr-24	Project is behind schedule due to community unrest.
5. Tsembaletfu Primary School	Construction of a guard house and provision of security/ perimeter fencing and other related services.	28-Oct-22	29-Mar-24	Project is behind schedule due to incorrect installation of a fence which had to be redone.
6. Goebram Primary School	Demolition of 6 pit toilets, renovation of 09 waterborne toilets and construction of 06 enviro loo with 2 urinals.	15-May-23	29-Mar-24	New contractor appointed and the scope has been revised from Environ-loo to Waterborne.
<b>Department of Health</b>				
1. Middleburg District Hospital	Planning and construction of a new district hospital (Design and build)	28-Jul-23	30-Apr-24	Delayed compliance inspections by local municipality.
2. Middleburg District Hospital	Planning and construction of a new district hospital (Bulk Services - Sewer)	28-Jul-23	30-Apr-24	Delayed compliance inspections by local municipality.
3. Middleburg District Hospital	Planning and construction of a new district hospital (Bulk Services - Water)	28-Jul-23	30-Apr-24	Delayed compliance inspections by local municipality.
4. Mmamethlake Hospital	Alterations and additions to existing Hospital (Phase 3)	10-Jun-22	31-May-24	Revision of scope of work to include the installation of solar panels at the Hospital.
5. KaNyamazane Community Health Centre	Construction of a new Community Health Centre and accommodation Units including associated external works	10-Dec-23	28-Jun-24	Project delayed by community disruptions.
<b>Department of Social Development</b>				
1. Msogwaba Youth Development Centre	Completion of construction of youth development centre (YDC)	30-Oct-23	20-May-24	Project delayed by community disruptions.
<b>Department of Economic Development &amp; Tourism</b>				
1. Mpumalanga International Fresh Produce Market	Construction of the new Mpumalanga International Fresh Produce Market	25-Mar-22	20-Mar-24	Project delayed due to delayed payments; contractual disputes and community disruptions.

Project name	Scope of work	Targeted completion date	Revised completion date	Reasons for the delays
<b>High Altitude Training Centre</b>				
1. High Altitude Training Centre	Construction of bulk water supply: 7ml reservoir and sewer pump stations infrastructure	25-Mar-22	30-Dec-24	Community disruptions and the contractor has abandoned site. A new sub-contractor was appointed to complete the works.
<b>Transport Infrastructure</b>				
1. Road P36/1 Delmas-N12	Rehabilitation of road (9.1km)	30-Nov-23	30-Jun-24	Contractor had cash flow challenges.
2. Road D2274 N11-Hendrina	Upgrading from gravel to surface road, construction of 2 new bridges and one culvert (13km)	31-Mar-23	30-Jun-24	Contractor had cash flow challenges.
3. Road D2950 Mananga	Rehabilitation of road (6 km)	30-Nov-23	30-Jun-24	Adverse weather conditions and procurement processes for river crossing subcontractor.
4. Bridge on Road D4422 Kumani near Thulamahashe	Construction of bridge and upgrade of 5 km gravel to surface	31-Jan-24	31-Jul-24	Contractor had cash flow challenges.
5. Road P8/1 Mashishing Bambi - Phase 3	Rehabilitation of road (11 km)	31-May-20	31-Oct-24	Contractor had cash flow challenges.
6. Road D481 Embhuleni to Manhaar	Upgrading from gravel to surface (7 km)	30-Sep-23	31-Oct-24	Community disputes between the two involved wards and a court interdict delayed the project by 4 months.
<b>Welisizwe Rural Bridges</b>				
1. Zakheni Ward 4 (Thembisile Hani)	Construction of Bailey Bridge	31-Dec-23	30-May-24	Only one team from SANDF is deployed.
2. Mjejane Ward 33 (Nkomazi)	Construction of Bailey Bridge	30-Mar-24	30-Jun-24	Only one team from SANDF is deployed.
3. Boshfontein, Skoonplus Ward 23 (Nkomazi)	Construction of Bailey Bridge	30-Mar-24	30-Jun-24	Only one team from SANDF is deployed.
4. Jeppes Reef Gap 1 Ward 29 (Nkomazi)	Construction of Bailey Bridge	30-Mar-24	30-Jun-24	Only one team from SANDF is deployed.
5. Buffelspruit Gap 1 Ward 33 (Nkomazi)	Construction of Bailey Bridge	30-Mar-24	30-Jun-24	Only one team from SANDF is deployed.
6. Buffelspruit Gap 2 Ward 33 (Nkomazi)	Construction of Bailey Bridge	30-Mar-24	30-Jun-24	Only one team from SANDF is deployed.
7. Mathipe Village (Bushbuckridge)	Construction of Bailey Bridge	30-Mar-24	30-Sep-24	Only one team from SANDF is deployed.
8. Tsakane Village (Bushbuckridge)	Construction of Bailey Bridge	30-Mar-24	30-Sep-24	Only one team from SANDF is deployed.
9. Alexandria Bhejane (Bushbuckridge)	Construction of Bailey Bridge	30-Mar-24	30-Sep-24	Only one team from SANDF is deployed.
10. Petanenge (Hlanganani) (Bushbuckridge)	Construction of Bailey Bridge	30-Mar-24	30-Sep-24	Only one team from SANDF is deployed.
11. Dlamini A-B (Chief Albert Luthuli)	Construction of Bailey Bridge	30-Mar-24	30-Sep-24	Only one team from SANDF is deployed.
12. Elukwatini Nhlatatje (Chief Albert Luthuli)	Construction of Bailey Bridge	30-Mar-24	30-Sep-24	Only one team from SANDF is deployed.
13. Nhlatatshe 4 Chief Albert Luthuli)	Construction of Bailey Bridge	30-Mar-24	30-Sep-24	Only one team from SANDF is deployed.
14. Belvedere (Chief Albert Luthuli)	Construction of Bailey Bridge	30-Mar-24	30-Sep-24	Only one team from SANDF is deployed.

Project name	Scope of work	Targeted completion date	Revised completion date	Reasons for the delays
<b>Integrated Rural Mobility and Access (IRMA) projects</b>				
1. Culvert on Road D2946 Gomora	Construction of a Culvert Bridge	30-Mar-24	30-Apr-24	Adverse weather conditions and contractor had cashflow challenges.
2. Culvert on Road D2232 Wittenberg	Reinstate washed away culvert	30-Mar-24	30-May-24	Under-resourced (internally executed) and diesel theft.
3. Culvert on Road D282 Daggakraal	Reinstate of washed away culvert	30-Mar-24	30-Jun-24	Delay in the issuing of the design drawings and approval.

The following are multi-year projects that are currently in progress and will be completed in the next financial year(s):

Project Name	Scope of work	Targeted Completion Date
<b>Department of Education</b>		
1. Silulu Secondary School	Construction of 28 classrooms, school hall, science laboratories, admin block, library, computer centre, kitchen, toilets, fence, guardhouse, ramps and rails, media centre, sports fields.	03-Apr-25
<b>Department of Health</b>		
1. New Mapulaneng Hospital	Construction of Top Structures (OPD and Others) (Phase 3 B).	17-Mar-25
2. New Mapulaneng Hospital	Construction of Top Structures (OPD and Others) (Phase 3 C).	17-Mar-25
3. New Mapulaneng Hospital	Construction of Top Structures (OPD and Others) (Phase 3 A).	07-Jul-26
<b>Department of Social Development</b>		
1. Acornhoek Branch Office	New offices	21-Apr-25
2. Thaba Chweu Branch Office	New offices	23-May-25
<b>Department of Culture, Sport and Recreation</b>		
1. Simile Public Library	Upgrading of library (maintenance)	31-Jul-24
2. Mmamethlake Library	Construction of new community library	14-Nov-24
<b>Transport Infrastructure</b>		
1. Road D4407, D4409 - D4416 Hluvukani (14.28km)	Upgrading from gravel to surface	30-Jul-24
2. Road P33/4 Hazyview - Sabie Phase 2 (7.7km)	Rehabilitation of road	31-Jan-25
3. Road D3960 & D4442 Gamotibidi - Rainbow (12.8km)	Upgrade from gravel to surface	31-Mar-25
4. Road D3969&D4385 from D4381-D4382 Belfast Justicia (13.6km)	Rehabilitation and upgrading of road	20-Dec-25



Plans to close down or down-grade any current facilities

The Department submitted a request to the Executive Council for approval to sell state owned houses. Various proposals were suggested to ensure that all stakeholders are acknowledged in the decision i.e. current occupants, labour and government. In addition, 1 property was disposed/donated for land tenure upgrade.

Progress made on the maintenance of infrastructure

The main activities carried out for infrastructure maintenance included routine and preventative works for both building and transport infrastructure. To implement strategic asset management principles, the Department leveraged on the results from the condition assessment on state-owned buildings and Road Asset Management System (RAMS). However, the current funding levels for infrastructure maintenance is inadequate to achieve the prescribed standards for asset management or make positive impact on the existing maintenance backlog.

Developments relating to the above that are expected to impact on the Department's current expenditure

Public Works

A total of 10 building maintenance projects were completed at various regions in line with the Government Immovable Asset Management Act, (GIAMA). There is still a need to improve communication and processes to manage changes to the infrastructure plans between the client departments and implementing agent through enhancement of the existing Service Level Agreements (SLAs). The number of projects implemented by DPWRT had a huge impact on the expenditure of both the Department and its client departments.

Transport Infrastructure

The overall road network condition continues to deteriorate albeit at a low rate but this causes the maintenance backlog to grow every year. The reduced budget allocations limit the maintenance interventions that can be carried out across the Province. This trend may continue unless the Province starts to invest more on road infrastructure instead of relying on the road maintenance grant received from Treasury each financial year which in fact was meant to supplement equitable share. In the meantime, measures such as reseals, fog-sprays and re-graveling are implemented to delay the deterioration of an existing road network, thereby extending its lifespan while additional funding is being sourced.

Changes in the Asset Holdings

The asset holdings of the Department have changed over the 2023/24 financial as follows (R'000):

The asset holdings of the Department have changed over the 2023/24 financial as follows (R'000):

Opening Balance	R 832,594
Adjustments	R -
Disposals	(R 8,496)
Additions	R 16,085
Total	R 840,185

Of the R840, 185 million, the Department spent R16, 084 million to acquire the following movable additional assets (R'000):

Transport Assets	R 8,168
Computer Equipment	R 3,393
Furniture & Office Equipment	R 1,828
Other machinery & Equipment	R 2,695
Total	R 16,084

Disposal of assets

The Department disposed movable assets amounting to R9, 734 million during the period under review.

A total of two (2) auctions were held as follows:

Region	Month	Amount (R '000)
Nkangala	January 2024	1,380
Ehlanzeni	January 2024	4,230
Total		5,610

Material losses

Material losses to the value of R 2,914 million were recorded for the 2023/24 financial year.

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

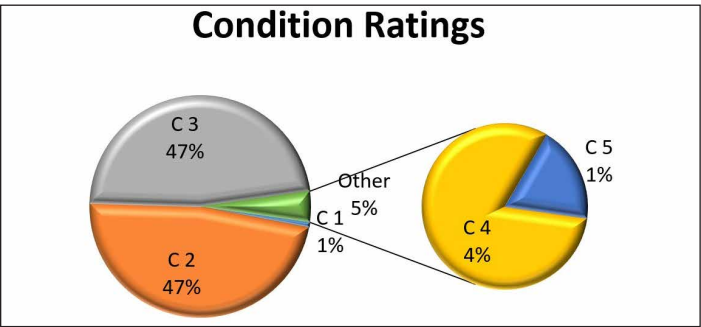
Measures taken to update the register include bar coding, physical verification and reconciliation of all assets according to the Asset Management Policy. The asset base of the Department is recorded in its Asset Register. Other controls include performance asset inspections on buildings are undertaken on a monthly basis. Planned inspections are undertaken on provincially owned property. User Departments are also required to inspect and report on the buildings under their control in their User Asset Management Plans (UAMPs).

The current state of the capital assets i.e. what percentage is in good, fair or bad condition is as follows:

State accommodation

The Department of Public Works, Roads and Transport's (DPWRT's) immovable asset portfolio consists of 5 346 facilities (some on unsurvey land) with estimated required maintenance budget of R2.53 billion over a 5 year period. Noteworthy is that user departments are responsible to budget for maintenance works while the custodian advises and provide the necessary technical expertise. It therefore goes without saying that this Department relies heavily on availability of funds from client departments hence the focus has been on routine instead of preventative maintenance. To address this, the Department will be reviving the discussions about the 2% set aside for maintenance by all departments which was pronounced during SOPA 2019.

The pie chart below provides a breakdown of the condition rating of state accommodation as determined by User Department's - User Asset Management Plans (UAMPs) and Custodian Asset Management Plan (CAMP). The rating is utilized to give a brief indication of the physical condition of the asset (It should be noted that this is not a technical condition assessment but a user perception). According to the chart, the average condition of the buildings utilised by the Province is at 47% for C3 (fair) and 47% for C2 (poor) status. This implies that there was a slight improvement in condition of buildings from C2 to C3. Below is the percentage of condition rating per category:

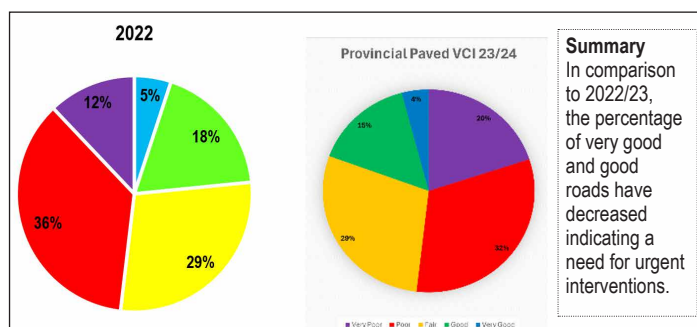


- C1 (1%) - these assets have failed; are not operational and are unfit for occupancy. Risk Index: Accommodation is unusable, immediate high risk to security, health and safety or property. Significant cost impact can be expected.
- C2 (47%) - these assets have deteriorated badly, with some structural problems. General appearance is poor with eroded protective coatings; elements are broken, services are interrupted; significant number of major defects exists. Risk Index: Many disruptions to service capability, some risk to health and safety or property. High cost implication.
- C3 (47%) - these assets are in average condition, deteriorated surfaces require attention; services are functional but require attention, backlog maintenance work exists. Risk Index: Frequent inconvenience to operations. Some risk to health and safety or property. Medium cost implications
- C4 (4%) - these assets exhibit superficial wear and tear, with minor defects and minor signs of deterioration to surface finishes.
- C5 (1%) – these assets have no apparent defects. Appearance is as new. Risk Index: No effect on service capability. No risk.

### Provincial paved road network

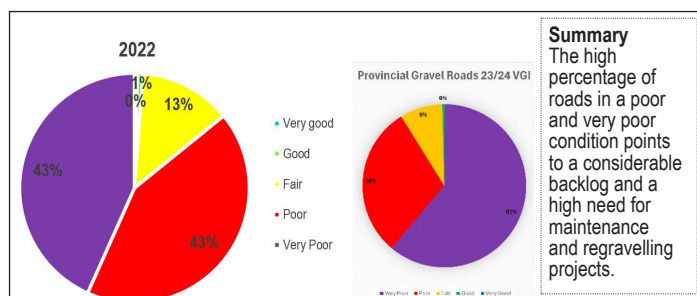
The Department is responsible for approximately 13 868 kilometres of the provincial road infrastructure network that interconnects municipal areas, other provinces and neighbouring countries. The strategic importance of the provincial road network is mainly based on the following: (i) Mpumalanga generates almost 75% of the country's electricity hence the strategic importance of the coal haulage network to ensure energy security. (ii) Transport infrastructure plays a critical role in promoting tourism growth by allowing tourists to access and enjoy Mpumalanga's vast tourist attractions and (iii) Mpumalanga is one of South Africa's important agricultural regions and plays a key role in its export profile and is also an important lifeline for food security.

### • Road Condition – Visual Condition Index (VCI) vs. Length (km)



Source: Roads Asset Management System 2023 and 2024

### Road Condition – Visual Condition Index (VCI) vs. Length (km) – Unpaved



Source: Roads Asset Management System 2023 and 2024

### Other Assets

The asset condition on the table below was compiled using the National Treasury Guidelines on asset condition at the time of asset verification. The categorization provides a clear understanding of the state of assets, helping in decision-making regarding maintenance, repair, or replacement strategies.

Name	Excellent	Good	Fair	Poor
Computer equipment	11%	56%	28%	5%
Furniture and office equipment	2%	31%	63%	4%
Other machinery and equipment	6%	45%	45%	4%
Specialised military assets	0%	96%	1%	3%
Transport equipment (white fleet)	9%	45%	44%	2%
Road construction equipment (yellow fleet)	7%	54%	33%	6%

#### ▪ Excellent Condition:

These assets exhibit minimal signs of wear and tear, if any. They function flawlessly, meeting or exceeding performance expectations. The maintenance history shows regular servicing and proactive upkeep and these assets have a long remaining useful life and require minimal immediate attention.

#### ▪ Good Condition:

Assets in good condition may show slight signs of wear but are generally well-maintained. They operate reliably, though occasional minor issues may arise. The maintenance records indicate regular servicing, with some preventive measures taken. While not perfect, these assets still have a significant remaining useful life and perform satisfactorily.

#### ▪ Fair Condition:

Assets in fair condition display noticeable wear and may require more frequent maintenance. They function adequately but may experience occasional breakdowns or performance dips. The maintenance history might show some gaps or reactive repairs rather than proactive maintenance. Their remaining useful life may be shorter and they might require more attention to ensure continued functionality.

#### ▪ Poor Condition:

Assets in poor condition show significant wear and may be nearing the end of their useful life. They frequently experience breakdowns or fail to meet performance standards. Maintenance has likely been neglected, with sporadic or no servicing recorded. Replacement or extensive refurbishment may be necessary soon to maintain operational efficiency and safety. These assets are ready/await disposal.









PART

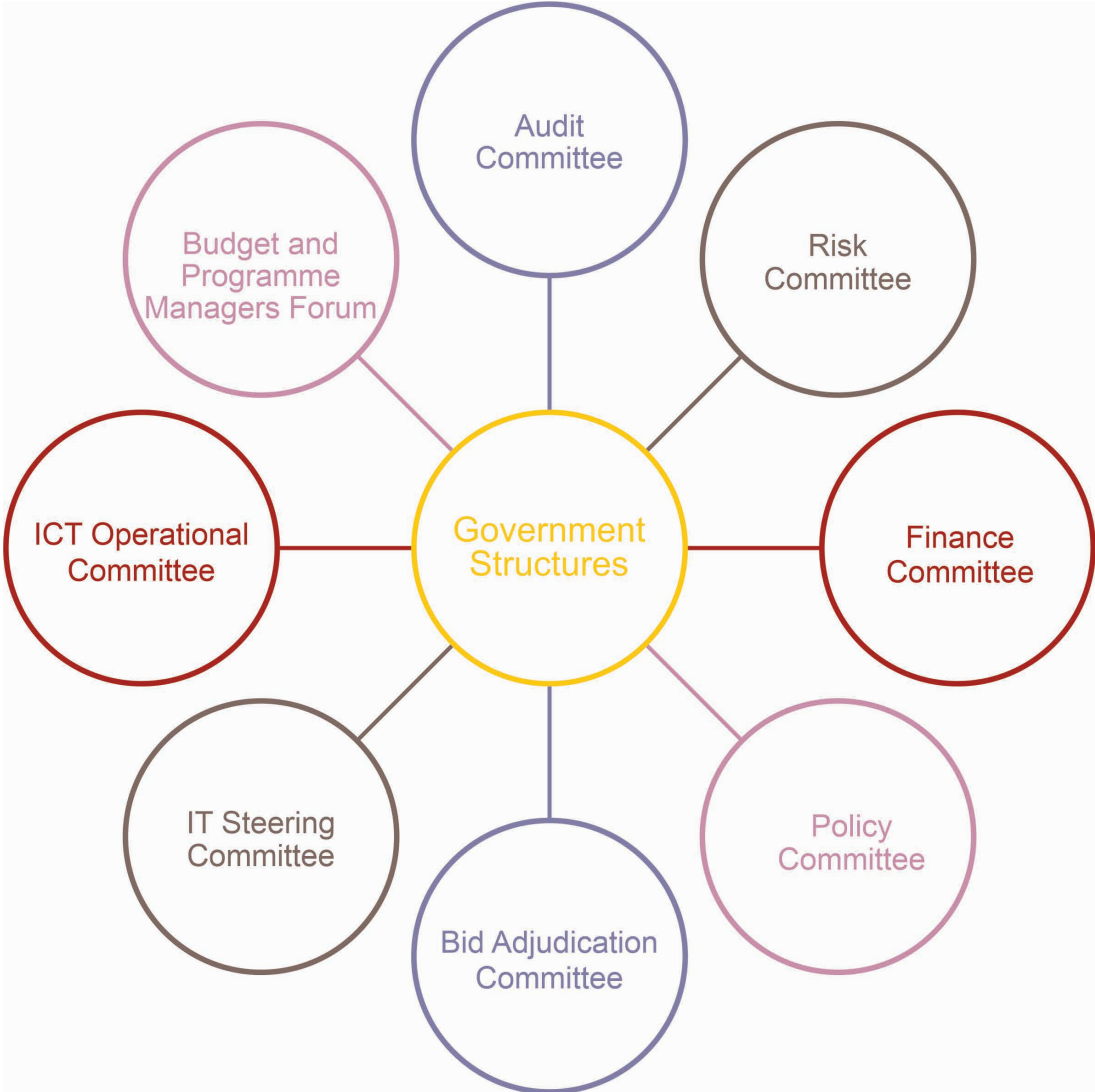
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GOVERNANCE

1. INTRODUCTION

The Department has a number of internal controls (e.g. policies, standard operating procedures, frameworks, etc.) to guide its everyday business practices. Over and above this, a number of internal accountability forums and committees are in place to ensure good governance and transparency.

Combined, these provide assurance that public money and resources are used effectively and efficiently. Such a governance regime, draws together principles from various prescripts that drive the organization's performance whilst enabling oversight of accountabilities. Monthly and weekly meetings are held to set strategic direction, monitor, evaluate and report on the following key performance areas:



## 2. RISK MANAGEMENT

The Department has an approved Risk Management Policy, Risk Management Strategy and Risk Management Implementation Plan, which are reviewed annually to ensure that the policy's application remains relevant and comprehensive. The total number of risks increased from 104 in the 2022/23 financial year to 106 in the 2023/24 financial year which includes an additional strategic and operational risk. The Risk Assessment are performed annually per programme where all risks are identified for the financial year, thereafter the Risk Registers is circulated to all Directorates in order to provide monthly progress reports. On a monthly basis the risk progress reports are submitted to the Risk Management Directorate where after progress reports are submitted to the Head of Department. New and emerging risks are identified and included in the risk register on a monthly basis. The risk management report has been enhanced to include Auditor General Audit Remedial Action Plan, litigation, labour cases, IT information, the financial and performance report. The management of risks is showing an improvement into the Department's performance. The Head of Department has appointed a Departmental Risk Management Committee that is chaired by an external Risk Management advisor and reports to the Accounting Officer and Audit Committee on a quarterly basis.

## 3. FRAUD AND CORRUPTION

Any cases of fraud can be reported to the fraud and corruption hotline, Public Protector, Presidential Hotline, Public Service Commission. All cases reported are investigated either by our Department or the Integrity Management Unit located in the Office of the Premier and depending on the outcome of the investigations, the cases are handed over to Labour Relations to take the appropriate disciplinary actions for officials. The Department is committed to deal with fraud and corruption in terms of the Public Service Coordinating Sectoral Bargaining Council (PSCBC) Resolution 1 of 2003 as well as the Labour Relations Act 66 of 1995 as amended and other applicable prescripts. Unauthorised, Irregular expenditure as well as lack of consequence management as reported by the Auditor-General impact the operating efficiency of the Department. The Department has an approved Fraud Prevention Policy, Whistle Blowing Policy, Fraud Prevention Plan and Ethics Management Strategy and does not tolerate any fraud and corruption related activities from employees, including doing business with the state.

## 4. MINIMISING CONFLICT OF INTEREST

All SMS members submitted their Financial Disclosures for the 2023/24 financial year as per the Directive issued by Minister of Public Service and Administration (MPSA) in terms of section 41(3) of the Public Service Act, 1994 read with the Amended Public Service Regulations (PSR) 2016. Furthermore, members of the Audit Committee, Risk Management Committee and Fraud and Ethics Committee sign a declaration of interest during each meeting indicating whether they have interest or not. The Department's SCM unit further ensures that all suppliers complete the SBD4 form before a contract is awarded. Service providers who failed to complete the prescribed declaration forms (SBD4) are disqualified. The National Treasury Database of Restricted Suppliers and the CSD are also verified prior to award to ensure that restricted service providers are disqualified. The Department further issued a circular that prohibits employees in the public service and special advisors from conducting business with the state and making it a criminal offence to do so without permission.

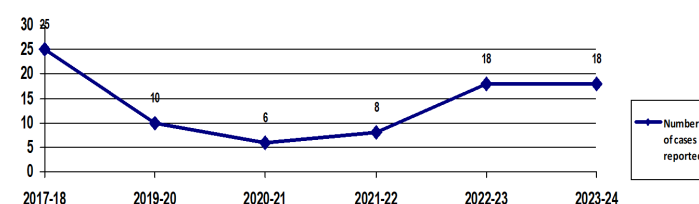
## 5. CODE OF CONDUCT

The Department supports the Code of Conduct for Public Servants, issued by the Public Service Commission, provides guidelines to employees as to what is expected of them from an ethical point of view, both in their individual

conduct and in their relationship with others. An employee can be found guilty of misconduct and may be subject to disciplinary action if he or she contravenes any provision of the Code of Conduct. During induction, new appointees are made aware of the Code of Conduct, and they received a copy of the Code during orientation. During the 2023/24 financial year, the Department achieved 100% compliance in terms of submission of financial disclosures. This is in line with the Public Service Regulations, 2016 stating that employees are required to disclose their financial interests. It is however the responsibility of all employees to ensure compliance with applicable internal controls, laws and legislation and to adherence to the prescribed ethics of practice.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Safety is at the core of all the Department's operations and this is articulated in the Safety, Health, Environment, Risk and Quality Policy. The policy is aligned to the Occupational Health and Safety Act (85 of 1993) and related regulations. In last 5 years, the Department focused efforts on high risk areas of operation, to ensure physical and psychological wellbeing of all employees. As a result, the number of Injury on Duty (IOD) cases reported reduced annually from 2017/18 from 25 to 6 in the 2020/21 financial year. In the financial year, 2021/22, the Department had 8 IOD cases that required only basic medical attention. In 2022/23, the Department had a total of 18 IOD cases which indicate an increase from the last 3 financial years. In 2023/24 the number of IOD cases remains the same (18) as previous financial year. However, 17 of these cases were due to one vehicle accident involving road maintenance staff (the remaining incident was a workplace accident).



## 7. PORTFOLIO COMMITTEES

Portfolio Committees have a mandate to oversee the performance of the Department and hold it accountable through various measures in terms of section 114(2) of the Constitution of the Republic of South Africa, 1996 read with rule 124(b) of the Rules and Orders of the Mpumalanga Provincial Legislature. As part of its oversight function, the Portfolio Committee on Public Works, Roads and Transport; Community Safety, Security and Liaison met the Department on several occasions during the year of reporting. The focus of these meetings was the Departmental plans, budget, annual report and quarterly performance. The information below outlines key matters raised by the Committee and progress on implementation of resolutions emanating from related findings.

### Portfolio Committee meetings held with the DPWRT: 01 April 2023 – 31 March 2024:

Name of Report	Date of Meeting
7.1 Budget Vote and Annual Performance Plan: 2023/24	25 May 2023
7.2 Annual Report: 2022/23	31 October 2023
7.3 Quarterly Performance Report: 1 <sup>st</sup> Quarter: 2023/24	24 August 2023
7.4 Quarterly Performance Report: 2 <sup>nd</sup> Quarter: 2023/24	17 November 2023
7.5 Quarterly Performance Report: 3 <sup>rd</sup> Quarter: 2023/24	14 March 2024



## 7.1 Budget Vote 8: 2023-24

Resolutions	Progress made on implementation of resolutions
The department must submit a progress report regarding the follow up that has been made with Treasury and the Infrastructure South Africa (ISA) on the registered budget pressure and possible funding solutions, to resuscitate the feasibility study on Moloto Rail.	<ul style="list-style-type: none"> <li>The Moloto Rail project was registered with Infrastructure South Africa (ISA) as part of the project pipeline for the Mpumalanga Province.</li> <li>However, the project was not considered in the recent Budget Facility for Infrastructure (BFI) applications that closed in June 2023.</li> <li>The Department will continue to register a budget pressure with both Provincial and National Treasury.</li> <li>Another consideration is for the required budget to be shared by the Nkangala Local Municipality, DPWRT and the National Department of Transport (NDOT).</li> </ul>
The Accounting Officer must prioritise filling of the strategic vacant positions, including the three (03) DDG's, to ensure that there is appropriate stability and accountability within the department.	<ul style="list-style-type: none"> <li>Interviews for two DDG posts i.e. Corporate Strategy and Transport Management will be held in August 2023.</li> <li>However, the post for DDG: Public Infrastructure has been re-advertised since there was not sufficient qualified applicants.</li> <li>Budget analysis has confirmed that funds are available to fill the other advertised strategic positions.</li> </ul>
The department must endeavour settling the historical debt that is owed to the Bushbuckridge Municipality, in enabling towards service delivery.	<ul style="list-style-type: none"> <li>The Department was not able to budget for the entire outstanding historical debt due to budget constraints.</li> <li>A payment agreement is in place to ensure reduction of the debt owed to the municipality.</li> <li>Savings realised during the year will be used to reduce the debt.</li> <li>A total of R59, 138 million has been made available for settlement of the current account.</li> </ul>
The department must show capacity to spending on the current allocations, to ensure that all shortfalls are covered during the budget adjustments.	<ul style="list-style-type: none"> <li>The Mpumalanga International Fresh Produce Market: <ul style="list-style-type: none"> <li>The budget allocated for the 2023/24 financial year amounts to R252 million and R57 million (23%) was spent by the end of June 2023.</li> <li>Slow progress on site has affected spending on the project and a recovery plan was requested from the contractor.</li> <li>The Department is having continuous discussions with Treasury and the Department of Economic Development and Tourism (DEDT) regarding the budget shortfall of R150 million.</li> <li>The project is currently 83% complete with a planned completion date of November 2023.</li> </ul> </li> <li>The Mkhondo Boarding School <ul style="list-style-type: none"> <li>The budget allocated for the 2023/24 financial year amounts to R73 million and R46,1 million (63%) was spent by the end of June 2023.</li> <li>Weekly progress meetings are held to continually monitor progress on site.</li> <li>The Department is having continuous discussions with Treasury regarding the budget shortfall of R117million.</li> <li>The project is currently 89% complete with a planned completion date of 30 September 2023.</li> </ul> </li> <li>Mpumalanga Parliamentary Village: <ul style="list-style-type: none"> <li>The budget allocated for the 2023/24 financial year amounts to R90 million and R17 million (19%) was spent by the end of June 2023.</li> <li>Weekly progress meetings are held to continually monitor progress on site.</li> <li>There are persistent work stoppages by community members and sub-contractors which delayed progress and spending.</li> <li>The Department is having continuous discussions with Treasury regarding the budget shortfall of R115 million.</li> <li>Phase 2 (Water, sewer, electricity and internal roads) is 92% complete with a completion date of September 2023.</li> <li>Phase 3 (Construction of housing units and common facilities, including associated external works and internal roads) is 70% complete with a completion date of October 2023.</li> <li>Phase 4 (Installation of integrated security systems) is 5% complete with a completion date of October 2023.</li> </ul> </li> </ul>
The Accounting Officer must constantly monitor the implementation of both Senothlolo and Zithabiseni for both projects to be completed within the stipulated period.	<ul style="list-style-type: none"> <li>Both projects are progressing well and on par to be completed within the stipulated period.</li> <li>The Senotlelo project is currently at design stage. The Concept and Viability report has been completed and pending review by the Design Committee.</li> <li>The design development for the Zithabiseni project was completed by the in-house Chief Engineer and is pending review by the Design Committee.</li> <li>Procurement of materials for the Zithabiseni project is in progress and construction is planned to commence in September 2023.</li> </ul>
The department must consider absorbing or permanently recruit learners that have special and technical skills, in assisting the department on its constant maintenance programmes.	<ul style="list-style-type: none"> <li>In line with section 65 of the Public Service Regulations (PSR), all vacant posts must be advertised.</li> <li>Technical interns and learners will have competitive advantage due to their previous work experience in the Department.</li> <li>Notwithstanding this, the PSR allows appointment of additional employees outside the approved structure on condition budget is available.</li> <li>DPSA is in the process of revising the PSR which will cover appointments and overtime amongst others.</li> </ul>

## 7.2 Annual Report: 2022-23

Resolutions	Progress made on implementation of resolutions
The department must furnish the Committee with a progress report on cases that are under investigation, the status quo and the sanctions applied.	Attached Annexure A for the progress report on cases under investigation.
<ul style="list-style-type: none"> <li>The department must provide a progress report on the decision taken by Cabinet, regarding interviews that were conducted for DDG posts in August 2023 as reported by the department.</li> <li>Furthermore, outcomes of the arbitration processes regarding the six (06) posts that were reported under dispute.</li> </ul>	<ul style="list-style-type: none"> <li>The Department has not received feedback from Cabinet regarding the submission of the two DDG posts i.e. Corporate Strategy and Transport Management.</li> <li>Four (4) of the six (6) posts were resolved and the process had to re-start. Investigations on the last two posts were concluded by the Labour Relations Unit with consequence management processes to follow accordingly.</li> </ul>
The department must furnish the Committee with the recent written correspondence to the Mpumalanga Provincial Legislature with the intention to recover funds and the response thereof.	Attached Annexure B for the written correspondence to Provincial Legislature.
The department must provide the Committee with outcomes of the engagements held with Provincial Treasury, with the intention to obtain a special dispensation for office and VIP accommodation.	The Department is still awaiting approval from Provincial Treasury.
The department must ensure that the instituted committees ensure improvement to the control environment within the department, departmental policies and procedure manual yields positive results.	A total of 9 policies were reviewed to enhance good governance and internal controls. These include the policies on financial disclosures, Health and Productivity, HIV and Aids, Job Evaluation, Overtime, Recruitment, Resettlement, S&T and Wellness Management.
The Accounting Officer must share the maintenance plan for resuscitating buildings considering the required budgets.	<p>All maintenance requirements, including that for office accommodation are submitted to Treasury in the UAMP. However, the implementation of the planned projects is dependant on the budget received for maintenance.</p> <ul style="list-style-type: none"> <li>Attached the Annexure B for the Maintenance Plan.</li> <li>The Department has a contract with CSIR (PWRT/2096/18/MP) to assist in the condition assessment of state owned buildings. However, due to budgetary constraints, the Department can only target of 50 buildings are being assessed using internal staff capacity. Maintenance Plan will be developed once the assessments are finalized.</li> </ul>
The department must thrive to complete all key projects (Mkhondo Boarding School, Parliamentary Village and MIFPM etc.) and ensure that they are officially handed over before the end of the 2023/24 financial year, as reported by the Accounting Officer.	<ul style="list-style-type: none"> <li><b>Mkhondo Boarding School</b> The project 90% complete with a revised completion date of 30 June 2024.</li> <li><b>The Parliamentary Village</b> Phase 2 (Water, sewer, electricity and internal roads) is 92% complete with a revised completion date of March 2024. Phase 3 (Construction of housing units and common facilities, including associated external works and internal roads) is 73% complete with a revised completion date of August 2024. Phase 4 (Installation of integrated security systems) is 5% complete with a revised completion date of August 2024.</li> <li><b>International Fresh Produce Market</b> The MIFPM is 93% complete with a planned completion date of 20 March 2024. The contractor is currently busy with commissioning of the premises and snagging.</li> </ul>
The department must provide the committee with a detailed plan to improve its failure to align the actual spending with performance target that are core business of the department during the 2023/24 financial year.	Attached Annexure C for the detailed plan.
The department must share a detailed report to ensure compliance to stipulated regulations and thus avoid recurring irregular expenditure.	Attached Annexure D for the detailed report.

## 7.3 First Quarter Performance Report: 2023-24

Resolutions	Progress made on implementation of resolutions
The Accounting Officer must ensure that the Department complies with key legislation in attaining a clean Audit Opinion.	<ul style="list-style-type: none"> <li>A credible Audit Action Plan has been developed and is monitored on a monthly basis.</li> <li>In addition, an Audit Action Plan review session was held on the 24th of October 2023.</li> <li>The Department invited several stakeholders (i.e. the Auditor General, members of the Audit Committee, Chairperson of the Risk Committee, the Quality Assurer and Provincial Treasury) to assist the Department in revising to Plan in an effort to obtain a clean audit opinion for the 2023/24 financial year.</li> </ul>
The Department must thrive to achieve its planned targets within the allocated budget and period to eliminate underspending.	<ul style="list-style-type: none"> <li>Programme 1 and 2 managed to achieve 100% of the planned targets by the end of 6 months with challenges in terms of Programme 3, 4 and 5 that are still in progress.</li> <li>Acceleration plans were developed mainly for the Expanded Public Works Programme, road construction and maintenance works that are behind schedule.</li> <li>Noteworthy, the Department considers only full (100%) achievement of the planned targets and excludes performance that falls short of the targets (0-99%).</li> <li>It should further be noted that the Department's APP contains performance indicators and targets that are dependent on client departments, other spheres of government and external factors (e.g. contractor performance, community unrests etc.).</li> </ul>
The Accounting Officer must furnish the Committee with a report of consequence management/ imposed penalties to officials that did not comply with the public service regulations on signing of Performance Agreement.	<ul style="list-style-type: none"> <li>As at the end of the second quarter (September 2023), the Department had 7 officials who did not comply with signing of their performance agreements.</li> <li>4 of the 7 Officials have since signed their performance agreements in October 2023.</li> <li>The process for consequence management is currently ongoing for the remaining 3 officials who have not yet signed their performance agreements.</li> <li>Mediators have been appointed to resolve the disagreements between supervisors and employees in line with section 72 of the Public Service Regulations.</li> </ul>
The Department must furnish the Committee with the approved development of concept design (New Impungwe Hospital) from the Client Department by the end of October 2023 as reported.	<ul style="list-style-type: none"> <li>Stage 1 of the project, which covers the inception and feasibility stage of the project, was completed on 20 September 2023.</li> <li>Attached Annexure A for the approved Stage 1 report.</li> <li>Stage 2 of the project is currently on-going, which entails the concept design development of the project, envisaged to be completed in the 4th quarter of the 2023/24 financial year.</li> </ul>
The Department must ensure that the additional project scope (solar installation) on Mmametlake Hospital has the specific requirements, aspects, and budget costs as per the submission from the Client Department, noting the revised completion date (28 February 2024).	<ul style="list-style-type: none"> <li>The additional project scope on Mmametlake Hospital has been implemented as per the requirements and budget costs received from the client department.</li> <li>Site clearance has also commenced and the first batch of solar panels and aluminium purlins for the structure were delivered on site.</li> </ul>
The Accounting Officer must provide the Committee with a progress report on the engagements with RTMC in seeking assistance to absorb the graduated Traffic Officers on a permanent basis.	<ul style="list-style-type: none"> <li>The absorption of the traffic officers are currently in progress.</li> <li>Due to cost curtailment and budget constraints, the traffic officers will only start in January 2024.</li> </ul>
The Accounting Officer must continuously monitor the spending within allocated budgets, furthermore, ensure that the imminent cost containment will serve the objectives of enhancing efficiency and improve the financial performance of the department without compromising the quality of productivity or service to be rendered.	<ul style="list-style-type: none"> <li>The Department's budget pressures were presented to Treasury during the MTEC hearings on the 19th of October 2023.</li> <li>Provincial Treasury made the following recommendations to address the budget pressures: <ul style="list-style-type: none"> <li>Delays in the start of infrastructure projects;</li> <li>improvement on spending to avail eligibility to incentive grants;</li> <li>pursuance of alternative funding solutions for infrastructure projects; and</li> <li>the transfer of roads to SANRAL.</li> </ul> </li> <li>The Department will commence with the disposal of state houses.</li> <li>Cost curtailment measures have been implemented on non-core items that does not affect essential service delivery areas.</li> </ul>



Resolutions	Progress made on implementation of resolutions
The department must install solar panels to all identified Government Buildings and ensure that priority is given based on the conducted assessments, feasibility studies and budget allocation.	<ul style="list-style-type: none"> <li>Two buildings have been earmarked for solar installation in the 2023/24 financial year i.e. Mmamethlake Hospital and Riverside Government Complex (RGC):</li> <li>Solar installation at Mmametlake Hospital has commenced with the first batch of solar panels and aluminium purlins for the structure that were delivered on site. Site clearance has also commenced. Next delivery of material is expected in October 2023.</li> <li>Designs for RGC have been completed. Structural designs for steel are underway and estimated to cost R14 million. The solar panel will then be fitted on top of the steel structure at RGC upper ground parking. The project is expected to be completed by the end of the financial year.</li> <li>The Department is further planning to complete designs for Tonga and Standerton Hospital which are underway for completion in the 4th Quarter of the 2023/24 financial year.</li> </ul>

#### 7.4 Second Quarter Performance Report: 2023-24

Resolutions	Progress made on implementation of resolutions
The department must provide the Committee with the outcomes of meetings held with RTMC and SASOL in persuading them for funding of law enforcement equipment's.	<ul style="list-style-type: none"> <li>The Department has identified funds to absorb the 98 traffic officers.</li> <li>A letter was written to Provincial Treasury and the Office of the Premier for approval to absorb the 98 traffic officers after sufficient funds were identified from within.</li> <li>The Department will continue to consult external stakeholders for funding of law enforcement equipment. However, previous meetings held have not yielded any results to date.</li> </ul>
The Accounting Officer must give clarity if the recommendations made by Treasury will not affect its planned targets on construction of roads, noting that it is within the key deliverable programme of the department.	<ul style="list-style-type: none"> <li>Delays in commencement of projects will have a negative effect on the achievement of the target for paving of roads whilst other projects will no longer be awarded in the 4th quarter as planned (multi-year projects).</li> </ul>
The Accounting Officer must furnish the Committee with a developed plan and procedures that will be followed during the disposal period, furthermore, give a clarity regarding the income that will be generated by the department.	<ul style="list-style-type: none"> <li>Attached Annexure A for the Strategy for Disposal of State Houses.</li> <li>Based on the municipal market values, the estimated revenue that could be raised amounts to R150 079 430,00.</li> </ul>
The Accounting Officer must fast-track with the processes of appointing the term contractor and to ensure that the project is completed within the revised completion date to avoid financial implications. Furthermore, provide a report on the imposed suctions against the terminated contractor.	<ul style="list-style-type: none"> <li>The Department continued with the original contractor who committed to implement an acceleration plan to complete the remaining projects.</li> <li>Phase 2C of the project was completed in December 2023 and the remaining phases are expected to be completed by the revised date of 29 February 2024.</li> <li>Penalties will be imposed on completion of the project.</li> </ul>
The department must collaborate with the client Department of Education, to ensure completion of Mkhondo Boarding School, operationalisation by January 2024 as emphasised by the Accounting Officer.	<ul style="list-style-type: none"> <li>Additional funding of R115 million was allocated during the budget adjustment process to complete the project.</li> <li>All finishes and outstanding roofs are planned for completion by 30 March 2024 whilst completing external works for operationalization in June 2024.</li> </ul>
The Accounting Officer must ensure that investigations are finalised and provide the Committee with the instituted sanctions with the intention to recover payments, as per the resolution taken during the oversight visit at Ethembeni Primary School.	<ul style="list-style-type: none"> <li>The investigations into the GeoTech and the evaporation pond have been finalised and the recovery amount has been quantified (R155 395.00).</li> <li>The Department is in the process of engaging the consultants involved to recoup the quantified amount.</li> </ul>
The Accounting Officer must provide the Committee with a progress report on the engagements with Provincial Treasury and the client Department of Education in ensuring that payments are processed to avoid delays towards completion of the project, as per the tabled resolution of the Oversight Visit Report.	<ul style="list-style-type: none"> <li>A period of 2 months was lost due to community disruptions, strikes and lock-outs.</li> <li>The contractor has applied for an Extension of Time (EOT) due to delays by the Department of Education to approve the variation order.</li> <li>The project is 93% complete and the revised completion date is 9 June 2024.</li> </ul>
The Accounting Officer must ensure that proper procedures are followed during the termination processes of Road D2274, furthermore, provide the Committee with plans to recover funds, considering that sub-contractors have not been paid and the reported revised completion date of March 2024.	<ul style="list-style-type: none"> <li>The project is 74% complete and the planned completion date is June 2024.</li> <li>Contractually the contractor resumed work within the prescribed period, therefore not allowing for termination. However, the contractor is under penalties.</li> <li>A cession agreement is being put in place with the asphalt supplier to mitigate the contractor's cash flow problems.</li> </ul>

**7.5 Third Quarter Performance Report: 2023-24**

The Portfolio Committee sitting to discuss the Department's 3<sup>rd</sup> quarter report was held on 14 March 2024. Progress on these resolutions are required in the 2024/25 financial year.

**8. SCOPA RESOLUTIONS**

The Select Committee on Public Accounts (SCOPA) met with the Department on 16 February 2024 to deliberate on the 2022/23 Annual Report. The Department received resolutions emanating from the meeting in March 2024 and progress is due in the 2024/25 financial year.

**9. PRIOR MODIFICATIONS TO AUDIT REPORTS**

The Department received an unqualified opinion with findings in the 2023/24 financial year.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial Year in which it first arose	Progress made in clearing / resolving the matter
<b>Non-compliance with legislation:</b> Procurement and contract management	2020/21	<ul style="list-style-type: none"> <li>Expired contracts were advertised, and some are already appointed.</li> <li>Programmes are continuously informed about expiring contracts.</li> <li>Ensuring that all deviations submitted are in line with Instruction Note No 3/2022/25</li> <li>SCM is fully enforcing the implementing and enforcing all SCM checklists during procurement.</li> <li>Completion of SBD6.2 and Annexure C is enforced on all bid that have local and production content.</li> <li>All bids evaluated and adjudicated from the second quarter has been thoroughly reviewed to comply with the local content requirement.</li> <li>A letter was written to Provincial Treasury requesting training and still awaiting their response (e) All procurements are now including local and production content where applicable</li> <li>The Contract Register is updated on monthly basis.</li> <li>Letters have been written to all programmes that have contracts that are about to expire within 12 months period</li> <li>All Office Accommodation Deviations and extensions done in accordance to PFMA Instruction note No 3 of 2022/23</li> <li>Department received an invitation for a meeting Provincial Treasury to discuss government leases which emanates from the request for special dispensation by the Department and the meeting was held during December 2023 and we are still waiting for an outcome</li> <li>Various governance structures i.e. Risk Management Committee, Audit Committee, Budget and Programme Managers Forum etc. are in place to oversee compliance with existing prescripts.</li> <li>An Audit Action Plan was developed and is monitored on a monthly basis.</li> </ul>
<b>Non-compliance with legislation:</b> Misstatements in the Annual Financial Statements (corrected)	2020-21	<ul style="list-style-type: none"> <li>Quarterly engagements are taking place with infrastructure programme to ensure that all ongoing projects are accurately accounted for in the commitment register.</li> <li>Financial Accounting directorate planned a meeting with Transport Infrastructure Programme in the month of April and May 2024 and the discussions of the meeting were incorporated in the IFS submitted on 31 May 2024.</li> <li>Quarterly meetings are held to review progress done in ensuring that the financial information submitted is accurate, reliable and useful for reporting in the AFS.</li> </ul>
<b>Non-compliance with legislation:</b> Expenditure Management	2020-21	<ul style="list-style-type: none"> <li>Investigations on Irregular Expenditure has been concluded. Request for condonation was submitted to Provincial Treasury in the 2023/24 financial year and approval was granted for condonation.</li> <li>There was a change in the Financial Accounting Reporting Framework required the department to disclose the total amount incurred in the current financial year.</li> <li>The AFS are reviewed by Finance, Internal Audit and the Quality Assurer to ensure that all disclosure requirements are met. The Irregular expenditure register is updated as and when there are Additions/ Condonations and write-offs.</li> </ul>
<b>Material Misstatements</b> on the Annual Performance Report (corrected)	2022-23	<ul style="list-style-type: none"> <li>All information are verified with supporting documents before submission to Monitoring and Evaluation.</li> <li>Information submitted is validated by Monitoring and Evaluation section and Internal Audit.</li> <li>Ensure that there are no duplicate reporting.</li> <li>Exclusion of outputs relating to maintenance activities, but achieved as temporary works on construction projects.</li> <li>Training is ongoing to ensure reliability of reported information.</li> <li>Reasons are provided for all over and under performance reported.</li> </ul>

## 10. INTERNAL CONTROL UNIT

To ensure sound governance practices, the Department focusses on previous audit findings and compliance to prescripts. These include compliance to approved delegations, compliance testing of expenditure vouchers, detecting and preventing irregular expenditure, ad hoc investigations, implementation of checklists and procedure manuals. These are done with internal audit as part of combined insurance.

The Internal Audit Unit provides an independent voice across governance, business processes and internal controls and is responsible for assessing the adequacy of the Department's internal controls. It also has a central role in improving operational processes and financial practices by reviewing and evaluating the adequacy and effectiveness of internal controls during the various audits conducted as per the risk based annual operational plan.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

The internal audit function operates under an internal audit charter consistent with the Institute of Internal Auditors' standards. The charter is approved by the Audit Committee and accepted by the Accounting Officer.

### Internal Audit

The Internal Audit unit evaluates and contributes to the improvement of risk management, internal controls and governance processes and systems. This process includes the evaluation of;

- Reliability and integrity of financial and operational information
- Compliance with laws, regulations and controls
- Information system environment
- The effectiveness of operations
- Safeguarding of assets

In the past 12 months, the internal audit unit planned 14 audits and all 14 audit reports were completed.

### Audit Committee

The Audit Committee assists the Accounting Officer in carrying out his oversight of the Department's by reviewing amongst others;

- Financial, management and other reporting practices;
- Compliance with laws, regulations and ethics; and
- Internal controls and
- Management of risks.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
JN Mpjane	<ul style="list-style-type: none"> <li>▪ CA (SA)</li> <li>▪ B. Honors (CTA)</li> <li>▪ B Com Degree</li> </ul>	External	None.	01-Dec-17	Contract Expired	6
G Khoza	<ul style="list-style-type: none"> <li>▪ B Proc Degree</li> <li>▪ LLB Degree</li> <li>▪ Higher Diploma in Tax Law</li> <li>▪ Introduction to safety management</li> <li>▪ Accredited Arbitrator/ Mediator/ Facilitator/ Trainer</li> </ul>	External	None.	01-Dec-17	Contract Expired	6
BK Moeng	<ul style="list-style-type: none"> <li>▪ B Com (Accounting)</li> <li>▪ B. Compt (Hons) CTA</li> </ul>	External	None.	01-Nov-19	Contract Expired	3
FM Mkhabela	<ul style="list-style-type: none"> <li>▪ Certified Internal Auditor (CIA)</li> <li>▪ B. Commerce Honours (Auditing)</li> <li>▪ B. Commerce specializing in Accounting</li> <li>▪ Certificate in Advanced Performance Auditing in Public Sector</li> <li>▪ Master of Business Administration (MBA) (Currently registered)</li> </ul>	External	None.	01-Nov-19	Contract Expired	6
K Mhlongo	<ul style="list-style-type: none"> <li>▪ Baccalaurei Artium (B.A.)</li> <li>▪ Diploma in Bookkeeping</li> <li>▪ Diploma in Practical Accounting</li> <li>▪ Master of Business Administration (MBA)</li> </ul>	External	None.	01-Nov-19	N/A	8
CB Mnisi	<ul style="list-style-type: none"> <li>▪ B - Tech in Internal Auditing</li> <li>▪ Diploma in Internal Auditing</li> <li>▪ Bachelor of Arts</li> <li>▪ Diploma in Public Administration</li> </ul>	External	None.	01-Feb-24	N/A	2
P Mangoma	<ul style="list-style-type: none"> <li>▪ Bachelor of accounting Sciences</li> <li>▪ Bachelor of Commence Honours in Auditing</li> <li>▪ Certified internal auditor</li> <li>▪ Masters of Philosophy in Accounting Sciences</li> <li>▪ Certified Information Systems Auditor</li> </ul>	External	None.	01-Feb-24	N/A	2



Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
EA Phalanndwa	<ul style="list-style-type: none"> <li>▪ Bachelor of Commence in Accounting</li> <li>▪ Principal Certified Internal Auditor (PCIA)</li> <li>▪ Certified Internal Auditor (CIA)</li> <li>▪ Professional Internal Auditor (PIA)</li> <li>▪ Certified Information Systems Auditor (CISA)</li> <li>▪ Certification in Risk Management Assurance (CRMA)</li> </ul>	External	None.	01-Feb-2024	N/A	2
JT Mmonwa	<ul style="list-style-type: none"> <li>▪ SAICA Board II: Assessment of Professional Competence</li> <li>▪ SAICA Board I: Initial Test of Professional Competence</li> <li>▪ Post Graduate Diploma in Applied Accounting Sciences</li> <li>▪ Bachelor of Accounting Science</li> </ul>	External	None.	01-Feb-2024	N/A	2

## 12. AUDIT COMMITTEE REPORT

We are pleased to present the report of the Audit Committee for the financial year ended 31 March 2024.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### The Effectiveness of Internal Control

The Audit Committee is satisfied that the Internal Audit plan fairly represented assurance required in managing the risk profile and control environment of the of the Entity and identified a number of risk-based, mandatory, performance and follow-up audits to be performed during the year.

The following internal audit work was completed during the year under review:

- Annual Financial Statements review;
- Follow up Security Management audit;
- Follow up Immovable Assets Management audit – Property and Facility;
- Follow up Information and Communication Technology audit;
- Follow up Scholar Transport audit;
- Movable Asset Management audit;
- Expanded Public Works Programme (EPWP) audit;
- Transport Infrastructure audit;
- Supply Chain Management – Procurement processes & Fleet Management audits;

- Interim Financial Statements;
- Revenue Management – Division Of Revenue Act;
- AG management letter – Audit action plan review;
- Audit of Pre-determined objectives – 6 months performance review;
- Follow up audit on Employee Health and Wellness (OHS Act)

The following were areas of concern:

- The delay in the implementation of the audit action plan to improve the internal controls of the Department as raised by internal auditors and the external auditors.

### In-Year Management and Monthly/Quarterly Report

The Department has reported monthly and quarterly to the Treasury as required by the PFMA.

### Evaluation of the Annual Financial Statements

We have reviewed the annual financial statements prepared by the Department prior to submission to the AGSA.

### Auditor-General's Report

The Audit 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 be accepted and read together with the report of the Auditor-General.



**Mr. K Mhlongo**  
Chairperson of the Audit Committee  
Department of Public Works, Roads and Transport  
31 July 2024

### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Alignment to BBBEE requirements are in progress.
Developing and implementing a preferential procurement policy?	Yes	The Department developed a Policy on the Procurement of Goods and Services which is aligned to the Preferential Procurement Regulations in terms of section 5 of the PPPFA, 2000 (Act No.5 of 2000).
Determining qualification criteria for the sale of state-owned enterprises?	No	Compliance will be adhered to in future sales.
Developing criteria for entering into partnerships with the private sector?	No	Compliance will be adhered to in future partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Compliance will be adhered to in future awards.





PART

D

## HUMAN RESOURCE MANAGEMENT

## 1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

## 2. OVERVIEW OF HUMAN RESOURCES

### The status of human resources in the Department

The objective of the Human Resource Management function is to enable continuous improvements in service delivery by supporting, equipping and developing the organisational workforce. In other words, it focuses on human capital development – interventions to make employees more productive. As at 01 April 2023, the Department had 2 482 employees who were tasked with ensuring execution of its mandate(s). This group comprises of professionals, technical personnel and practitioners from various disciplines who collectively are the backbone of the institution. However, this is inadequate and more personnel is required to fulfil the evolving mandate and to address the impact of the past moratorium on filling of posts.

### Human resource priorities for the year under review and the impact of these

The Department had prioritised the following:

- Signing of performance agreements
- Appointment of learners
- Appointment of interns
- Filling of vacant posts, and
- Compliance with employment equity targets (50% women at SMS level, 2% persons with disabilities)

### Workforce planning and key strategies to attract and recruit a skilled and capable workforce

The HR Strategic Interventions are aimed at improving service delivery through HR Planning objectives that will assist in reaching Departmental mandate. The Department's approach to strategic workforce planning is multi-faceted and includes the consideration of a number of internal (e.g. ageing workforce, employment equity, etc.) and external environmental factors (4<sup>th</sup> industrial revolution, budget structure, etc.) We aim to attract, recruit and retain an inclusive, diverse and capable workforce that is fit for purpose. However, is fierce competition in the marketplace especially when it comes to technical skilled individuals and thus the public service is forced to offer competitive remuneration and benefits to potential employees.

### Employee performance management

A duly agreed upon and signed performance agreement is the bedrock of performance management will assist in the improvement of performance and the delivery of services as well as facilitate proper performance assessments. Continuous management of performance enables a culture of identifying targeted development to build the capacity of the State and deliver on the mandate. Two formal reviews/assessments are prescribed by the PMDS policies and are compulsory, namely mid-year reviews (for period 1 April to 30 September) and annual performance assessments (for period 1 April to 31 March). The annual performance assessment are then subjected to a moderation process.

### Employee wellness programmes

One of the HRM priorities in the Department's Human Resource Plan: 2021 – 2024 is workforce wellbeing to provide programmes that can develop and maintain healthy, dedicated, responsive and productive employees within the Department. These include Implementation of HIV&AIDS, STI and TB Management, Health and Productivity Management; Safety, Health & Quality Management and

Wellness Management in the Department. The Department is committed to ensuring the safety and well-being of its employees by maintaining a safe place of work and by complying with the Occupational Health and Safety Act. The Department conducted 40 occupational health and safety inspections and 7 information sessions as well as training of Health and Safety representatives and First Aiders.

### Achievements and challenges faced by the Department as well as future human resource plans/goals

The Department achieved 100% in terms of employees signing performance agreements. The Department appointed 765 learnerships, 340 internship and 90 Artisans to skill the youth and contribute to job massification programme. As part of building a Capable, Ethical and Developmental State, 440 posts were filled out of the 583 advertised posts in the 2023/24 financial year. Furthermore, 4 professional registered Young professionals were appointed in a three year contract. Minimal sessions were held to appraise employees on Code of Conduct and other internal controls. The E-leave system was implemented in the financial year despite the infrastructure challenges. The E-leave system has helped in reducing audit findings.

Furthermore, the Department managed to successfully execute some of the gender, youth and persons with disability programmes. This includes among others establishment of disability committees, conducting disability accessibility audits, conducting Men's workshop and donation of dignity packs at various schools, participation in the Provincial youth month celebration and commemoration of women's month. The management of labour cases has improved compared to the previous financial years. The Auditor General in its findings of the 2022/2023 financial year report echoed this statement.

### Key challenges

Notwithstanding the above achievements, the department experienced the following challenges during the course of the 2023/2024 financial year. Budget constraints for compensation of employees (COE) coupled with the DPSA circular 49 of 2023 on creating and filling of posts resulted in the department halting the recruitment process of the remaining 133 posts from the 583 advertised posts, Seven (7) advertised SMS posts and absorption of 98 traffic learnership graduates. Employment Equity (EE) targets set out by the Department for the year was to attain at least 50% of women at SMS position and 2% of persons with disabilities across all occupational categories but due to the said DPSA circular 49 of 2023, the target of 50% women at SMS positions was not met.

### Future human resources goals/plans

The review of the organogram and post establishment structure has commenced and will be finalised in the 2024/25 financial year. Other goals include the signing of performance agreements by all employees, appointment of learners and interns and filling of vacant posts.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

The following section provides key information on the Department's human resources.

### 3.1 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 3.1.1 Personnel expenditure by programme for the period 1 April 2023 and 31 March 2024

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	363,309	208,269	2,018	11,455	57,33	694
Public Works Infrastructure	1,312,278	343,182	59	12,011	26,15	437
Transport Infrastructure	2,303,470	432,745	24	114,867	18,70	346
Transport Operations	1,413,041	93,192	-	3,300	6,65	579
Community Based Programmes	73,727	50,857	6,880	2,897	68,98	942
<b>Total</b>	<b>5,465,825</b>	<b>1,128,245</b>	<b>8,981</b>	<b>144,530</b>	<b>20,64</b>	<b>442</b>

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	18,263	1,6	20	913,2
Skilled (Levels 3-5)	445,317	39,5	1 533	290,5
Highly skilled production (Levels 6-8)	305,582	27,1	607	503,4
Highly skilled supervision (Levels 9-12)	292,637	25,9	329	889,5
Senior management (Levels >= 13)	49,379	4,4	36	1 371,6
Contract (Levels 1-2)	181	0,0	1	181
Contract (Levels 3-5)	1,074	0,1	5	214,8
Contract (Levels 6-8)	1,880	0,2	5	376,0
Contract (Levels 9-12)	10,178	0,9	10	1 017,8
Contract (Levels >= 13)	3,754	0,3	4	938,5
<b>Total</b>	<b>1,128,245</b>	<b>100,0</b>	<b>2 550</b>	<b>442,4</b>

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	132,585	63,7	7,351	3,5	7,708	3,7	10,604	5,1
Public Works Infrastructure	226,205	65,9	14,838	4,3	15,237	4,4	21,367	6,2
Transport Infrastructure	281,408	65,0	13,273	3,1	23,507	5,4	43,273	10,0
Transport Operations	57,697	61,9	7,014	7,5	3,764	4,0	7,659	0,1
Community Based Programmes	39,788	78,2	406	0,8	978	1,9	1,999	3,9
<b>Total</b>	<b>737,683</b>	<b>65,4</b>	<b>42,882</b>	<b>3,8</b>	<b>51,194</b>	<b>4,5</b>	<b>84,902</b>	<b>7,5</b>

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	11,962	65,2	1,217	6,60	1,367	7,5	2,448	13,3
Skilled (Levels 3-5)	200,276	68,2	15,517	4,4	27,880	6,7	47,947	11,3
Highly skilled production (Levels 6-8)	221,426	66,6	18,355	5,5	10,842	3,3	22,431	6,8



Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Highly skilled supervision (Levels 9-12)	237,581	68,9	7,779	2,3	7,063	2,0	10,955	3,2
Senior management (Level 13-16)	39,594	69,6	0	0,0	4,008	7,1	1,035	1,8
Contract (Levels 1-2)	141	77,5	1	0,5	12	6,6	8	4,4
Contract (Levels 3-5)	868	80,0	12	1,1	22	2,0	49	4,5
Contract (Levels 6-8)	1,736	68,5	-	0,0	-	0,0	29	1,1
Contract (Levels 9-12)	9,486	79,3	1	0,0	-	0,0	-	0,0
Contract (Levels >= 13)	3,391	72,3	-	0,0	-	0,0	-	0,0
<b>Total</b>	<b>737,683</b>	<b>65,4</b>	<b>42,882</b>	<b>3,8</b>	<b>51,194</b>	<b>4,5</b>	<b>84,902</b>	<b>7,5</b>

### 3.2 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.

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	481	300	37.6	0
Public Works Infrastructure	459	54	88.2	0
Transport Infrastructure	877	786	10.4	1
Transport Operations	1 470	1 249	15.0	2
Community Based Programmes	255	161	36.9	0
<b>Total</b>	<b>3 542</b>	<b>2 550</b>	<b>28.0</b>	<b>3</b>

\*Additional to establishment are YP's (Young Professionals) and Contract employees.

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower Skilled (Levels 1-2)	88	55	37.5	0
Skilled (Levels 3-5)	1 724	1 464	15.1	0
Highly Skilled Production (Levels 6-8)	744	618	16.9	0
Highly Skilled Supervision (Levels 9-12)	397	356	10.3	0
Senior Management (Levels 13-16)	142	37	73.9	0
Other*	427	0	100	0
Contract (Levels 1-2)	1	1	0	0
Contract (Levels 3-5)	4	4	0	0
Contract (Levels 6-8)	4	4	0	1
Contract (Levels 9-12)	8	8	0	1
Contract (Levels >= 13)	3	3	0	1
<b>Total</b>	<b>3 542</b>	<b>2 550</b>	<b>28</b>	<b>3</b>

\*Additional to establishment are contract employees

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	197	197	0	0
Agriculture related	2	2	0	0
All artisans in the building metal machinery etc.	180	180	0	0
Architects town and traffic planners	3	3	0	0
Artisan project and related superintendents	3	3	0	0
Auxiliary and related workers	7	7	0	0
Boiler and related operators	48	48	0	0
Building and other property caretakers	4	4	0	0
Bus and heavy vehicle drivers	11	11	0	0
Cartographers and surveyors	1	1	0	0
Cartographic surveying and related technicians	8	8	0	0
Civil engineering technicians	4	4	0	0
Cleaners in offices workshops hospitals etc.	96	96	0	0
Communication and information related	5	5	0	0
Community development workers	307	0	100	0
Customer services personnel	1	1	0	0
Electrical and electronics engineering technicians	1	1	0	0
Engineering sciences related	41	41	0	2
Engineers and related professionals	18	18	0	0
Farm hands and labourers	2	26	0	0
Finance and economics related	16	16	0	0
Financial and related professionals	36	36	0	0
Financial clerks and credit controllers	100	100	0	0
General legal administration & rel. Professionals	1	1	0	0
Head of department/chief executive officer	3	3	0	0
Human resources & organisat developm & relate prof	5	5	0	0
Human resources clerks	48	48	0	0
Human resources related	210	210	0	0
Information technology related	6	6	0	0
Inspectors of apprentices works and vehicles	12	12	0	0
Legal related	4	4	0	0
Library mail and related clerks	8	8	0	0
Light vehicle drivers	4	4	0	0
Material-recording and transport clerks	1	1	0	0
Mechanical engineering technicians	2	2	0	0
Middle managers	1	1	0	0
Motor vehicle drivers	5	5	0	0
Not available	555	0	100	0
Other administrat & related clerks and organisers	72	72	0	0
Other administrative policy and related officers	2	2	0	0
Other occupations	3	3	0	0
Quantity surveyors & rela prof not class elsewhere	3	3	0	0
Regulatory inspector*	128	128	0	0
Risk management and security services	3	3	0	0
Road superintendents	48	48	0	0
Road trade workers.	2	2	0	0
Road workers	968	968	0	0
Secretaries & other keyboard operating clerks	104	39	62.5	0
Senior managers	33	33	0	1
Trade labourers	175	110	37.1	0
Trade related	1	1	0	0
Water plant and related operators	20	20	0	0
<b>Total</b>	<b>3 542</b>	<b>2 550</b>	<b>28</b>	<b>3</b>

\*Additional to establishment are contract employees

### 3.3 Filling of 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 3.3.1 SMS post information as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	8	8	100	0	0
Salary Level 13	30	30	100	0	0
<b>Total</b>	<b>40</b>	<b>40</b>	<b>100</b>	<b>0</b>	<b>0</b>

Table 3.3.2 SMS post information as on 30 September 2023

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	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	3	0	0	3	100
Salary Level 14	9	8	88.88	1	11.12
Salary Level 13	33	30	90.90	3	9.1
<b>Total</b>	<b>47</b>	<b>40</b>	<b>85.11</b>	<b>7</b>	<b>14.89</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

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	0	0	0
Salary Level 13	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3.3.4 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 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
None.

Reasons for vacancies not filled within twelve months
None.

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 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
Not applicable.

Reason for vacancies not filled within six months
Not applicable.



### 3.4 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 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	88.00	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	1 724.00	0	0.00	0	0.00	0	0.00
Highly Skilled Production (Levels 6-8)	744.00	0	0.00	0	0.00	0	0.00
Highly Skilled Supervision (Levels 9-12)	397.00	10	2,50	1	40,00	0	0.00
Senior Management Service Band A	37.00	0	0.00	0	0.00	0	0.00
Senior Management Service Band B	10.00	0	0.00	0	0.00	0	0.00
Senior Management Service Band C	4.00	0	0.00	0	0.00	0	0.00
Senior Management Service Band D	88.00	0	0.00	0	0.00	0	0.00
Other	3.00	0	0.00	0	0.00	0	0.00
Contract (Levels 1-2)	427.00	0	0.00	0	0.00	0	0.00
Contract (Levels 3-5)	1.00	0	0.00	0	0.00	0	0.00
Contract (Levels 6-8)	4.00	0	0.00	0	0.00	0	0.00
Contract (Levels 9-12)	4.00	0	0.00	0	0.00	0	0.00
Contract Band A	8.00	0	0.00	0	0.00	0	0.00
Contract Band A	3.00	0	0.00	0	0.00	0	0.00
<b>Total</b>	<b>3 542.00</b>	<b>10</b>	<b>0.30</b>	<b>1</b>	<b>333.00</b>	<b>0</b>	<b>0.00</b>

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 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	1	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>

Employees with a disability	0
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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 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 and 31 March 2024

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director	1	11	12	The post was upgraded in 2010 and it was downgraded in 2023
Assistant Director	1	9	10	The post was upgraded in 2010 and it was downgraded in 2023
Total number of employees whose salaries exceeded the level determined by job evaluation				2
Percentage of total employed				0,07

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024

<b>Total number of Employees whose salaries exceeded the grades determine by job evaluation</b>	2
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### 3.5 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 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number of employees at beginning of period 1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	94	43	3	3,2
Skilled (Levels 3-5) Permanent	1 387	244	80	5,8
Highly Skilled Production (Levels 6-8) Permanent	612	19	30	4,9
Highly Skilled Supervision (Levels 9-12) Permanent	326	3	19	5,8
Senior Management Service Band A Permanent	25	0	1	4,0
Senior Management Service Band B Permanent	7	0	0	0,0
Senior Management Service Band C Permanent	2	0	0	0,0
Senior Management Service Band D Permanent	94	0	0	0,0
Contract (Levels 1-2) Permanent	1	0	0	0,0
Contract (Levels 3-5) Permanent	4	0	0	0,0
Contract (Levels 6-8) Permanent	6	0	0	0,0
Contract (Levels 9-12) Permanent	15	0	0	0,0
Contract Band A Permanent	3	0	0	0,0
<b>Total</b>	<b>2 482</b>	<b>319</b>	<b>133</b>	<b>5,4</b>

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2023 and 31 March 2024

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	180,00	3,00	5,00	2,80
Agriculture Related	2,00	1,00	0,00	0,00
All Artisans In The Building Metal Machinery Etc.	177,00	40,00	12,00	6,80
Architects Town And Traffic Planners	7,00	1,00	0,00	0,00
Artisan Project And Related Superintendents	13,00	1,00	0,00	0,00
Auxiliary And Related Workers	9,00	0,00	1,00	11,10
Boiler And Related Operators	46,00	10,00	3,00	6,50
Building And Other Property Caretakers	4,00	0,00	0,00	0,00
Bus And Heavy Vehicle Drivers	8,00	3,00	0,00	0,00
Cartographers And Surveyors	1,00	0,00	0,00	0,00
Cartographic Surveying And Related Technicians	7,00	0,00	0,00	0,00
Civil Engineering Technicians	11,00	0,00	0,00	0,00
Cleaners In Offices Workshops Hospitals Etc.	77,00	30,00	7,00	9,10
Communication And Information Related	5,00	0,00	0,00	0,00
Community Development Practitioner	0,00	1,00	0,00	0,00
Community Development Workers	42,00	0,00	0,00	0,00
Customer Services Personnel	2,00	0,00	0,00	0,00
Electrical And Electronics Engineering Technicians	1,00	0,00	0,00	0,00

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineering Sciences Related	44,00	3,00	5,00	11,40
Engineers And Related Professionals	30,00	5,00	7,00	23,30
Farm Hands And Labourers	25,00	0,00	1,00	4,00
Finance And Economics Related	20,00	0,00	1,00	5,00
Financial And Related Professionals	31,00	0,00	0,00	0,00
Financial Clerks And Credit Controllers	123,00	8,00	4,00	3,30
Head Of Department/Chief Executive Officer	1,00	0,00	0,00	0,00
Human Resources & Organisat Developm & Relate Prof	4,00	0,00	0,00	0,00
Human Resources Clerks	52,00	2,00	1,00	1,90
Human Resources Related	0,00	7,00	10,00	0,00
Information Technology Related	6,00	0,00	0,00	0,00
Inspectors Of Apprentices Works And Vehicles	13,00	1,00	2,00	15,40
Legal Related	4,00	0,00	0,00	0,00
Library Mail And Related Clerks	23,00	0,00	0,00	0,00
Light Vehicle Drivers	8,00	0,00	1,00	12,50
Material-Recording And Transport Clerks	6,00	0,00	0,00	0,00
Mechanical Engineering Technicians	4,00	0,00	0,00	0,00
Middle Managers	0,00	0,00	0,00	0,00
Motor Vehicle Drivers	13,00	0,00	2,00	15,40
Not Available	0,00	0,00	0,00	0,00
Other Administrat & Related Clerks And Organisers	107,00	5,00	3,00	2,80
Other Administrative Policy And Related Officers	3,00	0,00	0,00	0,00
Other Occupations	12,00	0,00	2,00	16,70
Quantity Surveyors & Rela Prof Not Class Elsewhere	7,00	0,00	0,00	0,00
Regulatory Inspector*	128,00	0,00	5,00	3,90
Risk Management And Security Services	0,00	0,00	0,00	0,00
Road Superintendents	32,00	4,00	1,00	3,10
Road Trade Workers.	5,00	0,00	0,00	0,00
Road Workers	910,00	123,00	43,00	4,70
Secretaries & Other Keyboard Operating Clerks	70,00	33,00	3,00	4,30
Senior Managers	27,00	0,00	1,00	3,70
Trade Labourers	141,00	36,00	12,00	8,50
Trade Quality Controllers	6,00	0,00	1,00	16,70
Trade Related	2,00	0,00	0,00	0,00
Water Plant And Related Operators	25,00	0,00	0,00	0,00
Food Services Aids & Waiters Permament	1,00	2,00	0,00	0,00
Logistical Support Personnel	3,00	0,00	0,00	0,00
Motorised Farm & Forestry, Plant Operators	1,00	0,00	0,00	0,00
Natural Sciences Related	2,00	0,00	0,00	0,00
Trade/Industries Advisors & Other Related Profession	1,00	0,00	0,00	0,00
<b>Total</b>	<b>2 482</b>	<b>319</b>	<b>133</b>	<b>5,4</b>



The table below identifies the major reasons why staff left the Department:

Table 3.5.3 Reasons why staff left the department for the period 1 April 2023 and 31 March 2024

Termination Type	Number	% of Total Resignations
Death	18	13,53%
Resignation	12	9,02%
Expiry of contract	11	8,27%
Dismissal – abscondment	2	1,5%
Dismissal – misconduct	1	0,75%
Dismissal – inefficiency	0	0,0%
Discharged due to ill-health	0	0,0%
Retirement	31	23,31%
Mandatory Retirement	49	36,84%
Early Retirement – no penalisation	1	0,75%
Early Retirement – with penalty	8	6,02%
Transfer to other Public Service Departments	0	0,0%
Other	0	0,0%
<b>Total</b>	<b>133</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>		<b>5,36%</b>

Table 3.5.4 Promotions by critical occupation for the period 1 April 2023 and 31 March 2024

Occupation	Employees 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	180	25.00	13.90	108.00	60.00
Agriculture Related	2	0.00	0.00	1.00	50.00
All Artisans In The Building Metal Machinery Etc.	177	8.00	4.50	100.00	56.50
Architects Town And Traffic Planners	7	0.00	0.00	4.00	57.10
Artisan Project And Related Superintendents	13	0.00	0.00	9.00	69.20
Auxiliary And Related Workers	9	0.00	0.00	5.00	55.60
Boiler And Related Operators	46	6.00	13.00	28.00	60.90
Building And Other Property Caretakers	4	0.00	0.00	3.00	75.00
Bus And Heavy Vehicle Drivers	8	0.00	0.00	3.00	37.50
Cartographers And Surveyors	1	0.00	0.00	1.00	100.00
Cartographic Surveying And Related Technicians	7	0.00	0.00	7.00	100.00
Civil Engineering Technicians	11	0.00	0.00	10.00	90.90
Cleaners In Offices Workshops Hospitals Etc.	77	1.00	1.30	43.00	55.80
Communication And Information Related	5	0.00	0.00	2.00	40.00
Community Development Practitioner	0	0.00	0.00	5.00	0.00
Community Development Workers	42	1.00	2.40	0.00	0.00
Customer Services Personnel	2	0.00	0.00	0.00	0.00
Electrical And Electronics Engineering Technicians	1	0.00	0.00	1.00	100.00
Engineering Sciences Related	44	0.00	0.00	23.00	52.30
Engineers And Related Professionals	30	4.00	13.30	18.00	60.00
Farm Hands And Labourers	25	0.00	0.00	16.00	64.00
Finance And Economics Related	20	5.00	25.00	10.00	50.00
Financial And Related Professionals	31	4.00	12.90	12.00	38.70
Financial Clerks And Credit Controllers	123	1.00	0.80	63.00	51.20

Occupation	Employees 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Head Of Department/Chief Executive Officer	1	0.00	0.00	1.00	100.00
Human Resources & Organisat Developm & Relate Prof	4	0.00	0.00	2.00	50.00
Human Resources Clerks	52	3.00	5.80	29.00	55.80
Human Resources Related	0	14.00	0.00	184.00	0.00
Information Technology Related	6	0.00	0.00	1.00	16.70
Inspectors Of Apprentices Works And Vehicles	13	0.00	0.00	4.00	30.80
Legal Related	4	0.00	0.00	2.00	50.00
Library Mail And Related Clerks	23	0.00	0.00	12.00	52.20
Light Vehicle Drivers	8	0.00	0.00	5.00	62.50
Material-Recording And Transport Clerks	6	0.00	0.00	3.00	50.00
Mechanical Engineering Technicians	4	0.00	0.00	4.00	100.00
Middle Managers	0	0.00	0.00	4.00	0.00
Motor Vehicle Drivers	13	0.00	0.00	0.00	0.00
Not Available	0	2.00	0.00	6.00	0.00
Other Administrat & Related Clerks And Organisers	107	0.00	0.00	1.00	0.90
Other Administrative Policy And Related Officers	3	0.00	0.00	0.00	0.00
Other Occupations	12	9.00	75.00	69.00	575.00
Quantity Surveyors & Rela Prof Not Class Elsewhere	7	1.00	14.30	2.00	28.60
Regulatory Inspector*	128	0.00	0.00	8.00	6.30
Risk Management And Security Services	0	0.00	0.00	5.00	0.00
Road Superintendents	32	11.00	34.40	71.00	221.90
Road Trade Workers.	5	0.00	0.00	0.00	0.00
Road Workers	910	1.00	0.10	13.00	1.40
Secretaries & Other Keyboard Operating Clerks	70	0.00	0.00	4.00	5.70
Senior Managers	27	11.00	40.70	608.00	2 251.90
Trade Labourers	141	10.00	7.10	30.00	21.30
Trade Quality Controllers	6	0.00	0.00	8.00	133.30
Trade Related	2	6.00	300.00	65.00	3 250.00
Water Plant And Related Operators	25	0.00	0.00	1.00	4.00
Food Services Aids & Waiters Permanent	1	1.00	100.00	0.00	0.00
Logistical Support Personnel	3	2.00	0.00	0.00	0.00
Motorised Farm & Forestry, Plant Operators	1	3.00	0.00	0.00	0.00
Natural Sciences Related	2	4.00	0.00	0.00	0.00
Trade/Industries Advisors & Other Related Profession	1	5.00	0.00	0.00	0.00
<b>Total</b>	<b>2 482</b>	<b>124</b>	<b>5</b>	<b>1 634</b>	<b>65.8</b>

Table 3.5.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	Employees 1 April 2023	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Levels 1-2)	94.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	1 387.00	41.00	3.00	878.00	63.30
Highly Skilled Production (Levels 6-8)	612.00	38.00	6.20	382.00	62.40
Highly Skilled Supervision (Levels 9-12)	326.00	43.00	13.20	216.00	66.30
Senior Management (Levels >= 13)	34.00	2.00	5.90	10.00	29.40

Salary Band	Employees 1 April 2023	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Other	0.00	0.00	0.00	148.00	0.00
Contract (Levels 1-2)	1.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	4.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	6.00	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	15.00	0.00	0.00	0.00	0.00
Contract (Levels >= 13)	3.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>2 482</b>	<b>124</b>	<b>5</b>	<b>1 634</b>	<b>65.8</b>

### 3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	24	0	0	1	13	0	1	1	40
Professionals	235	0	0	7	188	1	0	2	433
Technicians and associate professionals	94	0	2	3	126	1	0	1	227
Clerks	117	0	0	2	236	2	0	10	367
Service shop and market sales workers	68	0	0	0	48	0	0	0	116
Craft and related trade workers	168	0	0	6	75	0	0	0	249
Plant and machine operators and assemblers	65	0	0	3	33	0	0	0	101
Labourers and related workers	548	1	0	6	462	0	0	0	1017
<b>Total</b>	<b>1 319</b>	<b>1</b>	<b>2</b>	<b>28</b>	<b>1 181</b>	<b>4</b>	<b>1</b>	<b>14</b>	<b>2 550</b>
Employees with disabilities	25	0	0	1	24	0	0	1	51

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	22	0	0	1	13	0	1	1	38
Professionally qualified and experienced specialists and mid-management	95	0	2	10	61	1	0	2	171
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	227	0	0	7	231	2	0	6	473
Semi-skilled and discretionary decision making	382	0	0	10	354	1	0	5	752
Unskilled and defined decision making	591	1	0	0	522	0	0	0	1114
<b>Total</b>	<b>1 319</b>	<b>1</b>	<b>2</b>	<b>28</b>	<b>1 181</b>	<b>4</b>	<b>1</b>	<b>14</b>	<b>2 550</b>

Table 3.6.3 Recruitment for the period 1 April 2023 and 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	3	0	0	0	4	0	0	0	7



Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	0	8	0	0	0	12
Semi-skilled and discretionary decision making	46	0	0	0	65	0	0	0	111
Unskilled and defined decision making	82	0	0	0	107	0	0	0	189
<b>Total</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>184</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>319</b>
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.4 Promotions for the period 1 April 2023 and 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	4	0	0	1	2	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	12	0	0	0	22	0	0	0	34
Semi-skilled and discretionary decision making	19	0	0	0	27	0	0	0	46
Unskilled and defined decision making	19	0	0	0	17	0	0	0	36
<b>Total</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>
Employees with disabilities	1	0	0	0	2	0	0	0	3

Table 3.6.5 Terminations for the period 1 April 2023 and 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	14	0	0	0	5	0	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	19	0	0	3	8	0	0	0	30
Semi-skilled and discretionary decision making	48	0	0	0	32	0	0	0	80
Unskilled and defined decision making	1	0	0	0	2	0	0	0	03
<b>Total</b>	<b>83</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>133</b>
Employees with Disabilities	1	0	0	0	2	0	0	0	3

Table 3.6.6 Disciplinary action for the period 1 April 2023 and 31 March 2024

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final Written Warning	6	0	0	1	3	0	0	0	10
Written Warning	4	0	0	0	13	0	0	0	17
Verbal Warning	0	0	0	0	0	0	0	0	0
Suspension Without Pay	2	0	0	1	0	0	0	0	3
Counselling	0	0	0	0	0	0	0	0	0
Dismissal	2	0	0	0	0	0	0	0	2
Demotion	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills development for the period 1 April 2023 and 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	34	0	2	2	24	0	0	0	62
Professionals	7	0	0	1	6	0	0	0	14
Technicians and associate professionals	75	0	1	0	99	0	0	0	175
Clerks	51	0	0	0	63	0	0	0	114
Service and sales workers	57	0	0	4	37	0	0	0	98
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	69	0	0	0	14	0	0	0	83
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	509	0	0	1	663	0	0	0	1173
<b>Total</b>	<b>802</b>	<b>0</b>	<b>3</b>	<b>8</b>	<b>906</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1719</b>
Employees with disabilities	3	0	0	0	2	0	0	0	5

### 3.7 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 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2023

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	1	100%
Salary Level 16	1	1	1	100%
Salary Level 15	0	0	0	0%
Salary Level 14	8	8	8	100%
Salary Level 13	30	30	30	100%
<b>Total</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>100%</b>

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
Not applicable.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons
Not applicable.

### 3.8 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, disability, salary bands and critical occupations.

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2023 and 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	0	1 319	51.72	0,00	0,00
Female	0	1 181	46.31	0,00	0,00
Asian					
Male	0	2	0.07	0,00	0,00
Female	0	2	0.07	0,00	0,00
Coloured					

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Male	0	1	0.03	0,00	0,00
Female	0	3	0.11	0,00	0,00
White					
Male	0	28	1.09	0,00	0,00
Female	0	14	0.54	0,00	0,00
Persons with Disability	0	51	2.0	0,00	0,00
<b>Total</b>	<b>0</b>	<b>2 550</b>	<b>100</b>	<b>0,00</b>	<b>0,00</b>

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 and 31 March 2024

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2), Permanent	0	55	0	0,00	0,00	0,00
Skilled (Levels 3-5), Permanent	0	1 464	0	0,00	0,00	0,00
Highly Skilled Production (Levels 6-8), Permanent	0	618	0	0,00	0,00	0,00
Highly Skilled Supervision (Levels 9-12), Permanent	0	356	0	0,00	0,00	0,00
Senior Management (Levels >= 13), Permanent	0	37	0	0,00	0,00	0,00
Other, Permanent	0	0	0	0,00	0,00	0,00
Contract (Levels 1-2), Permanent	0	1	0	0,00	0,00	0,00
Contract (Levels 3-5), Permanent	0	4	0	0,00	0,00	0,00
Contract (Levels 6-8), Permanent	0	4	0	0,00	0,00	0,00
Contract (Levels 9-12), Permanent	0	8	0	0,00	0,00	0,00
Contract (Levels >=13), Permanent	0	3	0	0,00	0,00	0,00
<b>Total</b>	<b>0</b>	<b>2 550</b>	<b>0</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 and 31 March 2024

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	0	197	0	0.00	0.00
Agriculture related	0	2	0	0.00	0.00
All artisans in the building metal machinery etc.	0	180	0	0.00	0.00
Architects town and traffic planners	0	3	0	0.00	0.00
Artisan project and related superintendents	0	3	0	0.00	0.00
Auxiliary and related workers	0	7	0	0.00	0.00
Boiler and related operators	0	48	0	0.00	0.00
Building and other property caretakers	0	4	0	0.00	0.00
Bus and heavy vehicle drivers	0	11	0	0.00	0.00
Cartographers and surveyors	0	1	0	0.00	0.00
Cartographic surveying and related technicians	0	8	0	0.00	0.00
Civil engineering technicians	0	4	0	0.00	0.00
Cleaners in offices workshops hospitals etc.	0	96	0	0.00	0.00
Communication and information related	0	5	0	0.00	0.00
Community development workers	0	0	0	0.00	0.00
Customer services personnel	0	1	0	0.00	0.00
Electrical and electronics engineering technicians	0	1	0	0.00	0.00
Engineering sciences related	0	41	0	0.00	0.00
Engineers and related professionals	0	18	0	0.00	0.00
Farm hands and labourers	0	26	0	0.00	0.00
Finance and economics related	0	16	0	0.00	0.00
Financial and related professionals	0	36	0	0.00	0.00
Financial clerks and credit controllers	0	100	0	0.00	0.00



Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
General legal administration & rel. Professionals	0	1	0	0.00	0.00
Head of department/chief executive officer	0	3	0	0.00	0.00
Human resources & organisat developm & relate prof	0	5	0	0.00	0.00
Human resources clerks	0	48	0	0.00	0.00
Human resources related	0	210	0	0.00	0.00
Information technology related	0	6	0	0.00	0.00
Inspectors of apprentices works and vehicles	0	12	0	0.00	0.00
Legal related	0	4	0	0.00	0.00
Library mail and related clerks	0	8	0	0.00	0.00
Light vehicle drivers	0	4	0	0.00	0.00
Material-recording and transport clerks	0	1	0	0.00	0.00
Mechanical engineering technicians	0	2	0	0.00	0.00
Middle managers	0	1	0	0.00	0.00
Motor vehicle drivers	0	5	0	0.00	0.00
Not available	0	0	0	0.00	0.00
Other administrat & related clerks and organisers	0	72	0	0.00	0.00
Other administrative policy and related officers	0	2	0	0.00	0.00
Other occupations	0	3	0	0.00	0.00
Quantity surveyors & rela prof not class elsewhere	0	3	0	0.00	0.00
Regulatory inspector*	0	128	0	0.00	0.00
Risk management and security services	0	3	0	0.00	0.00
Road superintendents	0	48	0	0.00	0.00
Road trade workers.	0	2	0	0.00	0.00
Road workers	0	968	0	0.00	0.00
Secretaries & other keyboard operating clerks	0	39	0	0.00	0.00
Senior managers	0	33	0	0.00	0.00
Trade labourers	0	110	0	0.00	0.00
Trade related	0	1	0	0.00	0.00
Water plant and related operators	0	20	0	0.00	0.00
<b>Total</b>	<b>0</b>	<b>2 550</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 and 31 March 2024

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	32	0	0.00	0.00	0.00
Band B	0	6	0	0.00	0.00	0.00
Band C	0	0	0	0.00	0.00	0.00
Band D	0	2	0	0.00	0.00	0.00
<b>Total</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### 3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2023 and 31 March 2024

Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Contract (Level 9-12)	1	25	1	25	0	100
Contract (level 13-16)	3	75	3	75	0	0
<b>Total</b>	<b>4</b>	<b>100</b>	<b>3</b>	<b>100</b>	<b>0</b>	<b>0.0</b>

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Senior Management	3	75	3	75	0	0
Professionals and managers	1	25	1	25	0	0
<b>Total</b>	<b>4</b>	<b>100</b>	<b>4</b>	<b>100</b>	<b>0</b>	<b>0</b>

### 3.10 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 3.10.1 Sick leave for the period 1 January 2023 to 31 December 2023

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)
Contract Other	67	83.60	19	2.10	4	21.00
Highly skilled production (Levels 6-8)	1 557	83.80	225	24.80	7	2 530.00
Highly skilled supervision (Levels 9-12)	681	90.00	87	9.60	8	2 278.00
Lower skilled (Levels 1-2)	74	86.50	13	1.40	6	48.00
Senior management (Levels 13-16)	115	91.30	14	1.50	8	592.00
Skilled (Levels 3-5)	4 106	84.50	548	60.50	7	3 533.00
<b>Total</b>	<b>6 600</b>	<b>85.00</b>	<b>906</b>	<b>100.00</b>	<b>7</b>	<b>9 003.00</b>

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

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)
Highly skilled production (Levels 6-8)	20	100	1.00	6.70	20.00	35.00
Highly skilled supervision (Levels 9-12)	44	100	1.00	6.70	44.00	100.00
Senior management (Levels 13-16)	29	100	1.00	6.70	29.00	128.00
Skilled (Levels 3-5)	166	100	12.00	80.00	14.00	130.00
<b>Total</b>	<b>259</b>	<b>100</b>	<b>15.00</b>	<b>100.00</b>	<b>17.00</b>	<b>394.00</b>

Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	34	17	2
Contract (Levels 6-8)	3	3	1
Contract (Levels 9-12)	37	12	3
Contract Other	1 824	7	244
Highly skilled production (Levels 6-8)	13 190	21	621
Highly skilled supervision (Levels 9-12)	6 888	20	341
Lower skilled (Levels 1-2)	345	9	38
Senior management (Levels 13-16)	717	19	37
Skilled (Levels 3-5)	31 297.5	23	1 360
<b>Total</b>	<b>54 335</b>	<b>21</b>	<b>2 647</b>

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023
Contract (Levels 1-2)	0.00	0.00	0.00	0.00
Contract (Levels 13-16)	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	0.00	0.00	0.00	0.00
Contract Other	0.00	0.00	0.00	0.00

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023
Highly skilled production (Levels 6-8)	5.00	2.00	3.00	73.00
Highly skilled supervision (Levels 9-12)	0.00	0.00	0.00	64.00
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Senior management (Levels 13-16)	0.00	0.00	0.00	53.00
Skilled (Levels 3-5)	0.00	0.00	0.00	67.00
<b>Total</b>	<b>5.00</b>	<b>2.00</b>	<b>3.00</b>	<b>68.00</b>

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

Table 3.10.5 Leave payouts for the period 1 April 2023 and 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2023/24 due to non-utilisation of leave for the previous cycle	10,883	150	72,55
Capped leave payouts on termination of service for 2023/24	7,440	99	75 152,00
Current leave payout on termination of service for 2023/24	3,946	148	47405,00
<b>Total</b>	<b>22,269</b>	<b>397</b>	<b>56,09</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 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
Field workers	Awareness/Information sharing sessions Condom distribution, Health screening and commemoration of calendar events

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes

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.	X		The Employee Health and Wellness has been allocated a cater taker at the level of a Director.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		There are 5 Employee Health and Wellness practitioners and 3 Administration officers. The annual budget provided is R800 00.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Yes. The key elements are: -Physical wellness -Psychosocial wellness -Organizational wellness -Work life balance -Health and productivity management -HIV/AIDS -OHS
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.	X		1.Mr T Ngwenya (Bohlabela), Chairperson of the EHWP committee 2. Mr V Mahlangu (Nkangala) 3. Ms T.D Khoza (Ehlanzeni) 4.Mr M Nkosi.(Gert Sibande)
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Recruitment Policy HIV/AIDS 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.	X		The Departmental policies including the HIV/AIDS Policy protects employees from being discriminated based on their status.



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.	X		All employees attending the Wellness management sessions and events are encouraged to go for VCT and Health screening. Those who attended know their status and receive the necessary support.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Reporting on monthly, quarterly and annually to the relevant structures

### 3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2023 and 31 March 2024

Total number of Collective agreements	None.
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 and 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	17	34%
Final written warning	10	20%
Suspended without pay	3	6%
Fine	0	0%
Demotion	0	0%
Dismissal	2	4%
Not guilty	4	8%
Cases withdrawn	14	28%
<b>Total</b>	<b>50</b>	<b>100%</b>

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024

Type of misconduct	Number	% of total
Theft	4	44.4%
Corruption	2	22.2%
Misused of state vehicle	1	11.1
Removal state property without permission	2	22.2%
<b>Total</b>	<b>9</b>	<b>100%</b>

Table 3.12.4 Grievances logged for the period 1 April 2023 and 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	34	91.8%
Number of grievances not resolved	3	8.2%
<b>Total number of grievances lodged</b>	<b>37</b>	<b>100%</b>

Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 and 31 March 2024

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	7	70%
<b>Total number of disputes lodged</b>	<b>10*</b>	<b>70%</b>

\*3 Disputes are still pending

Table 3.12.6 Strike actions for the period 1 April 2023 and 31 March 2024

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 and 31 March 2024

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	365
Cost of suspension (R'000)	228 211.56

## 3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	85	0	0	0	0
	Male	75	0	01	0	01
Professionals	Female	45	26	13	0	39
	Male	46	9	11	0	20
Technicians and associate professionals	Female	182	0	99	0	99
	Male	163	0	75	0	75
Clerks	Female	203	0	63	0	63
	Male	255	0	51	0	51
Service and sales workers	Female	88	0	0	0	0
	Male	98	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	3	0	2	0	2
	Male	168	0	38	0	38
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	485	0	203	0	203
	Male	586	0	117	0	117
Sub Total	Female	1 091	26	381	0	407
	Male	1 391	09	292	0	301
<b>Total</b>		<b>2 482</b>	<b>35</b>	<b>673</b>	<b>0</b>	<b>708</b>

Table 3.13.2 Training provided for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	85	0	0	0	0
	Male	75	0	01	0	01
Professionals	Female	45	26	42	0	68
	Male	46	9	39	0	48
Technicians and associate professionals	Female	182	0	129	0	129
	Male	163	0	148	0	148
Clerks	Female	203	0	88	0	88
	Male	255	0	68	0	68
Service and sales workers	Female	88	0	28	0	28
	Male	98	0	49	0	49
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	3	0	0	0	0
	Male	168	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	485	0	576	0	576
	Male	586	0	476	0	476
Sub Total	Female	1 091	26	863	0	714
	Male	1 391	9	781	0	642
<b>Total</b>		<b>2 482</b>	<b>35</b>	<b>1 644</b>	<b>0</b>	<b>1 679</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2023 and 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary total disablement	18	100%
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>18</b>	<b>100%</b>

### 3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 and 31 March 2024

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand (R)
PMU - Adding Technical capacity & support to internal staff to ensure adequate Programme Management	1	260	28 787 505,89
Maintenance consultants for assisting the department with management of maintenance projects	2	260	51 197 344,93
PMU - Adding Technical capacity & support to internal staff to ensure adequate Programme Management	1	260	28 787 505,89
Develop and Implement Maintenance Management System (MMS)	1	230	7 000 211,11
Professional Engineering services for the Visual Assessments of Paved and Unpaved Roads	1	60	8 192 169,04
Design: Rehabilitation of the flood damaged bridge at Mlumati River Crossing in Driekoppies on Road D2943	7	225	4 455 644,58
Design: Construction of Road over Rail Bridge on Road P100 in Emalaheni	7	225	4 929 895,43
Design: Upgrading of Road D2902 from Ramokgeletsane to Senotlelo (8.49 km)	7	225	7 524 856,02
Design: Upgrading of Road D2915 in Zithabiseni from Bundu to R25 (6 km)	4	165	3 375 960,45
Design: Rehabilitation of Road P216/1 from Embalenhle to Secunda (9.67 km)	7	260	7 973 374,87
Design: Rehabilitation of Road D1723 (Luphisi Road) between Road D636 and Road P258/1 (6.82 km)	5	85	2 669 294,97
Design: Rehabilitation and upgrading of Road D2571 from R37 intersection to P171/1 intersection (Lydenburg Pass) (13.4 km)	6	145	3 947 970,43
Design: Rehabilitation of Road D636 (Airport Road) between Road D812 and Road D2276 (12.23 km)	8	166	5 274 068,80
Road Safety Appraisals and Improvements	1	250	17 467 057,22
Design: Rehabilitation and special maintenance of Road D1411 from km 15.45 at Chuene (D2969) to km 31.12 (15.67 km)	6	145	2 978 729,07
Design: Rehabilitation of (D2943) (Schoemansdaal - Driekoppies - Langloop - Kamhluswa) Ring Road - Phase 1 (11.5 km)	6	145	2 976 181,03
Design: Rehabilitation of Road D1555 from D1398 to D383 (11.1 km)	5	145	3 971 039,32
Design: Rehabilitation of Road P51/2 from km 21.0 to km 38 (Middleburg to Stoffberg)(18 km) - Phase 1	5	145	3 407 215,46
Rehabilitation of Coal Haul Road P36/1 (R50) from km 62.6 to km 71.7 between Delmas and the N12 (9.1 km)	5	260	14 355 322,00
Rehabilitation of Coal Haul Road P29/1 (R555) from km 50 at D2669 to km 62.55 at D2821 (Kendal towards Delmas) (12.55 km)	4	260	13 057 527,00
Rehabilitation of Coal Haul Road P182/1 (R542) from km 26.25 to R38 between Van Dyksdrift and Hendrina - Phase 3 (13 km)	2	260	3 827 599,00
Rock fall protection on Road P57/2	1	260	351 589,00
Reconstruction of Kumani Bridge on Road D4422 near Thulamahashe (incl 5 km of road)	4	260	10 626 867,00



Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand (R)
Upgrading of Bridge on Road D4400 over Sand River near Rolle Village (Widening)	4	260	4 951 291,00
Upgrading of Coal Haul Road D2274 from N11 at km 18.7 to D1398 at km 31.7 North of Hendrina (13.0 km)	5	260	10 820 566,00
Upgrading of Road D481 Ebuhleni to Maanaar between Mooiplaas and Ekulindeni (7.2 km)	5	260	11 622 391,00
Upgrading of Road D4407, D4409 and a section of D4416 between Hluvukani and Road P194/1 near Welverdiend (15.6 km) (5 km)	5	260	9 627 276,00
Rehabilitation of Road P33/4 between Hazyview and Sabie from km 36.0 to km 43.7 (Phase 1) Part B (7.7 km)	4	260	1 802 389,00
Rehabilitation of Sections of Road P8/1 (R36) between Mashishing and Bambi (Phase 3) (9 km)	5	260	12 046 364,00
Rehabilitation of Road D2950 from R571 (km 0.0) past Mananga (6km - River Crossing)	4	260	1 803 251,00
Light rehabilitation of Road D2486 N2 to Klipwal Phase 1 (9 km)	5	260	8 089 020,00
Upgrading and rehabilitation of Road D4382 between Belfast and Justicia (13.60km)	4	260	956 953,00
Parliamentary Village	5	251	121 059 000
Mkhondo Boarding School	5	251	67 000 000
Maintenance consultants for assisting the department with management of maintenance projects	2	365	46 411 574,90
Provision of monitoring and supervision services for scholar transport operations in Bohlabela and Ehlanzeni Regions	1	207	3 300 000,00
Coaching and mentoring for National Youth Services	1	230	7 038 000,00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
37	151	8 340	543 663 004,41

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
PMU - Adding Technical capacity & support to internal staff to ensure adequate Programme Management	100%	100%	1
Develop and Implement Maintenance Management System (MMS)	23.26%	23.26%	1
Professional Engineering services for the Visual Assessments of Paved and Unpaved Roads	12.15%	12.15%	1
Design: Rehabilitation of the flood damaged bridge at Mlumati River Crossing in Driekoppies on Road D2943	100%	100%	7
Design: Construction of Road over Rail Bridge on Road P100 in Emalahleni	100%	100%	7
Design: Upgrading of Road D2902 from Ramokgeletsane to Senotlelo (8.49 km)	100%	100%	7
Design: Upgrading of Road D2915 in Zithabiseni from Bundu to R25 (6 km)	100%	100%	4
Design: Rehabilitation of Road P216/1 from Embalenhle to Secunda (9.67 km)	100%	100%	7
Design: Rehabilitation of Road D1723 (Luphisi Road) between Road D636 and Road P258/1 (6.82 km)	12.15%	12.15%	1
Design: Rehabilitation and upgrading of Road D2571 from R37 intersection to P171/1 intersection (Lydenburg Pass) (13.4 km)	100%	100%	6
Design: Rehabilitation of Road D636 (Airport Road) between Road D812 and Road D2276 (12.23 km)	100%	100%	8
Road Safety Appraisals and Improvements	100%	100%	1
Design: Rehabilitation and special maintenance of Road D1411 from km 15.45 at Chuene (D2969) to km 31.12 (15.67 km)	100%	100%	6
Design: Rehabilitation of (D2943) (Schoemansdaal - Driekoppies - Langloop - Kamhluwa) Ring Road - Phase 1 (11.5 km)	100%	100%	6

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Design: Rehabilitation of Road D1555 from D1398 to D383 (11.1 km)	100%	100%	5
Design: Rehabilitation of Road P51/2 from km 21.0 to km 38 (Middleburg to Stoffberg)(18 km) - Phase 1	100%	100%	5
Rehabilitation of Coal Haul Road P36/1 (R50) from km 62.6 to km 71.7 between Delmas and the N12 (9.1 km)	100%	100%	5
Rehabilitation of Coal Haul Road P29/1 (R555) from km 50 at D2669 to km 62.55 at D2821 (Kendal towards Delmas) (12.55 km)	100%	100%	4
Rehabilitation of Coal Haul Road P182/1 (R542) from km 26.25 to R38 between Van Dyksdrift and Hendrina - Phase 3 (13 km)	100%	100%	2
Rock fall protection on Road P57/2	100%	100%	1
Reconstruction of Kumani Bridge on Road D4422 near Thulamahashe (incl 5 km of road)	100%	100%	4
Upgrading of Bridge on Road D4400 over Sand River near Rolfe Village (Widening)	100%	100%	4
Upgrading of Coal Haul Road D2274 from N11 at km 18.7 to D1398 at km 31.7 North of Hendrina (13.0 km)	100%	100%	5
Upgrading of Road D481 Ebuhleni to Maanaar between Mooiplaas and Ekulindeni (7.2 km)	100%	100%	5
Upgrading of Road D4407, D4409 and a section of D4416 between Hluvukani and Road P194/1 near Welverdiend (15.6 km) (5 km)	12.15%	12.15%	5
Rehabilitation of Road P33/4 between Hazzyview and Sabie from km 36.0 to km 43.7 (Phase 1) Part B (7.7km)	66%	66%	4
Rehabilitation of Sections of Road P8/1 (R36) between Mashishing and Bambi (Phase 3) (9 km)	100%	100%	5
Rehabilitation of Road D2950 from R571 (km 0.0) past Mananga (6 km - River Crossing)	100%	100%	4
Light rehabilitation of Road D2486 N2 to Klipwal Phase 1 (9 km)	100%	100%	5
Upgrading and rehabilitation of Road D4382 between Belfast and Justicia (13.60 km)	100%	100%	4
Parliamentary Village	100%	100%	5
Mkhondo Boarding School	100%	100%	5
Maintenance consultants for assisting the department with management of maintenance projects	100%	100%	2
Provision of monitoring and supervision services for scholar transport operations in Bohlabela and Ehlanzeni Regions	100%	100%	1
Coaching and mentoring for National Youth Services	100%	100%	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Not applicable.			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable.			

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2023 and 31 March 2024

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





PART

E

## PFMA COMPLIANCE REPORT

**1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES****1.1 Irregular Expenditure****a) Reconciliation of irregular expenditure**

Description	2023/24	2022/23
	R'000	R'000
Opening balance	1,102,791	863,957
Add: Irregular expenditure confirmed	972,144	591,272
Less: Irregular expenditure condoned	(404,553)	(18,817)
Less: Irregular expenditure not condoned and removed	(474,727)	(333,621)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
<b>Closing balance</b>	<b>1,195,655</b>	<b>1,102,791</b>

**Reconciling notes**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment in 2023/24	12,147	-
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	-
Irregular expenditure for the current year	972,144	591,272
<b>Total</b>	<b>984,291</b>	<b>591,272</b>

**b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure under assessment	12,147	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
<b>Total</b>	<b>223,658</b>	<b>511,519</b>

**c) Details of current and previous year irregular expenditure condoned**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	404,553	18,817
<b>Total</b>	<b>404,553</b>	<b>18,817</b>

The Department received approval for condonation from Provincial Treasury in March 2024.

**d) Details of current and previous year irregular expenditure removed - (not condoned)**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed	474,727	333,621
<b>Total</b>	<b>474,727</b>	<b>333,621</b>

**e) Details of current and previous year irregular expenditure recovered**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure recovered	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Not applicable.

**f) Details of current and previous year irregular expenditure written off (irrecoverable)**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Not applicable.

**Additional disclosure relating to Inter-Institutional Arrangements**

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

Not applicable.

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

Description	2023/24	2022/23
	R'000	R'000
Not applicable.		

- i) **Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure**

<b>Disciplinary steps taken</b>
Investigations were conducted. The Department submitted requests for condonation to Provincial Treasury. Approval for condonation was received in March 2024.

**1.2 Fruitless and wasteful expenditure**

- a) **Reconciliation of fruitless and wasteful expenditure**

Not applicable.

**Reconciling notes**

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment in 2023/24	-	-
Fruitless and wasteful expenditure that relate to 2022/23 and identified in 2023/24	10,555	-
Fruitless and wasteful expenditure for the current year		-
<b>Total</b>	<b>10,555</b>	<b>-</b>

- b) **Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)**

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	10,555	-
<b>Total</b>	<b>10,555</b>	<b>-</b>

- c) **Details of current and previous year fruitless and wasteful expenditure recovered**

The fruitless and wasteful expenditure disclosed is discovered in the current financial year and relates to expenditure incurred in the previous financial year

- d) **Details of current and previous year fruitless and wasteful expenditure not recovered and written off**

Not applicable.

- e) **Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure**

Not applicable.

**1.3 Unauthorised expenditure**

- a) **Reconciliation of unauthorised expenditure**

Description	2023/24	2022/23
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

Not applicable.



## Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Unauthorised expenditure that was under assessment in 2022/23	-	-
Unauthorised expenditure that relates to 2022/23 and identified in 2023/24	-	-
Unauthorised expenditure for the current year	-	-
<b>Total</b>	-	-

## Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Not applicable.

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

## a) Details of current and previous year material losses through criminal conduct

Not applicable.

## b) Details of other material losses

Not applicable.

## c) Other material losses recovered

Not applicable.

## d) Other material losses written off

Not applicable.

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	8 896	4,146,934
Invoices paid within 30 days or agreed period	8 896	4,146,934
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

## 3. SUPPLY CHAIN MANAGEMENT

## 3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Deviation from following normal tender process for the booking of broadcasting on radio, TV and placement of adverts on newspapers has been approved for a period from 01 April 2023 to 31 March 2024	Various Media Houses	Deviation	DPWRT/001/23/MP	Quotation Basis
Deviation from following normal procurement process for office accommodation on behalf of Provincial Treasury at 24 Air street, Malelane in the Mpumalanga Province	Mashinini's Trading cc	Deviation	PWRT/1956/18/MP	369
Deviation from following normal procurement process to enter into a lease agreement with VNV Holdings for office accommodation for the Department of Education in Schoemansdal Circuit Office	VNV Holdings	Deviation	PWRT/1956/18/MP	1287
Deviation from normal procurement processes in the appointment of SS Shongwe General Trading to render scholar transport services on a quarterly basis at Bukhosibetfu Special School – Nkomazi Circuit in the Mpumalanga Province	SS Shongwe General Trading	Deviation	DPWRT/004/22/MP	Standard Rates
Deviation from following normal procurement process to procure a residential accommodation and enter into lease agreement with Seliter Construction Experts for residential accommodation for Inkosi Yende at house No.21 Golfview Estate in Mbombela	Seliter Construction Experts	Deviation	DPWRT/094/21/MP	234

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Deviation from following normal procurement process to acquire a house from Buhle Thandeka Transport & Trading to accommodate medical practitioners on behalf of Department of Health in Kwamhlanga	Buhle Thandeka Transport & Trading	Deviation	PWRT/2261/17/MP	236
Deviation from following normal procurement process for extension of a lease agreement with Catorze Trading for office accommodation on behalf of Department of Agriculture, Rural Development, Land and Environmental Affairs in Nelspruit	Catorze Trading	Deviation	PWRT/2103/14/MP	4095
Deviation from normal procurement process for extension of a lease agreement with Dipula Property Investment Trust for office accommodation on behalf of Department of Education in Secunda	Dipula Property Investment Trust	Deviation	DPWRT/039/14/MP	775
Deviation from normal procurement processes in the appointment of SS MJSN General Trading to render scholar transport services on quarterly basis for a period from June 2023 - December 2024 at Bukhosibetfu Special School – Nkomazi Circuit in the Mpumalanga Province	MJSN General Trading	Deviation	DPWRT/003/22/MP	Standard Rates
Report on variation of contract that exceed the 15% threshold and extension of a contract for provisioning of monitoring and supervision services for scholar transport operation in Bohlabela and Ehlanzeni District in the Mpumalanga Province	Vlakkbult Trading	Deviation	PWRT/2375/19/MP	Rates
Deviation from normal procurement process for procurement of residential accommodation for Inkosi Yende at house No.21 Golfview Estate in Mbombela	Seliter Construction Experts	Deviation	DPWRT/094/21/MP	234
Deviation from following normal procurement process to enter into a lease agreement with Sintha Investments for office accommodation on behalf of Department of Human Settlements in Ermelo in the Mpumalanga Province	Sintha Investments	Deviation	PWRT/2023/12/MP	3945
Deviation from following normal procurement process for extension of a lease agreement with Ligitprops 100 (Pty) Ltd for provision of office accommodation on behalf of the Department of Social Development at 116 & 118 Beatty street in Witbank in the Mpumalanga Province	Ligiprop 100 (Pty) Ltd	Deviation	PWRT/2023/12/MP	2136
Deviation from following normal procurement process to enter into a lease agreement with Siyanda Stationeries cc for office accommodation on behalf of Department of Economic Development and Tourism in Ermelo	Siyanda Stationeries cc	Deviation	PWRT/2122/15/MP	2791
Deviation from normal procurement for the implementation of the 2023/24 Welisizwe Bridges programme, (Bailey bridges) by allowing the utilisation of the term contract PWRT/2212/16/MP, for appointment of term contractors to implement the 2023/24 projects	Mobile Oil (Pty) Ltd	Deviation	PWRT/2212/16/MP	4402
Deviation from normal procurement for the implementation of the 2023/24 Welisizwe Bridges programme, (Bailey bridges) by allowing the utilisation of the term contract PWRT/2212/16/MP, for appointment of term contractors to implement the 2023/24 projects	Sibaka Construction (Pty) Ltd	Deviation	PWRT/2212/16/MP	4402
Deviation from following normal procurement process to procure a residential accommodation and enter into lease agreement with Masakhane Mining Supply & Construction at 24 Hans Strydom Street, Witbank for the Department Of Economic Development and Tourism	Masakhane Mining Supply & Construction	Deviation	PWRT/1954/12/MP	15749
Deviation from following normal procurement process to enter into an agreement with Likhutsa Projects for provision of garden maintenance of twenty five (25) VIP houses for Members of Executive Council, Members of Provincial Legislature And Presiding Officers in the Mpumalanga Province	Likhutsa Projects cc	Deviation	PWRT/2157/16/MP	1207

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Deviation from following normal procurement process to enter into an agreement with AMK Business Enterprise cc for swimming pool maintenance for fifteen (15) VIP houses for Members of Executive Council, Members of Provincial Legislature and Presiding Officers in the Mpumalanga Province	AMK Business Enterprise cc	Deviation	PWRT/2156/16/MP	614
Deviation from following normal procurement process to utilise AMK Business Enterprise cc for repairs of swimming pool damage at house no.8 President street, Premier's official residence in the Mpumalanga Province.	AMK Business Enterprise cc	Deviation	PWRT/2156/16/MP	151
Deviation from following normal procurement process to enter into lease agreement with Leave Me Alone (Pty) Ltd for residential accommodation for Chairperson MPHTKL L Mokoena at house No. 51 Limestone Street, Ntulo Estate in Mbombela for a period from 01 September 2023 to 30 April 2024 or until completion of Parliamentary Village, whichever comes first at a monthly rental of R30 250.00.	Leave Me Alone (Pty) Ltd	Deviation	DPWRT/014/23/MP	242
Deviate from following normal procurement process to enter into a lease agreement for residential accommodation (Medical Professional Staff) on behalf of Department of Health in Dundonald for a period of three (03) years from 01 October 2023 – 30 September 2026	Vusimuzi Wababa Trading and Projects	Deviation	DPWRT/029/23/MP	1398
Deviate from following normal procurement process to enter into a lease agreement for office accommodation on behalf of Department of Community Safety, Security and Liaison in Malelane	Calstar Trust	Deviation	DPWRT/028/23/MP	3237
Deviation from normal procurement process to acquire a building from Nanfin Properties (Pty) Ltd for office accommodation on behalf of Department of Education in Nelspruit from 01 November 2023 to 31 March 2024	Nanfin Properties (Pty) Ltd	Deviation	DPWRT/474/117/MP	2838
Deviation from following normal procurement process for the appointment of Salakahle Business Enterprise to render scholar transport services in Nkangala District in the Mpumalanga Province on route MSTRN033(b) for a period from December 2023 – December 2024	Salakahle Business Enterprise	Deviation	DPWRT/035/23/MP	R47.95 X 64 km X 66 learners
Deviation from following normal procurement process to enter into lease agreement with DA Mushu Holding (Pty) Ltd for residential accommodation for Hon MEC BA Majuba, house no 17 Kiaat Complex Mbombela	DA Mashu Holdings	Deviation	DPWRT/038/23/MP	527
Deviate from a normal procurement process to enter into lease agreements to enter into a lease agreement with for residential accommodation Hon. NP Mkhabela, Member of the Mpumalanga Provincial Legislature at house No 3 Elawini Estate in Mbombela in the Mpumalanga Province	Marentia 392	Deviation	DPWRT/088/17/MP	690
Deviate from a normal procurement process for the appointment of Rustenburg Platinum Mines (RPM) as an implementing agent in a partnership for the upgrading and rehabilitation of road P171/1 (R577), from junction of P81/1 (Dullstroom road) near Mashishing, to D212 and D2630 towards Rossenekal, Thaba Chweu Local Municipality in the Ehlanzeni Region of the Mpumalanga Province	Rustenburg Platinum Mines (RPM)	Deviation	DPWRT/039/23/MP:	Memo-randum of Agreement (MOA)
Deviate from following normal procurement for the implementation of the 2023/24 Welisizwe Bridges programme by allowing the utilisation of the term contract PWRT/2212/16/MP, for appointment of term contractors to implement the 2023/24 projects	Mobile Oil and Sibaka Construction	Deviation	PWRT/2212/16/MP	18769
Deviation from normal procurement process to enter into a lease agreement with Vunene Risimu Trading (Pty) Ltd for office accommodation on behalf of Department of Education (DOE) at main road Angincourt in the Mpumalanga Province	Vunene Risimu Trading (Pty) Ltd	Deviation	PWRT/2240/17/MP	65

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Deviation from following normal tender process for the booking of broadcasting on radio, TV and placement of adverts on newspapers has been approved for a period from 01 April 2023 to 31 March 2024	Various Media Houses	Deviation	DPWRT/001/23/MP	Quotation Basis
Deviation from following normal procurement process for office accommodation on behalf of Provincial Treasury at 24 Air street, Malelane in the Mpumalanga Province	Mashinini's Trading cc	Deviation	PWRT/1956/18/MP	369
Deviation from following normal procurement process to enter into a lease agreement with VNV Holdings for office accommodation for the Department of Education in Schoemansdal Circuit Office	VNV Holdings	Deviation	PWRT/1956/18/MP	1287
Deviation from normal procurement processes in the appointment of SS Shongwe General Trading to render scholar transport services on a quarterly basis at Bukhosibetfu Special School – Nkomazi Circuit in the Mpumalanga Province	SS Shongwe General Trading	Deviation	DPWRT/004/22/MP	Standard Rates
Deviation from following normal procurement process to procure a residential accommodation and enter into lease agreement with Seliter Construction Experts for residential accommodation for Inkosi Yende at house No.21 Golfview Estate in Mbombela	Seliter Construction Experts	Deviation	DPWRT/094/21/MP	234
Deviation from following normal procurement process to acquire a house from Buhle Thandeka Transport & Trading to accommodate medical practitioners on behalf of Department of Health in Kwamhlanga	Buhle Thandeka Transport & Trading	Deviation	PWRT/2261/17/MP	236
Deviation from following normal procurement process for extension of a lease agreement with Catorze Trading for office accommodation on behalf of Department of Agriculture, Rural Development, Land and Environmental Affairs in Nelspruit	Catorze Trading	Deviation	PWRT/2103/14/MP	4095
Deviation from normal procurement process for extension of a lease agreement with Dipula Property Investment Trust for office accommodation on behalf of Department of Education in Secunda	Dipula Property Investment Trust	Deviation	DPWRT/039/14/MP	774
Deviation from normal procurement processes in the appointment of SS MJSN General Trading to render scholar transport services on quarterly basis for a period from June 2023 - December 2024 at Bukhosibetfu Special School – Nkomazi Circuit in the Mpumalanga Province	MJSN General Trading	Deviation	DPWRT/003/22/MP	Standard Rates
Report on variation of contract that exceed the 15% threshold and extension of a contract for provisioning of monitoring and supervision services for scholar transport operation in Bohlabela and Ehlanzeni District in the Mpumalanga Province	Vlakbult Trading	Deviation	PWRT/2375/19/MP	Rates
Deviation from normal procurement process for procurement of residential accommodation for Inkosi Yende at house No.21 Golfview Estate in Mbombela	Seliter Construction Experts	Deviation	DPWRT/094/21/MP	234
<b>Total</b>				<b>77 622</b>

### 3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
The upgrading of rural access road D4422 near Thulamahashe (5.63km) in the Bohlabela Region of the Mpumalanga Province - Application for extension of time claim No.01	Nkomaba and Diff JV for the Actophambili Joint Venture	Variation	PWRT/2492/21/MP	126 183	0	4 766



Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Reconstruction of road D481 between Mooiplaas and Ekhulindeni in Gert Sibande Region of Mpumalanga Province (7.2 km) – Application to use contingencies to fund Claim No.2, Extension of time (EoT No.1) of 45 days with cost due to delays to issue construction work permit	Edwin Construction	Variation	PWRT/2408/19/MP	110 339	0	2 153
Reconstruction of road D481 between Mooiplaas and Ekhulindeni in Gert Sibande Region of Mpumalanga Province (7.2 km) – Application to use contingencies to fund claim no.6, extension of time (EOT No.3) with cost due to six (06) days labour strike	Edwin Construction	Variation	PWRT/2408/19/MP	110 339	0	485
Upgrading of bridge (87m) and bridge approaches (30m) on road D4400 over Sand River near Rolle Village in Ehlanzeni District of the Mpumalanga Province – Application for utilisation of contingencies, additional funding – Variation Order no.1, 2, 3, extension of time (EOT No.1 – 5 ) and Claims no.1-5	Sizampilo Projects (Pty) Ltd	Variation	PWRT/2494/18/MP	21 135	0	4 896
Rehabilitation of coal haul road P29/1 from D2669 near D686 (12.55km) in the Nkangala Region of the Mpumalanga Province - Application for VO 2 - G5 Commercial Source & EOT with cost	Cebekhulu / The Hope JV	Variation	PWRT/2383/21/MP	158 681	0	687
Upgrading of road D2950 (paving of 4.2 km) from Masibekele to Thambokhulu in the Ehlanzeni Region of the Mpumalanga Province - Application of additional funds (Variation Order No.1)	QDS Projects	Variation	PWRT/2212/16/MP & PWRT/2213/16/MP	13 012	0	1 418
Upgrading of road D2950 (paving of 4.2 km) from Masibekele to Thambokhulu in the Ehlanzeni Region of the Mpumalanga Province - Application of additional funds (Variation Order No.1)	Mpfumelelo Business Enterprise	Variation	PWRT/2212/16/MP & PWRT/2213/16/MP	13 012	0	2 540
Upgrading and rehabilitation of road D2950 (Phase 1) in Mananga, Ehlanzeni Region of the Mpumalanga Province (6km 240m River Crossing) in favour of at amount of R355 200.00 - Extension of time (EoT) No.1 & 2	White Hazy Building and Construction	Variation	PWRT/2496/21/MP	113 131	0	355

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Construction of Road D2486, Part A from N2 to Klipwal in Mkhondo Local Municipality, in the Gert Sibande Region of Mpumalanga Province - Application for VO 2, EoT 2, & additional CPA provision, RECA and to exceed expenditure in order to complete the works	Readira Projects	Variation	PWRT/2380/18/MP	88 124	31 075	0
Rehabilitation of coal haul road P29/1 from D2669 near D686 (12.55km) in the Nkangala Region of the Mpumalanga Province - Application for VO 2 - G5 Commercial Source & EOT with cost	Cebekhulu The Hope JV	Variation	PWRT/2383/21/MP	158 681	3 868	687
Scope variation order and project cost variation of P255/1 allocated works for base corrections, in-situ recycling, reseal and shoulder repairs - Term contract for milling and resealing as well as other related road repairs as and when required in the Nkangala District of Mpumalanga Province	Matukane Construction	Variation	PWRT/2213/16/MP	30 134	0	13 721
Rehabilitation of road D4396 (km 0.00) through newforest a to road D4394 (dwarsloop to thulamahashe) in Bohlabela Region of Mpumalanga Province - Application for final payment and project cost	Docs Construction	Variation	DPWRT/052/17/MP	99 993	R0,00	3 125
Reconstruction of road D481 between Mooiplaas and Ekhulindeni in Gert Sibande Region of Mpumalanga Province (7.2 km) - Application for Contract Price Adjustment (CPA) and special material allowance (VO No.2)	Edwin Construction	Variation	PWRT/2408/19/MP	110 339	2 388	33 869
Extension of time and additional construction budget (Variation Order) for the supply, delivery, installation and installation testing new bulk electrical connection at the Riverside Government Complex in Mbombela	Ndiza Solution (Pty) Ltd	Variation	PWRT/2517/22/MP	20 063	0	3 887
Upgrading and rehabilitation of road D2950 (Phase 1) in Mananga in Ehlanzeni Region of the Mpumalanga Province (6km 240m river crossing) - Application for extension of time (EOT of 124 days) No.03	White Hazy Building and Construction	Variation	PWRT/2496/21/MP	113 131	0	1 653

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
The upgrading of rural access road D4422 near Thulamahashe (5.63km) in the Bohlabela Region of the Mpumalanga Province - Application for extension of time claim No.01	Nkomaba and Diff JV for the Actophambili Joint Venture	Variation	PWRT/2492/21/MP	126 183	0	4 766
Reconstruction of road D481 between Mooiplaas and Ekhlulindeni in Gert Sibande Region of Mpumalanga Province (7.2 km) – Application to use contingencies to fund Claim No.2, Extension of time (EoT No.1) of 45 days with cost due to delays to issue construction work permit	Edwin Construction	Variation	PWRT/2408/19/MP	110 339	0	2 153
Reconstruction of road D481 between Mooiplaas and Ekhlulindeni in Gert Sibande Region of Mpumalanga Province (7.2 km) – Application to use contingencies to fund claim no.6, extension of time (EOT No.3) with cost due to six (06) days labour strike	Edwin Construction	Variation	PWRT/2408/19/MP	110 339	0	485
<b>Total</b>				<b>1 633 158</b>	<b>37 331</b>	<b>64 346</b>



PART

F

## FINANCIAL INFORMATION



REPORT OF THE AUDITOR-GENERAL TO  
MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE  
NO. 8: MPUMALANGA DEPARTMENT OF PUBLIC  
WORKS, ROADS AND TRANSPORT

REPORT ON THE AUDIT OF THE FINANCIAL  
STATEMENTS

Opinion

1. I have audited the financial statements of the Mpumalanga Department of Public Works, Roads and Transport set out on pages 115 to 164, which comprise the appropriation statement, statement of financial position as at 31 March 2024, 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, Roads and Transport as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2024.

Material underspending of the vote by the department

8. As disclosed in the appropriation statement, the department materially underspent the budget by R100 million on transport and public works infrastructure.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 112, forms part of our auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL  
PERFORMANCE REPORT

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page Numbers	Purpose
Programme 2: Public Works Infrastructure	29	The purpose of the programme is to provide a balanced and equitable provincial government building infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive which supports economic development and social empowerment.
Programme 3: Transport Infrastructure	33	The purpose of the programme is to promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.

<b>Programme 4: Transport Operations</b>	37	The purpose of the programme is to plan, regulate and facilitate the provision of integrated land transport services through coordination and co-operation with national planning authorities, community-based organisations (CBOs), non-governmental organisations (NGOs) and the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access.
<b>Programme 5: Community Based Programmes</b>	40	The purpose of the programme is to manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme (EPWP).

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

16. I performed procedures to test whether:

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

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

18. I did not identify any material findings on the reported performance information for the selected programmes.

#### Other matters

19. I draw attention to the matters below.

#### Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.

21. The tables that follow provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 29 to 43.

#### Public Works Infrastructure

<i>Targets achieved: 75%</i> <i>Budget spent 98%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of capital infrastructure projects completed	164	132

#### Transport Infrastructure

<i>Targets achieved: 58%</i> <i>Budget spent: 96.9%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of kilometres of gravel roads upgraded to surfaced roads	16	13
Number of square meters of surfaced roads resealed	1 150 000	860 821
Number of IRMA projects completed	4	1
Number of Welisizwe projects completed	16	3
Number of kilometres of gravel roads bladed	36 500	22 526

#### Transport Operations

<i>Targets achieved: 83%</i> <i>Budget spent: 99.9%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of trips subsidised	822 573	817 676

#### Community Based Programmes

<i>Targets achieved: 43%</i> <i>Budget spent: 99.4%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of work opportunities created by Provincial Public Works, Roads and Transport	12 238	9 337
Number of youths employed (18-35)	6 731	3 931
Number of women employed	7 343	6 618
Number of persons with disabilities employed	245	8

#### Material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 2: public works infrastructure. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

**REPORT ON COMPLIANCE WITH LEGISLATION**

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

**Annual financial statements, performance management and annual report**

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

**Expenditure management**

28. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 21 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 non-compliance with Supply Chain Management (SCM) regulations and extension of leases without following procurement processes.

**Procurement and contract management**

29. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by Treasury Regulation 16A8.4 and Par 7.2 of NTI 03 of 2021/22.
30. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by Treasury Regulation 16A6.1, paragraph 3.3.1 of NTI 02 of 2021/22, paragraph 4.1 of NTI 03 of 2021/22 and TR 16A6.4. Similar noncompliance was also reported in the prior year.
31. Bid documentation/ invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the upgrade of road D4382 between Belfast and Justicia.

**Utilisation of conditional grants**

32. The provincial roads and maintenance grant was not spent for the purposes stipulated in the Schedule concerned as required by section 16(1) of the Dora.

**OTHER INFORMATION IN THE ANNUAL REPORT**

33. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
34. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
35. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
37. I have nothing to report in this regard.

**INTERNAL CONTROL DEFICIENCIES**

38. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
39. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on compliance with legislation included in this report.
40. There was insufficient oversight and monitoring of the implementation of internal controls by management, which resulted in material misstatements of the financial statements and the annual performance report, as well as non-compliance with laws and regulations.
41. Management did not review and monitor compliance with laws and regulations consistently to prevent contraventions laws and regulations.
42. Management did not implement sufficient monitoring and oversight over the implementation of the audit action plan which resulted to similar findings identified in the prior year.

**MATERIAL IRREGULARITIES**

43. 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 material irregularities as previously reported in the auditor's report.

**Status of previously reported material irregularities****Prepayments not recovered through goods and services**

44. Appropriate processes were not implemented to ensure that payments were made after goods and services have been received as required by treasury regulation 15.10.1.2(c).



45. Between 2017 and 2021, the department failed to ensure that there is adequate sound financial management. This resulted in the department processing prepayments to contractors for projects when it was not required in terms of the contract. As disclosed in note 9.4, the prepayments resulted in overpayments as the department did not receive goods and/or services for the payments made. The overpayments are likely to result in material financial loss to the department if the money is not recovered.

46. The accounting officer was notified of the material irregularity on 30 August 2022. The following actions have been taken or are planned to be taken to resolve the material irregularity:

- In September 2022, appointed an external service provider to investigate the irregularities identified in the MI. The investigation was concluded in January 2023
- In November 2023, following the outcome of the investigation conducted. The AO appointed a legal firm to assist the department with consequence management against officials. As at the date of this audit report, the process was still ongoing.
- In June 2024, referred the irregularity to the Special Investigation Unit for further investigation. As at the date of this audit report, the process was still ongoing

47. I will follow up on the investigation and the implementation of the planned actions during my next audit.

#### **Overpayments on rehabilitation of 11,8km of road D3930 from Acornhoek and Hluvukani in the Bohlabela region**

48. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.

49. The department appointed a contractor in February 2019 for the rehabilitation of road. In August 2019, the department terminated the contract of the appointed contractor and appointed a new contractor in September 2019. The department did not reconcile quantities of work done by the withdrawn contractor resulting in overpayments on some quantities not being detected. The overpayments are likely to result in material financial loss for the department if the money is not recovered.

50. The accounting officer was notified of the material irregularity on 13 December 2021. The following actions have been taken to resolve the material irregularity:

- In September 2022, the AO appointed an external service provider to investigate the noncompliance the investigation was concluded in January 2023.

- In November 2023, following the outcome of the investigation conducted. The AO appointed a legal firm to assist the department with consequence management against officials. No official was found liable for the irregularity that resulted in this MI.
- In June 2023, the department recovered the overpayments from the contractor.
- The department refined the commitment / retentions register to track payment to contractors on a monthly basis.

51. Therefore, the MI is resolved

#### **OTHER REPORTS**

52. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. 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.

53. The SIU investigated the procurement process for contracts relating to covid-19 PPE awarded in 2020-21 and improper certification of infrastructure projects as complete while in progress. Investigation was finalised on contracts relating to covid-19 PPE and communicated to the accounting officer for action. The accounting officer instituted internal disciplinary processes on the implicated officials which is still in progress. The investigation relating to the improper certification of projects as complete is still in progress.

*Auditor-General*

**Auditor-General  
Mbombela  
31 July 2024**



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

## COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 1 Section 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A3.1 ; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b)(ii); 16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
Division of Revenue Act No. 5 of 2023	DoRA 11(6)(a) DoRA 12(5) DoRA 16(1) DoRA 16(3) DoRA 16(3)(a)(i) DoRA 16(3)(a)(ii)(bb)
Public service regulation	Public service regulation 13(c) ;18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 29 Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2
	Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
SITA ACT	Section 7(3) Section 7(6)(b) Section 20(1)(a)(l)
SITA regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c) ; 3.3 (e) ; 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1; 6.2; 6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)





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

VOTE NO. 08

**ANNUAL FINANCIAL STATEMENTS**  
**2023/2024 FINANCIAL YEAR**



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**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Appropriation Statement**

Figures in Rand thousand				2023/2024			2022/2023			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final App appropriation	Final roprition	Actual Expenditure
Appropriation per programme										
Programme										
ADMINISTRATION	1	359,140	-	4,373	363,513	363,309	204	99.94 %	367,642	367,642
PUBLIC WORKS INFRASTRUCTURE	2	1,325,810	-	13,282	1,339,092	1,312,278	26,814	98.00 %	1,209,120	1,209,120
TRANSPORT INFRASTRUCTURE	3	2,418,207	-	(41,913)	2,376,294	2,303,470	72,824	96.94 %	1,919,467	1,917,587
TRANSPORT OPERATIONS	4	1,383,206	-	29,953	1,413,159	1,413,041	118	99.99 %	1,362,391	1,358,393
COMMUNITY BASED PROGRAMME	5	79,837	-	(5,695)	74,142	73,727	415	99.44 %	74,231	74,231
Programme subtotal		5,566,200	-	-	5,566,200	5,465,825	100,375	98.20 %	4,932,851	4,926,973
Total		5,566,200	-	-	5,566,200	5,465,825	100,375	98.20 %	4,932,851	4,926,973
Reconciliation with statement of financial performance										
Add:										
Add:										
Actual amounts per statement of financial performance (total expenditure)						5,465,825				4,926,973

**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Appropriation Statement**

Figures in Rand thousand				2023/2024		2022/2023			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	958,414	(12,756)	(1,842)	943,816	943,719	97	99.99 %	900,198	900,196
Social contributions	176,481	8,050	1	184,532	184,526	6	100.00 %	167,913	167,913
	1,134,895	(4,706)	(1,841)	1,128,348	1,128,245	103	99.99 %	1,068,111	1,068,109
Goods and services									
Administrative fees	2,224	(305)	-	1,919	1,914	5	99.74 %	1,668	1,669
Advertising	961	1,660	-	2,621	2,621	-	100.00 %	2,339	2,339
Minor assets	2,473	(2,226)	-	247	436	(189)	176.52 %	385	385
Audit costs: External	12,568	180	-	12,748	12,748	-	100.00 %	10,906	10,906
Catering: Departmental activities	2,164	980	-	3,144	3,145	(1)	100.03 %	2,255	2,255
Communication	14,551	1,613	-	16,164	16,422	(258)	101.60 %	16,168	16,168
Computer services	1,629	(979)	-	650	650	-	100.00 %	1,243	643
Consultants: Business and advisory services	21,206	2,931	(4,493)	19,644	19,644	-	100.00 %	14,646	14,646
Infrastructure and planning services	99,822	16,733	-	116,555	116,555	-	100.00 %	103,810	104,289
Legal services	14,165	(5,835)	-	8,330	8,330	-	100.00 %	14,723	14,723
Contractors	47,077	(12,840)	(5,320)	28,917	29,029	(112)	100.39 %	29,379	27,548
Agency and support / outsourced services	53,806	2,067	-	55,873	55,875	(2)	100.00 %	44,682	44,682
Fleet services	70,804	(185)	-	70,619	70,619	-	100.00 %	74,032	74,032
Inventory: Clothing material and supplies	15,747	5,776	-	21,523	21,559	(36)	100.17 %	15,913	15,914
Inventory: Fuel, oil and gas	13,106	5,012	-	18,118	22,191	(4,073)	122.48 %	23,000	23,000
Inventory: Materials and supplies	109,506	21,868	-	131,374	131,975	(601)	100.46 %	82,459	82,459
Inventory: Other supplies	963	(963)	-	-	-	-	- %	-	-
Consumable supplies	3,934	4,367	-	8,301	10,916	(2,615)	131.50 %	8,659	8,659
Consumable: Stationery, printing and office supplies	9,638	(54)	-	9,584	9,584	-	100.00 %	9,760	9,760

**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Appropriation Statement**

Figures in Rand thousand		2023/2024				2022/2023			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Appropriation per economic classification (continued)</b>									
Operating leases	30,381	3,710	-	34,091	34,091	-	100.00 %	31,509	31,509
Property payments	842,883	(70,514)	5,600	777,969	777,933	36	100.00 %	598,128	587,031
Transport provided: Departmental activity	466,210	21,664	29,953	517,827	518,173	(346)	100.07 %	503,088	503,088
Travel and subsistence	66,255	25,892	4,373	96,520	98,663	(2,143)	102.22 %	106,210	106,125
Training and development	17,613	(8,634)	-	8,979	8,980	(1)	100.01 %	18,275	18,275
Operating payments	3,703	(2,607)	-	1,096	1,102	(6)	100.55 %	1,207	1,207
Venues and facilities	329	669	-	998	998	-	100.00 %	872	955
Rental and hiring	-	4	-	4	4	-	100.00 %	-	-
	<b>1,923,718</b>	<b>9,984</b>	<b>30,113</b>	<b>1,963,815</b>	<b>1,974,157</b>	<b>(10,342)</b>	<b>100.53 %</b>	<b>1,715,316</b>	<b>1,702,267</b>
<b>Total current payments</b>									
	<b>3,058,613</b>	<b>5,278</b>	<b>28,272</b>	<b>3,092,163</b>	<b>3,102,402</b>	<b>(10,239)</b>	<b>100.33 %</b>	<b>2,783,427</b>	<b>2,770,376</b>
<b>Transfers and subsidies Provinces and municipalities</b>									
Provincial Revenue Funds	3,004	552	-	3,556	3,556	-	100.00 %	1,155	1,155
<b>Municipalities</b>									
Municipal bank accounts	300,111	-	(2,205)	297,906	297,906	-	100.00 %	421,206	421,208
<b>Provinces and municipalities subtotal</b>	<b>303,115</b>	<b>552</b>	<b>(2,205)</b>	<b>301,462</b>	<b>301,462</b>	<b>-</b>	<b>100.00 %</b>	<b>422,361</b>	<b>422,363</b>
<b>Departmental agencies and accounts</b>									
Departmental agencies (non-business entities)	80	-	(43)	37	37	-	100.00 %	101	101
<b>Public corporations and private enterprises</b>									
	788,584	(5,790)	-	782,794	782,678	116	99.99 %	754,515	750,517
<b>Households</b>									
Social benefits	23,080	(90)	3,929	26,919	29,693	(2,774)	110.30 %	22,724	22,724
<b>Total transfers and subsidies</b>	<b>1,114,859</b>	<b>(5,328)</b>	<b>1,681</b>	<b>1,111,212</b>	<b>1,113,870</b>	<b>(2,658)</b>	<b>100.24 %</b>	<b>1,199,701</b>	<b>1,195,705</b>



**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Appropriation Statement**

Figures in Rand thousand				2023/2024		2022/2023			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification (continued)									
Payments for capital assets Buildings and other fixed structures									
Buildings	1,366,697	(42)	(29,953)	1,336,702	1,233,493	103,209	92.28 %	936,351	941,907
Machinery and equipment Transport									
equipment	5,550	2,736	-	8,286	8,169	117	98.59 %	5,432	5,433
Other machinery and equipment	19,981	(2,379)	-	17,602	7,849	9,753	44.59 %	7,940	12,952
	25,531	357	-	25,888	16,018	9,870	61.87 %	13,372	18,385
Software and other intangible assets	500	(307)	-	193	-	193	- %	-	600
Total payments for capital assets	1,392,728	8	(29,953)	1,362,783	1,249,511	113,272	91.69 %	949,723	960,892
Payments for financial assets	-	42	-	42	42	-	100.00 %	-	-
Total	5,566,200	-	-	5,566,200	5,465,825	100,375	98.20 %	4,932,851	4,926,973

**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Appropriation Statement**

Figures in Rand thousand									

**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Appropriation Statement**

Figures in Rand thousand	2023/2024				2022/2023				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Inventory: Clothing material and supplies	335	(10)	-	325	325	-	100.00 %	573	573
Inventory: Fuel, oil and gas	158	(158)	-	-	-	-	- %	-	-
Inventory: Materials and supplies	565	(563)	-	2	2	-	100.00 %	-	-
Consumable supplies	1,075	840	-	1,915	1,915	-	100.00 %	1,189	1,189
Consumable: Stationery, printing and office supplies	8,988	(379)	-	8,609	8,609	-	100.00 %	9,549	9,549
Operating leases	2,740	(462)	-	2,278	2,278	-	100.00 %	1,898	1,898
Travel and subsistence	11,821	12,989	4,373	29,183	29,183	-	100.00 %	33,482	33,482
Training and development	7,129	(5,112)	-	2,017	2,017	-	100.00 %	2,293	2,293
Operating payments	1,446	(757)	-	689	689	-	100.00 %	764	764
Venues and facilities	156	51	-	207	207	-	100.00 %	524	524
Rental and hiring	-	1	-	1	1	-	100.00 %	-	-
	137,580	1,093	4,373	143,046	143,046	-	100.00 %	155,433	155,433
Total current payments	347,548	(511)	4,373	351,410	351,315	95	99.97 %	357,687	357,687
Transfers and subsidies									
Provinces and municipalities									
Provincial Revenue Funds	3,004	552	-	3,556	3,556	-	100.00 %	1,155	1,155
Households									
Social benefits	2,787	(41)	-	2,746	2,746	-	100.00 %	2,115	2,115
Total transfers and subsidies	5,791	511	-	6,302	6,302	-	100.00 %	3,270	3,270
Payments for capital assets									
Machinery and equipment									
Transport equipment	4,000	-	-	4,000	3,883	117	97.08 %	4,764	4,765
Other machinery and equipment	1,801	-	-	1,801	1,809	(8)	100.44 %	1,921	1,920
	5,801	-	-	5,801	5,692	109	98.12 %	6,685	6,685
Total	359,140	-	4,373	363,513	363,309	204	99.94 %	367,642	367,642

**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Appropriation Statement**

Figures in Rand thousand		2023/2024				2022/2023			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>2. PUBLIC WORKS INFRASTRUCTURE</b>									
<b>Sub programme</b>									
PROGRAMME SUPPORT	4,566	(945)	-	3,621	3,621	-	100.00 %	3,638	3,638
PLANNING	13,120	2,900	-	16,020	16,020	-	100.00 %	17,192	17,191
DESIGN	18,201	(1,023)	-	17,178	17,178	-	100.00 %	18,116	18,115
CONSTRUCTION	400,826	(2,809)	(10,452)	387,565	355,818	31,747	91.81 %	184,166	190,034
MAINTENANCE	357,344	9,129	1,199	367,672	348,608	19,064	94.81 %	340,192	334,360
IMMOVABLE ASSETS MANAGEMENT	418,525	(6,849)	(2,205)	409,471	412,146	(2,675)	100.65 %	525,515	525,517
FACILITY OPERATIONS	113,228	(403)	24,740	137,565	158,887	(21,322)	115.50 %	120,301	120,265
<b>Subtotal</b>	<b>1,325,810</b>	<b>-</b>	<b>13,282</b>	<b>1,339,092</b>	<b>1,312,278</b>	<b>26,814</b>	<b>98.00 %</b>	<b>1,209,120</b>	<b>1,209,120</b>
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	291,310	(2,771)	2,151	290,690	290,690	-	100.00 %	265,010	265,009
Social contributions	49,721	2,771	-	52,492	52,492	-	100.00 %	46,028	46,028
	<b>341,031</b>	<b>-</b>	<b>2,151</b>	<b>343,182</b>	<b>343,182</b>	<b>-</b>	<b>100.00 %</b>	<b>311,038</b>	<b>311,037</b>
<b>Goods and services</b>									
Administrative fees	134	(3)	-	131	126	5	96.18 %	159	160
Minor assets	480	(440)	-	40	229	(189)	572.50 %	290	290
Catering: Departmental activities	6	410	-	416	417	(1)	100.24 %	26	26
Communication	9,321	2,705	-	12,026	12,284	(258)	102.15 %	11,757	11,757
Computer services	-	-	-	-	-	-	- %	600	-
Consultants: Business and advisory services	6,786	2,516	-	9,302	9,302	-	100.00 %	9,362	9,362
Infrastructure and planning services	3,494	(844)	-	2,650	2,650	-	100.00 %	253	3,190
Legal services	3,514	(3,455)	-	59	59	-	100.00 %	88	88
Contractors	13,689	(1,114)	-	12,575	12,687	(112)	100.89 %	12,258	12,258



**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Appropriation Statement**

Figures in Rand thousand				2023/2024			2022/2023		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Agency and support / outsourced services	-	2,346	-	2,346	2,346	-	100.00 %	2,303	2,303
Fleet services	132	(132)	-	-	-	-	- %	118	118
Inventory: Clothing material and supplies	654	488	-	1,142	1,178	(36)	103.15 %	1,769	1,770
Inventory: Fuel, oil and gas	1,171	445	-	1,616	5,689	(4,073)	352.04 %	6,305	6,305
Inventory: Materials and supplies	6,396	4,435	-	10,831	10,945	(114)	101.05 %	10,572	10,572
Consumable supplies	66	3,994	-	4,060	6,675	(2,615)	164.41 %	5,431	5,431
Consumable: Stationery, printing and office supplies	-	191	-	191	191	-	100.00 %	1	1
Operating leases	27,641	4,172	-	31,813	31,813	-	100.00 %	29,611	29,611
Property payments	182,572	(24,472)	22,589	180,689	181,140	(451)	100.25 %	170,820	159,771
Travel and subsistence	17,176	10,283	-	27,459	29,602	(2,143)	107.80 %	34,348	34,263
Training and development	496	(437)	-	59	59	-	100.00 %	30	30
Operating payments	1,325	(1,088)	-	237	243	(6)	102.53 %	315	315
Venues and facilities	-	-	-	-	-	-	- %	97	180
	275,053	-	22,589	297,642	307,635	(9,993)	103.36 %	296,513	287,801
Total current payments	616,084	-	24,740	640,824	650,817	(9,993)	101.56 %	607,551	598,838
Transfers and subsidies									
Provinces and municipalities									
Municipalities									
Municipal bank accounts	300,111	-	(2,205)	297,906	297,906	-	100.00 %	421,206	421,208
Departmental agencies and accounts									
Departmental agencies (non-business entities)	80	-	(43)	37	37	-	100.00 %	101	101
Households	3,962	-	2,248	6,210	9,312	(3,102)	149.95 %	3,628	3,628
Social benefits									
Total transfers and subsidies	304,153	-	-	304,153	307,255	(3,102)	101.02 %	424,935	424,937

**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Appropriation Statement**

Figures in Rand thousand	2023/2024				2022/2023				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Payments for capital assets</b>									
<b>Buildings and other fixed structures</b>									
Buildings	402,268	(42)	(11,458)	390,768	351,054	39,714	89.84 %	174,473	177,571
<b>Machinery and equipment</b>									
Other machinery and equipment	2,805	307	-	3,112	3,110	2	99.94 %	2,161	7,174
Software and other intangible assets	500	(307)	-	193	-	193	- %	-	600
<b>Total payments for capital assets</b>	<b>405,573</b>	<b>(42)</b>	<b>(11,458)</b>	<b>394,073</b>	<b>354,164</b>	<b>39,909</b>	<b>89.87 %</b>	<b>176,634</b>	<b>185,345</b>
Payments for financial assets	-	42	-	42	42	-	100.00 %	-	-
<b>Total</b>	<b>1,325,810</b>	<b>-</b>	<b>13,282</b>	<b>1,339,092</b>	<b>1,312,278</b>	<b>26,814</b>	<b>98.00 %</b>	<b>1,209,120</b>	<b>1,209,120</b>

**DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT**  
**VOTE 08**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

### Appropriation Statement

Figures in Rand thousand		2023/2024				2022/2023			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>3. TRANSPORT INFRASTRUCTURE</b>									
<b>Sub programme</b>									
PROGRAMME SUPPORT	3,065	15	(41)	3,039	3,034	5	99.84 %	2,301	2,301
INFRASTRUCTURE PLANNING	67,683	(7,999)	(1,452)	58,232	58,232	-	100.00 %	61,818	61,817
DESIGN	84,306	4,157	(1,393)	87,070	78,738	8,332	90.43 %	38,635	38,635
CONSTRUCTION	907,063	(160)	(18,795)	888,108	832,945	55,163	93.79 %	741,143	743,602
MAINTENANCE	1,356,090	3,987	(20,232)	1,339,845	1,330,521	9,324	99.30 %	1,075,570	1,071,232
<b>Subtotal</b>	<b>2,418,207</b>	<b>-</b>	<b>(41,913)</b>	<b>2,376,294</b>	<b>2,303,470</b>	<b>72,824</b>	<b>96.94 %</b>	<b>1,919,467</b>	<b>1,917,587</b>

### Economic classification

<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	354,179	-	(3,151)	351,028	351,018	10	100.00 %	342,977	342,976
Social contributions	81,367	-	361	81,728	81,727	1	100.00 %	75,995	75,995
	<b>435,546</b>	<b>-</b>	<b>(2,790)</b>	<b>432,756</b>	<b>432,745</b>	<b>11</b>	<b>100.00 %</b>	<b>418,972</b>	<b>418,971</b>

<b>Goods and services</b>									
Administrative fees	785	(436)	-	349	349	-	100.00 %	222	222
Advertising	165	1	-	166	166	-	100.00 %	-	-
Minor assets	190	(126)	-	64	64	-	100.00 %	28	28
Catering: Departmental activities	973	49	-	1,022	1,022	-	100.00 %	921	921
Communication	786	206	-	992	992	-	100.00 %	916	916
Consultants: Business and advisory services	944	-	-	944	944	-	100.00 %	-	-
Infrastructure and planning services	96,328	17,577	-	113,905	113,905	-	100.00 %	103,557	101,099
Legal services	-	18	-	18	18	-	100.00 %	2,144	2,144
Contractors	19,081	220	(5,320)	13,981	13,981	-	100.00 %	13,919	12,088
Agency and support / outsourced services	51,858	1,644	-	53,502	53,504	(2)	100.00 %	42,365	42,365
Fleet services	6,697	(2,366)	-	4,331	4,331	-	100.00 %	3,459	3,459

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**Appropriation Statement**

Figures in Rand thousand			2023/2024				2022/2023		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Inventory: Clothing material and supplies	14,207	3,933	-	18,140	18,140	-	100.00 %	12,175	12,175
Inventory: Fuel, oil and gas	11,777	4,725	-	16,502	16,502	-	100.00 %	16,695	16,695
Inventory: Materials and supplies	102,545	17,751	-	120,296	120,783	(487)	100.40 %	71,887	71,887
Consumable supplies	1,208	147	-	1,355	1,355	-	100.00 %	1,640	1,640
Consumable: Stationery, printing and office supplies	202	(102)	-	100	100	-	100.00 %	-	-
Property payments	660,311	(46,042)	(16,989)	597,280	596,793	487	99.92 %	427,308	427,260
Travel and subsistence	19,778	2,911	-	22,689	22,689	-	100.00 %	21,470	21,470
Training and development	74	(51)	-	23	24	(1)	104.35 %	57	57
Operating payments	181	(63)	-	118	118	-	100.00 %	120	120
Rental and hiring	-	3	-	3	3	-	100.00 %	-	-
	988,090	(1)	(22,309)	965,780	965,783	(3)	100.00 %	718,883	714,546
Total current payments	1,423,636	(1)	(25,099)	1,398,536	1,398,528	8	100.00 %	1,137,855	1,133,517
Transfers and subsidies									
Households									
Social benefits	15,668	1	1,681	17,350	17,370	(20)	100.12 %	16,783	16,783
Payments for capital assets									
Buildings and other fixed structures									
Buildings	964,429	-	(18,495)	945,934	882,439	63,495	93.29 %	761,878	764,336
Machinery and equipment									
Transport equipment	-	2,732	-	2,732	2,732	-	100.00 %	-	-
Other machinery and equipment	14,474	(2,732)	-	11,742	2,401	9,341	20.45 %	2,951	2,951
	14,474	-	-	14,474	5,133	9,341	35.46 %	2,951	2,951
Total payments for capital assets	978,903	-	(18,495)	960,408	887,572	72,836	92.42 %	764,829	767,287
Total	2,418,207	-	(41,913)	2,376,294	2,303,470	72,824	96.94 %	1,919,467	1,917,587



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### Appropriation Statement

Figures in Rand thousand				2023/2024			2022/2023		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4. TRANSPORT OPERATIONS									
Sub programme									
PROGRAMME SUPPORT	1,611	1,130	-	2,741	2,742	(1)	100.04 %	1,037	1,037
PUBLIC TRANSPORT SERVICES	1,287,728	568	29,953	1,318,249	1,318,130	119	99.99 %	1,275,343	1,271,345
OPERATOR LICENCES AND PERMITS	13,605	(5,528)	-	8,077	8,077	-	100.00 %	-	-
TRANSPORT SAFETY AND COMPLIANCE	67,049	2,992	-	70,041	70,041	-	100.00 %	65,804	65,804
TRANSPORT SYSTEMS	4,860	3,720	-	8,580	8,580	-	100.00 %	14,622	14,622
INFRASTRUCTURE OPERATIONS	8,353	(2,882)	-	5,471	5,471	-	100.00 %	5,585	5,585
Subtotal	1,383,206	-	29,953	1,413,159	1,413,041	118	99.99 %	1,362,391	1,358,393
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	81,564	(4,331)	-	77,233	77,233	-	100.00 %	73,381	73,381
Social contributions	14,730	1,229	-	15,959	15,959	-	100.00 %	14,699	14,699
	96,294	(3,102)	-	93,192	93,192	-	100.00 %	88,080	88,080
Goods and services									
Administrative fees	98	117	-	215	215	-	100.00 %	155	155
Advertising	3	344	-	347	347	-	100.00 %	-	-
Minor assets	1,402	(1,402)	-	-	-	-	- %	-	-
Catering: Departmental activities	275	160	-	435	435	-	100.00 %	146	146
Communication	2	327	-	329	329	-	100.00 %	231	231
Consultants: Business and advisory services	146	3,154	-	3,300	3,300	-	100.00 %	4,021	4,021
Contractors	10,969	(10,969)	-	-	-	-	- %	414	414
Agency and support / outsourced services	-	-	-	-	-	-	- %	3	3

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**Appropriation Statement**

Figures in Rand thousand	2023/2024					2022/2023			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Fleet services	-	413	-	413	413	-	100.00 %	-	-
Inventory: Clothing material and supplies	-	22	-	22	22	-	100.00 %	482	482
Inventory: Other supplies	963	(963)	-	-	-	-	- %	-	-
Consumable supplies	1,583	(1,582)	-	1	1	-	100.00 %	-	-
Consumable: Stationery, printing and office supplies	189	495	-	684	684	-	100.00 %	210	210
Transport provided: Departmental activity	466,210	21,664	29,953	517,827	518,173	(346)	100.07 %	503,088	503,088
Travel and subsistence	13,287	(3,173)	-	10,114	10,114	-	100.00 %	9,924	9,924
Training and development	226	(226)	-	-	-	-	- %	-	-
Operating payments	328	(280)	-	48	48	-	100.00 %	5	5
Venues and facilities	-	791	-	791	791	-	100.00 %	251	251
	495,681	8,892	29,953	534,526	534,872	(346)	100.06 %	518,930	518,930
Total current payments	591,975	5,790	29,953	627,718	628,064	(346)	100.06 %	607,010	607,010
Transfers and subsidies Public corporations and private enterprises									
Private enterprises									
Other transfers to private enterprises	788,584	(5,790)	-	782,794	782,678	116	99.99 %	754,515	750,517
Households									
Social benefits	663	(50)	-	613	265	348	43.23 %	198	198
Total transfers and subsidies	789,247	(5,840)	-	783,407	782,943	464	99.94 %	754,713	750,715

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Appropriation Statement

Figures in Rand thousand	2023/2024				2022/2023				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Payments for capital assets</b>									
<b>Machinery and equipment</b>									
Transport equipment	1,550	4	-	1,554	1,554	-	100.00 %	668	668
Other machinery and equipment	434	46	-	480	480	-	100.00 %	-	-
	<b>1,984</b>	<b>50</b>	<b>-</b>	<b>2,034</b>	<b>2,034</b>	<b>-</b>	<b>100.00 %</b>	<b>668</b>	<b>668</b>
<b>Total</b>	<b>1,383,206</b>	<b>-</b>	<b>29,953</b>	<b>1,413,159</b>	<b>1,413,041</b>	<b>118</b>	<b>99.99 %</b>	<b>1,362,391</b>	<b>1,358,393</b>

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**Appropriation Statement**

Figures in Rand thousand		2023/2024				2022/2023			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>5. COMMUNITY BASED PROGRAMME</b>									
<b>Sub programme</b>									
PROGRAMME SUPPORT	2,085	(432)	-	1,653	1,644	9	99.46 %	1,187	1,187
COMMUNITY DEVELOPMENT	41,259	2,068	-	43,327	43,122	205	99.53 %	47,812	47,812
INNOVATION AND EMPOWERMENT	17,868	(706)	(5,695)	11,467	11,416	51	99.56 %	10,129	10,129
EPWP CO-ORDINATION AND MONITORING	18,625	(930)	-	17,695	17,545	150	99.15 %	15,103	15,103
<b>Subtotal</b>	<b>79,837</b>	<b>-</b>	<b>(5,695)</b>	<b>74,142</b>	<b>73,727</b>	<b>415</b>	<b>99.44 %</b>	<b>74,231</b>	<b>74,231</b>
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Compensation of employees</b>									
Salaries and wages	49,672	(3,447)	(842)	45,383	45,383	-	100.00 %	43,223	43,223
Social contributions	2,384	3,447	(360)	5,471	5,474	(3)	100.05 %	4,544	4,544
	<b>52,056</b>	<b>-</b>	<b>(1,202)</b>	<b>50,854</b>	<b>50,857</b>	<b>(3)</b>	<b>100.01 %</b>	<b>47,767</b>	<b>47,767</b>
<b>Goods and services</b>									
Administrative fees	57	24	-	81	81	-	100.00 %	109	109
Advertising	271	565	-	836	836	-	100.00 %	47	47
Minor assets	336	(336)	-	-	-	-	- %	-	-
Catering: Departmental activities	336	(31)	-	305	305	-	100.00 %	296	296
Communication	238	(10)	-	228	228	-	100.00 %	221	221
Computer services	25	(25)	-	-	-	-	- %	-	-
Consultants: Business and advisory services	8,829	(1,439)	(4,493)	2,897	2,897	-	100.00 %	-	-
Contractors	-	1,402	-	1,402	1,402	-	100.00 %	687	687
Agency and support / outsourced services	1,933	(1,929)	-	4	4	-	100.00 %	-	-
Inventory: Clothing material and supplies	551	1,343	-	1,894	1,894	-	100.00 %	914	914



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**Appropriation Statement**

Figures in Rand thousand	2023/2024					2022/2023			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Inventory: Materials and supplies	-	245	-	245	245	-	100.00 %	-	-
Consumable supplies	2	968	-	970	970	-	100.00 %	399	399
Consumable: Stationery, printing and office supplies	259	(259)	-	-	-	-	- %	-	-
Travel and subsistence	4,193	2,882	-	7,075	7,075	-	100.00 %	6,986	6,986
Training and development	9,688	(2,808)	-	6,880	6,880	-	100.00 %	15,895	15,895
Operating payments	423	(419)	-	4	4	-	100.00 %	3	3
Venues and facilities	173	(173)	-	-	-	-	- %	-	-
	27,314	-	(4,493)	22,821	22,821	-	100.00 %	25,557	25,557
Total current payments	79,370	-	(5,695)	73,675	73,678	(3)	100.00 %	73,324	73,324
Payments for capital assets									
Machinery and equipment									
Other machinery and equipment	467	-	-	467	49	418	10.49 %	907	907
Total	79,837	-	(5,695)	74,142	73,727	415	99.44 %	74,231	74,231

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### Notes to the Appropriation Statement

#### 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-H) to the annual financial statements.

#### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 Annual appropriation to the annual financial statements.

#### 3. Detail on payments for financial assets

Details of these transactions per programme can be viewed in the note on Payments for financial assets to the annual financial statements.

#### 4. Explanations of material variances from Amounts Voted (after Virement):

##### 4.1 Per programme

Figures in Rand thousand	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
ADMINISTRATION	363,513	363,309	204	0.1 %
PUBLIC WORKS INFRASTRUCTURE	1,339,092	1,312,278	26,814	2.0 %
TRANSPORT INFRASTRUCTURE	2,376,294	2,303,470	72,824	3.1 %
TRANSPORT OPERATIONS	1,413,159	1,413,041	118	- %
COMMUNITY BASED PROGRAMME	74,142	73,727	415	0.6 %

Programme 1,4 and 5: Immaterial variances.

Programme 2: The variance is as a result of three special projects which could not be completed as planned in the financial year under review.

Programme 3: The variance is as a result of special projects which commenced in the second quarter and all projects could not be completed during the financial year under review.

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**Notes to the Appropriation Statement****4.2 Per economic classification**

Figures in Rand thousand	Final	Actual	Variance	Variance as a % of Final
<b>Current payments</b>	<b>Appropriation</b>	<b>Expenditure</b>		<b>Appropriation</b>
Compensation of employees	1,128,348	1,128,245	103	- %
Goods and services	1,963,815	1,974,157	(10,342)	(1)%
<b>Transfers and subsidies</b>				
Provinces and municipalities	301,462	301,462	-	- %
Departmental agencies and accounts	37	37	-	- %
Public corporations and private enterprises	782,794	782,678	116	- %
Households	26,919	29,693	(2,774)	(10)%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	1,336,702	1,233,493	103,209	8 %
Machinery and equipment	25,888	16,018	9,870	38 %
Intangible assets	193	-	193	100 %
<b>Payments for financial assets</b>	42	42	-	- %

Goods and services : The variance is as a result of pressures from property payments.

Transfers and subsidies: The variance is as a result of unforeseen leave gratuities and claims against the department.  
 Buildings and other fixed structures: The variance is as a result of three special projects which could not be completed as planned; as well as special projects which commenced in the second quarter and all projects could not be completed during the financial year under review.

Machinery and equipment: The variance is as a result of savings realised in the procurement of movable capital assets during the year under review.

Intangible assets: No payments were made during the financial year under review.

**4.3 Per conditional grant**

Figures in Rand thousand	Final	Actual	Variance	Variance as a % of Final
	<b>Appropriation</b>	<b>Expenditure</b>		<b>Appropriation</b>
Provincial Roads Maintenance Grant	1,399,219	1,326,395	72,824	5 %
Public Transport Operations Grant	742,468	742,353	115	- %
Expanded Public Works Programme Incentive Grant	8,615	8,615	-	- %

Provincial Roads Maintenance Grant: The variance is as a result of special projects which commenced in the second quarter and all projects could not be completed during the financial year under review.

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**Statement of Financial Performance**

Figures in Rand thousand	Note(s)	2023/2024	2022/2023
<b>Revenue</b>			
Annual appropriation	1	5,566,200	4,932,851
<b>Expenditure</b>			
<b>Current expenditure</b>			
Compensation of employees	3	1,128,245	1,068,109
Goods and services	4	1,974,157	1,702,267
<b>Total current expenditure</b>		<b>3,102,402</b>	<b>2,770,376</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	1,113,870	1,195,705
<b>Expenditure for capital assets</b>			
Tangible assets	7	1,249,512	960,291
Intangible assets	7	-	600
<b>Total expenditure for capital assets</b>		<b>1,249,512</b>	<b>960,891</b>
Payments for financial assets	5	42	-
<b>Total expenditure</b>		<b>5,465,826</b>	<b>4,926,972</b>
<b>Surplus for the year</b>		<b>100,374</b>	<b>5,879</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds			
Annual appropriation		27,435	1,978
Conditional grants		72,939	3,901
		<b>100,374</b>	<b>5,879</b>



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**Statement of Financial Position as at March 31, 2024**

Figures in Rand thousand	Note(s)	2023/2024	2022/2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	55,350	-
Receivables	9	71,379	72,329
		<b>126,729</b>	<b>72,329</b>
<b>Total Assets</b>		<b>126,729</b>	<b>72,329</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	10	100,375	5,880
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	3,372	4,968
Bank overdraft	12	-	52,907
Payables	13	21,556	7,515
		<b>125,303</b>	<b>71,270</b>
<b>Total Liabilities</b>		<b>125,303</b>	<b>71,270</b>
		<b>1,426</b>	<b>1,059</b>
<b>Represented by:</b>			
Recoverable revenue		1,426	1,059

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**Statement of Changes in the Net Assets**

Figures in Rand thousand	Note	2023/2024	2022/2023
<b>Recoverable revenue</b>			
Opening balance		1,059	860
Transfers:		(265)	(272)
Debts recovered (incl in dept receipts)			
Debts raised		632	471
<b>Closing balance</b>		<b>1,426</b>	<b>1,059</b>

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**Cash Flow Statement**

Figures in Rand thousand	Note(s)	2023/2024	2022/2023
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Annual appropriated funds received	1.1	5,566,200	4,932,851
Departmental revenue received	2	22,317	22,774
Interest received	2.3	5,417	3,948
		<b>5,593,934</b>	<b>4,959,573</b>
Net (increase)/ decrease in working capital		14,991	28,951
Surrendered to Revenue Fund		(35,546)	(124,606)
Current payments		(3,102,402)	(2,770,376)
Payments for financial assets		(42)	-
Transfers and subsidies paid		(1,113,870)	(1,195,705)
<b>Net cash flow available from operating activities</b>	<b>14</b>	<b>1,357,065</b>	<b>897,837</b>
<b>Cash flows from investing activities</b>			
Payments for capital assets	7	(1,249,512)	(960,891)
Proceeds from sale of capital assets	2.4	337	5,261
(Increase)/ decrease in non-current receivables	9	-	737
<b>Net cash flows from investing activities</b>		<b>(1,249,175)</b>	<b>(954,893)</b>
<b>Cash flows from financing activities</b>			
Increase/ (decrease) in net assets		367	199
Net increase/ (decrease) in cash and cash equivalents		108,257	(56,857)
Cash and cash equivalents at beginning of year		(52,907)	3,950
<b>Cash and cash equivalents at the end of the year</b>	<b>15</b>	<b>55,350</b>	<b>(52,907)</b>

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## Accounting Policies

### Summary of significant accounting policies

The annual financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the annual financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the annual financial statements and to comply with the statutory requirements of the Public Finance Management Act(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.

**1. Basis of preparation**

The annual financial statements have been prepared in accordance with the Modified Cash Standard

**2. Going concern**

The annual financial statements have been prepared on a going concern basis.

**3. Presentation currency**

Amounts have been presented in the currency of the South African Rand (R') which is also the functional currency of the department.

**4. Rounding**

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000').

**5. Comparative information**

**5.1 Prior period comparative information**

Prior period comparative information has been presented in the current year's annual financial statements. Where necessary figures included in the prior period annual financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's annual financial statements.

**5.2 Current year comparison with budget**

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement

**6. Revenue**

**6.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

Appropriated funds are measured at the amounts receivable.

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

**6.2 Departmental revenue**

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the annual financial statements on the date of receipt and are measured at fair value.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

**7. Expenditure**

**7.1 Compensation of employees**

**7.1.1 Salaries and wages**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

**7.1.2 Social contributions**

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.



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### 7.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

Donations made in kind are recorded in the notes to the annual financial statements on the date of transfer and are measured at cost or fair value.

### 7.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the annual financial statements at cost or fair value at the reporting date.

### 7.4 Leases

#### 7.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.

The operating lease commitments are recorded in the notes to the annual financial statements.

### 8. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other shortterm highly liquid investments and bank overdrafts.

### 9. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

### 10. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

### 11. Financial assets

#### 11.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost, plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

#### 11.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the annual financial statements.

### 12. Payables

Payables recognised in the statement of financial position are recognised at cost.

### 13. Capital assets

#### 13.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the annual financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to annual financial statements.

#### 13.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the annual financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

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## Accounting Policies

### 13.3 Intangible assets

Intangible assets are initially recorded in the notes to the annual financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the annual financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use

### 13.4 Project costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

## 14. Provisions and contingents

### 14.1 Provisions

Provisions are recorded in the notes to the annual financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

### 14.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the annual financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

### 14.3 Contingent assets

Contingent assets are recorded in the notes to the annual financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

### 14.4 Capital commitments

Capital commitments are recorded at cost in the notes to the annual financial statements.

## 15. Unauthorised expenditure

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- 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 recorded in the notes to the annual financial statements comprise of:
- unauthorised expenditure that was under assessment in the previous financial year;
  - unauthorised expenditure relating to previous financial year and identified in the current year; and
  - unauthorised expenditure incurred in the current year.

## 16. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

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### 17. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and irregular expenditure incurred in the current year.

### 18. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

### 19. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the annual financial statements.

### 20. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

### 21. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the annual financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the annual financial statements.

### 22. Inventories

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

### 23. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

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Figures in Rand thousand	Note(s)	2023/2024	2022/2023
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**1. Annual appropriation**

**1.1 Annual appropriation**

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

Figures in Rand thousand	2023/2024		2022/2023	
	Final budget	Actual funds received	Final budget	Appropriation received
<b>Programmes</b>				
ADMINISTRATION	363,513	363,513	367,642	367,642
PUBLIC WORKS INFRASTRUCTURE	1,339,092	1,339,092	1,209,120	1,209,120
TRANSPORT INFRASTRUCTURE	2,376,294	2,376,294	1,919,467	1,919,467
TRANSPORT OPERATIONS	1,413,159	1,413,159	1,362,391	1,362,391
COMMUNITY BASED PROGRAMME	74,142	74,142	74,231	74,231
<b>Total</b>	<b>5,566,200</b>	<b>5,566,200</b>	<b>4,932,851</b>	<b>4,932,851</b>

**1.2 Conditional grants\*\***

Total grants received	29	2,150,302	1,625,310
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**2. Departmental revenue**

Sales of goods and services other than capital assets	2.1	10,171	9,384
Fines, penalties and forfeits	2.2	10,506	12,175
Interest, dividends and rent on land	2.3	5,417	3,948
Sales of capital assets	2.4	337	5,261
Transactions in financial assets and liabilities	2.5	1,639	1,215
<b>Total revenue collected</b>		<b>28,071</b>	<b>31,983</b>
Less: Own revenue included in appropriation	11	28,071	31,983
<b>Departmental revenue collected</b>		<b>-</b>	<b>-</b>

**2.1 Sales of goods and services other than capital assets**

Sales by market establishment	4,481	3,885
Administrative fees	2,696	2,178
Other sales	2,962	3,270
<b>Sales of goods and services produced by the department</b>	<b>10,139</b>	<b>9,333</b>
Sales of scrap, waste and other used current goods	32	51
<b>Total</b>	<b>10,171</b>	<b>9,384</b>

The other sales item comprises of services rendered for the following: boarding services, commission for insurance and garnishee, domestic services, rental for capital assets and sales for scrap and waste.

**2.2 Fines, penalties and forfeits**

Fines	10,506	12,175
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**2.3 Interest, dividends and rent on land**

Interest	5,417	3,948
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<b>2. Departmental revenue (continued)</b>			
<b>2.4 Sales of capital assets</b>			
<b>Tangible assets</b>			
Machinery and equipment		337	5,261
<b>2.5 Transactions in financial assets and liabilities</b>			
Receivables		377	396
Other receipts including recoverable revenue		1,262	819
<b>Total</b>	<b>2</b>	<b>1,639</b>	<b>1,215</b>
Other receipts including recoverable revenue includes debts recovered.			
<b>2.6 Transfers received</b>			
<b>2.6.1 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)</b>			
Donations		50	-
<b>3. Compensation of employees</b>			
<b>3.1 Salaries and wages</b>			
Basic salary		737,677	659,761
Performance award		-	7
Service based		3,092	3,564
Compensative/circumstantial		58,915	62,486
Other non-pensionable allowances		144,035	174,378
<b>Total</b>		<b>943,719</b>	<b>900,196</b>
The other non-pensionable allowances item comprises of capital remuneration, housing allowance and non-pensionable allowance.			
<b>3.2 Social contributions</b>			
<b>Employer contributions</b>			
Pension		93,579	83,213
Medical		84,903	79,045
Bargaining council		304	277
Insurance		5,740	5,378
<b>Total</b>		<b>184,526</b>	<b>167,913</b>
<b>Total compensation of employees</b>		<b>1,128,245</b>	<b>1,068,109</b>
Average number of employees		2,550	2,372

The average number of employees is only for full-time employees.

The total compensation of employees includes expenditure for internships, learnerships and temporary employees.

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<b>4. Goods and services</b>			
Administrative fees		1,914	1,669
Advertising		2,621	2,339
Minor assets	4.1	436	385
Catering		3,145	2,255
Communication		16,422	16,168
Computer services	4.2	650	643
Consultants: Business and advisory services		19,644	14,646
Infrastructure and planning services		116,555	104,289
Legal services		8,330	14,723
Contractors		29,029	27,548
Agency and support / outsourced services		55,875	44,682
Audit cost - external	4.3	12,748	10,906
Fleet services		70,619	74,032
Inventory	4.4	175,725	121,373
Consumables	4.5	20,500	18,419
Operating leases		34,091	31,509
Property payments	4.6	777,933	587,031
Rental and hiring		4	-
Transport provided as part of the departmental activities		518,173	503,088
Travel and subsistence	4.7	98,663	106,125
Venues and facilities		998	955
Training and development		8,980	18,275
Other operating expenditure	4.8	1,102	1,207
<b>Total</b>		<b>1,974,157</b>	<b>1,702,267</b>

The other operating expenditure item comprises of competency certificate licences, laundry services, non-life insurance premium, printing and publication services, membership for professional bodies and resettlement cost.

**4.1 Minor assets**

**Tangible assets**

	436	385
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**4.2 Computer services**

SITA computer services		467	463
External computer service providers		183	180
<b>Total</b>	<b>4</b>	<b>650</b>	<b>643</b>

**4.3 Audit cost - external**

Regularity audits	12,748	10,906
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**4.4 Inventory**

Clothing material and accessories		21,559	15,915
Fuel, oil and gas		22,191	22,999
Materials and supplies		131,975	82,459
<b>Total</b>	<b>4</b>	<b>175,725</b>	<b>121,373</b>

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Figures in Rand thousand	Note(s)	2023/2024	2022/2023
<b>4. Goods and services (continued)</b>			
<b>4.5 Consumables</b>			
Uniform and clothing		5,514	4,568
Household supplies		5,333	4,003
IT consumables		37	88
Other consumables		33	-
<b>Consumable supplies</b>		<b>10,917</b>	<b>8,659</b>
Stationery, printing and office supplies		9,583	9,760
<b>Total</b>	<b>4</b>	<b>20,500</b>	<b>18,419</b>

The other consumables item comprises of medical kit, bags and accessories.

**4.6 Property payments**

Municipal services		54,514	51,530
Property management fees		113	483
Property maintenance and repairs		706,766	521,003
Other		16,540	14,015
<b>Total</b>	<b>4</b>	<b>777,933</b>	<b>587,031</b>

The other item comprises of gardening services, cleaning services, deeds, firefighting, gas, pest control / fumigation, contracted maintenance of property, water, electricity and waste / refuse removal.

**4.7 Travel and subsistence**

Local		98,663	106,125
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**4.8 Other operating expenditure**

Professional bodies, membership and subscription fees		293	375
Resettlement costs		181	75
Other		628	757
<b>Total</b>	<b>4</b>	<b>1,102</b>	<b>1,207</b>

The other operating expenditure item comprises of competency certificate licences, laundry services, non-life insurance premium, printing and publication services, membership for professional bodies and resettlement cost.

**5. Payments for financial assets**

Theft	5.1	42	-
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Irrecoverable debts written off.

**5.1 Details of theft**

<b>Nature of theft</b>			
Debts written-off		42	-

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Figures in Rand thousand	Note(s)	2023/2024	2022/2023
<b>6. Transfers and subsidies</b>			
Provinces and municipalities	30, 31	301,461	422,362
Departmental agencies and accounts	Annexure 1B	37	101
Public corporations and private enterprises	Annexure 1D	782,678	750,517
Households	Annexure 1G	29,694	22,725
<b>Total</b>		<b>1,113,870</b>	<b>1,195,705</b>

**7. Expenditure for capital assets**

**Tangible assets**

Buildings and other fixed structures	27	1,233,493	941,907
Machinery and equipment	25	16,019	18,384
		<b>1,249,512</b>	<b>960,291</b>

**Intangible assets**

Software	26	-	600
<b>Total</b>		<b>1,249,512</b>	<b>960,891</b>

**7.1 Analysis of funds utilised to acquire capital assets - 2023/2024**

Figures in Rand thousand	Voted funds	Total
<b>Tangible assets</b>		
Buildings and other fixed structures	1,233,493	1,233,493
Machinery and equipment	16,019	16,019
	<b>1,249,512</b>	<b>1,249,512</b>

**7.2 Analysis of funds utilised to acquire capital assets - 2022/2023**

Figures in Rand thousand	Voted funds	Total
<b>Tangible assets</b>		
Buildings and other fixed structures	941,907	941,907
Machinery and equipment	18,384	18,384
	<b>960,291</b>	<b>960,291</b>
<b>Intangible assets</b>		
Software	600	600
<b>Total</b>	<b>960,891</b>	<b>960,891</b>

**8. Cash and cash equivalents**

Consolidated paymaster general account	92,765	-
Disbursements	(37,420)	-
Cash on hand	5	-
<b>Total</b>	<b>55,350</b>	<b>-</b>



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Figures in Rand thousand	Note(s)	2023/2024	2022/2023
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**9. Receivables**

	Note	Current	Total	Current	Total
Claims recoverable	9.1	21,842	21,842	23,261	23,261
Staff debt	9.3	188	188	125	125
Other receivables	9.4	49,349	49,349	48,943	48,943
<b>Total</b>		<b>71,379</b>	<b>71,379</b>	<b>72,329</b>	<b>72,329</b>

**9.1 Claims recoverable**

Provincial departments	21,842	23,261
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**9.2 Recoverable expenditure****9.3 Staff debt**

Employees	188	125
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**9.4 Other receivables**

Suppliers	47,015	46,844
Rental (Business and Housing)	857	839
Ex-Employees	61	156
Sal: Tax Debt: CA	27	41
Sal: Reversal Control: CA	1,379	1,059
Sal: Deduction Disallowance: CA	10	4
<b>Total</b>	<b>9</b>	<b>48,943</b>

**10. Voted funds to be surrendered to the Revenue Fund**

Opening balance	5,880	92,056
Transferred from statement of financial performance (as restated)	100,374	5,879
Paid during the year	(5,879)	(92,055)
<b>Closing balance</b>	<b>100,375</b>	<b>5,880</b>

**10.1 Reconciliation of unspent conditional grants**

Total conditional grants received	1.2	2,150,302	1,625,310
Total conditional grants spent		(2,077,363)	(1,621,309)
<b>Unspent conditional grants to be surrendered</b>		<b>72,939</b>	<b>4,001</b>

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Figures in Rand thousand	Note(s)	2023/2024	2022/2023
<b>11. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		4,968	5,536
Own revenue included in appropriation	2	28,071	31,983
Paid during the year		(29,667)	(32,551)
<b>Closing balance</b>		<b>3,372</b>	<b>4,968</b>
<b>12. Bank overdraft</b>			
Consolidated paymaster general account		-	52,907
<b>13. Payables - current</b>			
Clearing accounts	13.1	382	1,969
Other payables	13.2	21,175	5,546
<b>Total</b>		<b>21,556</b>	<b>7,515</b>
<b>13.1 Clearing accounts</b>			
Sal: ACB Recall: CA		127	448
Sal: Income Tax: CL		72	1,441
Sal: GEHS Refund Control: CL		183	79
Sal: Pension Fund: CL		-	1
<b>Total</b>	13	<b>382</b>	<b>1,969</b>
<b>13.2 Other payables</b>			
Auctions Payable to Departments		5,316	5,546
Provincial Treasury		14,039	-
Telecommunication		1,820	-
<b>Total</b>	13	<b>21,175</b>	<b>5,546</b>
<b>14. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		100,374	5,879
<b>Add back non cash/ cash movements not deemed operating activities</b>			
(Increase)/ decrease in receivables		950	(3,010)
(Increase)/ decrease in prepayments and advances		-	29,241
Increase/ (decrease) in payables – current		14,041	2,720
Proceeds from sale of capital assets		(337)	(5,261)
Expenditure on capital assets		1,249,512	960,891
Surrenders to Revenue Fund		(35,546)	(124,606)
Own revenue included in appropriation		28,071	31,983
<b>Net cash flow generated by operating activities</b>		<b>1,357,065</b>	<b>897,837</b>
<b>15. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated paymaster general account		92,765	(52,907)
Disbursements		(37,420)	-
Cash on hand		5	-
<b>Total</b>		<b>55,350</b>	<b>(52,907)</b>

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Figures in Rand thousand	Note(s)	2023/2024	2022/2023
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**16. Contingent liabilities and contingent assets****16.1 Contingent liabilities**

Liable to	Nature			
Claims against the department		Annexure 3B	204,065	170,084

The amount disclosed in contingent liabilities of the department comprises of litigations using the best estimate based on previously settled claims that are classified as follows: roads matters estimated at 81%, general matters estimated at 100%, government motor vehicles matters estimated at 100%, pothole claims matters estimated at 87%, departmental matters estimated at 100%, labour matters estimated at 100%, transport matters estimated at 53% and the 100% estimate is used for all cases that are settled at zero / withdrawn / cancelled. Roads matters, the claimants are claiming for personal or bodily injuries in motor vehicle road accident. General matters, the claimants are claiming for unlawful detention, assault and any other cases that does not fall in the listed categories. Government vehicles matters, the claimants are claiming for damages to their vehicles involving government vehicles registered under the department. Pothole claim matters, the claimants are claiming for damages to motor vehicles. Departmental matters, the claimants are claiming breach of contract for alleged unpaid invoices and unlawful termination of contracts by the department. Labour matters, the claimants are claiming for unfair labour practice. Transport matters, the claimants are claiming for non-payment of services rendered, i.e. scholar transport services.

**17. Capital commitments**

Buildings and other fixed structures	690,810	1,228,350
Intangible assets	2,149	2,149
<b>Total</b>	<b>692,959</b>	<b>1,230,499</b>

**18. Accruals and payables not recognised****18.1 Accruals**

Figures in Rand thousand		2023/2024	2022/2023
Listed by economic classification	30 Days	Total	Total
Goods and services	99,601	99,601	76,039
Transfers and subsidies	1,814	1,814	16,835
Capital assets	19,582	19,582	5,194
Other	5,327	5,327	1,496
<b>Total</b>	<b>126,324</b>	<b>126,324</b>	<b>99,564</b>

**Listed by programme level**

Administration	15,622	16,413
Public Works Infrastructure	12,330	32,381
Transport Infrastructure	32,982	3,974
Transport Operations	64,851	45,196
Community Based Programmes	539	1,600
<b>Total</b>	<b>126,324</b>	<b>99,564</b>

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**18.2 Payables not recognised**

Figures in Rand thousand

	Total	Total
Listed by economic classification		
Goods and services	-	6,979
Capital assets	-	7,999
<b>Total</b>	<b>-</b>	<b>14,978</b>

**Listed by programme level**

Transport Infrastructure	-	13,424
Transport Operations	-	1,554
<b>Total</b>	<b>-</b>	<b>14,978</b>

**Included in the above totals are the following:**

Confirmed balances with other departments	Annexure 5	583	-
Confirmed balances with other government entities	Annexure 5	124	-
<b>Total</b>		<b>707</b>	<b>-</b>

**19. Employee benefits**

Leave entitlement	82,352	80,975
Service bonus	32,042	27,881
Capped leave	57,608	59,552
Other	2,797	3,328
<b>Total</b>	<b>174,799</b>	<b>171,736</b>

At this stage the department is not able to reliably measure the long term portion of the long service awards. Leave entitlement disclosed is inclusive of negative leave credits arising from officials utilising more than allocated leave credits for the cycle. The other item represents cash awards for long service recognition, i.e. 20, 30, and 40 years of continued service respectively for the next twelve month.



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**20. Lease commitments****20.1 Operating leases****2023/2024**

Figures in Rand thousand	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	26,535	1,072	27,607
Later than 1 year and not later than 5 years	93,449	1,146	94,595
<b>Total lease commitments</b>	<b>119,984</b>	<b>2,218</b>	<b>122,202</b>

**2022/2023**

Figures in Rand thousand	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	30,786	1,443	32,229
Later than 1 year and not later than 5 years	114,171	589	114,760
Later than five years	5,354	-	5,354
<b>Total lease commitments</b>	<b>150,311</b>	<b>2,032</b>	<b>152,343</b>

The operating leases are for office accommodation, members of parliament residences and photocopier machine.

There are no sub-leased assets.

There are no reductions granted in the lease payments. Leases paragraph .22(c)

**21. Unauthorised, Irregular and Fruitless and wasteful expenditure**

Irregular expenditure	972,144	591,272
Fruitless and wasteful expenditure	10,555	-
<b>Total</b>	<b>982,699</b>	<b>591,272</b>

The fruitless and wasteful expenditure disclosed is discovered in the current financial year and relates to expenditure incurred in the previous financial year.

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**22. Related party transactions**

There is no related party transaction within the MEC's portfolio however all departments are related and the above is disclosed as an additional information inline with Treasury Regulations 21.2.4.

Additional information: During the financial year under review, the following activities were undertaken: The department provided free accommodation to Provincial Departments at the Riverside Government Complex.

Relationships	Related party
Provincial Department	Vote 01: Office of the Premier
Provincial Department	Vote 02: Provincial Legislature
Provincial Department	Vote 03: Provincial Treasury
Provincial Department	Vote 04: Co-Operative Governance and Traditional Affairs
Provincial Department	Vote 05: Agriculture, Rural Development, Land and Environmental Affairs
Provincial Department	Vote 06: Economic Development and Tourism
Provincial Department	Vote 07: Education
Provincial Department	Vote 09: Community Safety, Security and Liaison
Provincial Department	Vote 10: Health
Provincial Department	Vote 11: Culture, Sport and Recreation
Provincial Department	Vote 12: Social Development
Provincial Department	Vote 13: Human Settlement

Provincial Treasury provided free network infrastructure to the department.

Department of Community Safety, Security and Liaison provided free security services to the department.

**23. Key management personnel**

Political office bearers (provide detail below)	2,122	2,286
Level 15 to 16	2,375	2,295
Level 14 (incl. CFO if at a lower level)	11,875	11,667
<b>Total</b>	<b>16,372</b>	<b>16,248</b>

**24. Provisions**

Retention	212,999	181,097
Claims against the department	8,751	-
<b>Total</b>	<b>221,750</b>	<b>181,097</b>

**24.1 Reconciliation of movement in provisions - 2023/2024**

Figures in Rand thousand	Retention	Claims against the department	Total provisions
Opening balance	181,097	-	181,097
Increase in provision	59,028	8,751	67,779
Settlement of provision	(27,126)	-	(27,126)
<b>Closing balance</b>	<b>212,999</b>	<b>8,751</b>	<b>221,750</b>

**24.2 Reconciliation of movement in provisions - 2022/2023**

Figures in Rand thousand	Retention	Total provisions
Opening balance	197,824	197,824
Increase in provision	23,498	23,498
Settlement of provision	(40,225)	(40,225)
<b>Closing balance</b>	<b>181,097</b>	<b>181,097</b>

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24.Provisions (continued)

The provision amounts are for retention held on all contractors payments which will be released after the defects liability period and contingent liabilities. At this stage the department is not able to reliable measure the provision for rehabilitation of borrow pits.

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**25. Movable tangible capital assets**

**Movement in movable tangible capital assets per asset register for the year ended March 31, 2024**

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
<b>Machinery and equipment</b>				
Transport assets	539,686	8,168	2,180	545,674
Computer equipment	26,706	3,393	2,039	28,060
Furniture and office equipment	24,081	1,828	3,453	22,456
Other machinery and equipment	237,682	2,695	824	239,553
	<b>828,155</b>	<b>16,084</b>	<b>8,496</b>	<b>835,743</b>
<b>Specialised military assets</b>				
Specialised military assets	4,439	-	-	4,439
<b>Total movable tangible capital assets</b>	<b>832,594</b>	<b>16,084</b>	<b>8,496</b>	<b>840,182</b>

**25.1 Movement for 2022/2023**

**Movement in movable tangible capital assets per asset register for the year ended March 31, 2023**

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
<b>Machinery and equipment</b>				
Transport assets	540,081	7,157	7,552	539,686
Computer equipment	25,330	4,017	2,641	26,706
Furniture and office equipment	24,062	1,177	1,158	24,081
Other machinery and equipment	234,894	7,962	5,174	237,682
	<b>824,367</b>	<b>20,313</b>	<b>16,525</b>	<b>828,155</b>
<b>Specialised military assets</b>				
Specialised military assets	4,439	-	-	4,439
<b>Total movable tangible capital assets</b>	<b>828,806</b>	<b>20,313</b>	<b>16,525</b>	<b>832,594</b>

**25.2 Minor assets**

**Movement in minor capital assets per the asset register for the year ended as at March 31, 2024**

Figures in Rand thousand	Machinery and equipment	Total
Opening balance	28,002	28,002
Additions	642	642
Disposals	1,239	1,239
<b>Total minor capital assets</b>	<b>27,405</b>	<b>27,405</b>

Figures in Rand thousand	Machinery and equipment	Total
Number of R1 minor assets	2,636	2,636
Number of minor assets at cost	21,034	21,034
<b>Total number of minor assets</b>	<b>23,670</b>	<b>23,670</b>



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**Movement in minor capital assets per the asset register for the year ended as at March 31, 2023**

Figures in Rand thousand	Other machinery and equipment	Total
Opening balance	29,029	29,029
Additions	386	386
Disposals	1,413	1,413
<b>Total minor capital assets</b>	<b>28,002</b>	<b>28,002</b>

Figures in Rand thousand	Other machinery and equipment	Total
Number of R1 minor assets	2,732	2,732
Number of minor assets at cost	21,362	21,362
<b>Total number of minor assets</b>	<b>24,094</b>	<b>24,094</b>

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**26. Intangible capital assets**

**Movement in intangible capital assets per asset register for the year ended March 31, 2024**

Figures in Rand thousand	Opening balance	Closing balance
Software	2,169	2,169

**26.1 Movement for 2022/2023**

**Movement in intangible capital assets per asset register for the year ended March 31, 2023**

Figures in Rand thousand	Opening balance	Closing balance
Software	2,169	2,169

**26.2 Intangible capital assets: Capital work-in-progress**

**Capital work-in-process for the year ended as at March 31, 2024**

	Note	Opening balance April 1, 2023	Current year capital WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance March 31, 2024
Figures in Rand thousand					
Intangible assets		1,987	-	-	1,987

**Capital work-in-process for the year ended as at March 31, 2023**

	Note	Opening balance April 1, 2022	Prior period errors	Current year capital WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance March 31, 2023
Figures in Rand thousand						
Intangible assets		1,387	-	600	-	1,987

**27. Immovable Tangible Capital Assets**

**Movement in immovable tangible capital assets per asset register for the year ended March 31, 2024**

Figures in Rand thousand	Opening balance	Additions	Closing balance
<b>Buildings and other fixed structures</b>			
Dwellings	430,086	340	430,426
Non-residential buildings	6,539,295	37,954	6,577,249
Other fixed structures	52,908,834	698,701	53,607,535
	<b>59,878,215</b>	<b>736,995</b>	<b>60,615,210</b>
<b>Land and subsoil assets</b>			
Land	244,442	260	244,702
<b>Total immovable tangible capital assets</b>	<b>60,122,657</b>	<b>737,255</b>	<b>60,859,912</b>

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**27.1 Movement for 2022/2023****Movement in immovable tangible capital assets per asset register for the year ended March 31, 2023**

Figures in Rand thousand	Opening balance	Prior period error	Additions	Disposals	Closing balance
<b>Buildings and other fixed structures</b>					
Dwellings	430,395	-	721	(1,030)	430,086
Non-residential buildings	6,519,034	-	20,261	-	6,539,295
Other fixed structures	51,924,902	17,509	966,423	-	52,908,834
	<b>58,874,331</b>	<b>17,509</b>	<b>987,405</b>	<b>(1,030)</b>	<b>59,878,215</b>
<b>Land and subsoil assets</b>					
Land	245,542	-	-	(1,100)	244,442
<b>Total immovable tangible capital assets</b>	<b>59,119,873</b>	<b>17,509</b>	<b>987,405</b>	<b>(2,130)</b>	<b>60,122,657</b>

**27.1.1 Prior period error**

Figures in Rand thousand	Note	2022/2023
<b>Nature of prior period error</b>		
Relating to 2021/2022 (affecting the opening balance)		
Infrastructure projects completed in prior years were not included in the Immovable tangible capital asset as at 31 March 2024		17,509

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**27.2 Capital Work-in-progress**

**Capital Work-in-progress as at March 31, 2024**

Figures in Rand thousand	Note	Opening balance pril 1, 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance March 31, 2024
Buildings and other fixed structures		2,547,574	1,233,493	721,026	3,060,041

**Payables not recognised relating to Capital WIP**

Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress		18,551	-
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**Capital Work-in-progress as at March 31, 2023**

Figures in Rand thousand	Note	Opening balance April 1, 2022	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance March 31, 2023
Buildings and other fixed structures		2,610,527	(28,064)	941,907	976,796	2,547,574



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Figures in Rand thousand	Note(s)	2023/2024	2022/2023
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**27.3 Immovable assets (additional information)****a) Unsurveyed land**

	Estimated completion date	Annexure 9	Area	Area
Mpumalanga	2025-2026			

**b) Properties deemed vested**

	Annexure 9	Number	Number
Land parcels		8,348	8,420

**Facilities****c) Facilities on unsurveyed land**

	Duration of use	Annexure 9	Number	Number
Schools			820	800
Clinics			165	164
Hospitals			8	8
Office buildings			105	99
Dwellings			139	137
Other			13	20

**d) Facilities on right to use land**

	Duration of use	Annexure 9	Number	Number
Schools			403	402
Clinics			23	22
Hospitals			2	2
Office buildings			16	10
Dwellings			20	23
Other			1	1

**e) Agreement of custodianship**

Facilities	Annexure 9	Number	Number
Schools		506	506
Clinics		50	50
Hospitals		2	2
Office buildings		40	34
Dwellings		234	234
Other		10	8

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**28. Prior period errors**

**28.1 Correction of prior period errors**

Figures in Rand thousand	Note	Amount bef error correction	2022/2023 Prior period error	Restated amount
<b>Assets: (Immovable tangible capital assets,)</b>				
Capital work-in-progress	27	2,575,638	(28,064)	2,547,574
Immovable tangible capital assets	27	52,891,325	17,509	52,908,834
Fruitless and wasteful expenditure (discovered in the current financial year relating to the previous financial year)	21	-	10,555	10,555
<b>Net effect</b>		<b>55,466,963</b>	<b>-</b>	<b>55,466,963</b>

Infrastructure projects completed in prior years were not included in the Immovable tangible capital asset as at 31 March 2024. Expenditure incurred in prior years that could have been avoided, not accounted for in the fruitless and wasteful expenditure as at 31 March 2024.

Figures in Rand thousand	Note	Amount bef error correction	2022/2023 Prior period error	Restated amount
<b>Liabilities: (Contingent Liabilities)</b>				
Contingent Liabilities	16	350,722	(180,638)	170,084

The department discovered cases that were finalised in the previous financial years which formed part of the opening balance for 2023/2024 financial year.

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**29. Statement of conditional grants received**

Name of grant	Grant allocation			Spent		2022/2023		
	Division of Revenue Act/ Provincial Grants	DORA Adjustments	Total Available	Amount received by department	Amount spent by department	Under / Over spending)	% of available funds spent by department	Division of Revenue Act
Provincial Roads Maintenance Grant	1,452,872	(53,653)	1,399,219	1,399,219	1,326,395	72,824	95 %	907,146
Public Transport Operation Grant	742,468	-	742,468	742,468	742,353	115	100 %	711,126
Expanded Public Works Programme Incentive Grant.	8,615	-	8,615	8,615	8,615	-	100 %	7,038
	<b>2,203,955</b>	<b>(53,653)</b>	<b>2,150,302</b>	<b>2,150,302</b>	<b>2,077,363</b>	<b>72,939</b>		<b>1,625,310</b>
								<b>1,621,309</b>

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**30. Statement of conditional grants paid to the provinces**

Figures in Rand thousand	Grant allocation		Transfer		2022/2023	
Name of Grant	Division of Revenue Act	Adjustments	Total Available	Actual Transfer	Division of Revenue Act	Actual Transfer
<b>Summary by province</b>						
Mpumalanga	3,004	552	3,556	3,556	1,155	1,155
<b>Summary by grant</b>						
Division of Revenue Act	3,004	552	3,556	3,556	1,155	1,155
<b>1. Division of Revenue Act</b>						
Mpumalanga	3,004	552	3,556	3,556	1,155	1,155



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**31. Statement of conditional grants and other transfers to municipalities**

Name of municipality	2023/2024			2022/2023		
	DoRA and other transfers	Grant allocation Adjustments	Total Available	Expenditure Actual Transfer	Division of Revenue Act	Actual Transfer
Albert Luthuli	22,775	3,196	25,971	25,971	36,340	36,340
Msukaligwa	8,685	3,463	12,148	12,148	22,256	22,256
Mkhondo	10,295	(3,242)	7,053	7,053	7,185	7,183
Pixley Ka-Seme	5,465	(2,197)	3,268	3,268	5,258	5,258
Lekwa	14,882	5,522	20,404	20,404	39,642	39,642
Dipaleseng	5,062	(3,482)	1,580	1,580	2,556	2,552
Goven Mbeki	11,101	(3,263)	7,838	7,838	18,427	18,427
Victor Khanye	10,698	(4,583)	6,115	6,115	7,600	7,600
Emalahleni	11,674	4,583	16,257	16,257	21,796	21,796
Steve Tshwete	13,284	-	13,284	13,284	13,474	13,473
Emakhazeni	6,038	1,137	7,175	7,175	6,566	6,566
Thembisile Hani	8,437	3,414	11,851	11,851	13,457	13,457
Dr J S Moroka	16,787	(4,438)	12,349	12,349	26,753	26,753
Thaba Chweu	9,661	8,495	18,156	18,156	21,213	21,213
Nkomazi	14,411	3,903	18,314	18,314	19,785	19,785
Bushbuckridge	59,138	(8,937)	50,201	50,201	55,071	55,071
City of Mbombela	71,718	(5,776)	65,942	65,942	103,836	103,835
<b>Total</b>	<b>300,111</b>	<b>(2,205)</b>	<b>297,906</b>	<b>297,906</b>	<b>421,215</b>	<b>421,207</b>

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**Annexures to the Annual Financial Statements - Unaudited**

**Annexure 1B**

**Statement of transfers to Departmental Agencies and Accounts**

Figures in Rand thousand Departmental Agency/ Account	Transfer allocation			Transfer		2022/2023	
	Adjusted budget	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final budget	Actual transfer
Independent Communications Authority of South Africa	80	(43)	37	37	100 %	101	101

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**Annexure 1D**

**Statement of transfers/ subsidies to public corporations and private enterprises**

Figures in Rand thousand	Transfer allocation		Expenditure		2022/2023	
	Adjusted budget	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final budget
Name of public corporations/ private enterprise						Actual transfer
<b>Private enterprises</b>						
<b>Subsidies</b>						
Buscor	610,358	-	610,358	609,383	99.8 %	584,394
Great North Transport	30,568	-	30,568	30,515	99.8 %	29,327
Megabus T/A Unitrans	77,930	-	77,930	78,636	100.9 %	74,838
Putco	3,711	-	3,711	3,631	97.8 %	3,554
Taxi Association	12,000	-	12,000	12,000	100.0 %	11,000
Thembalethu Bus Service	9,087	-	9,087	9,374	103.2 %	8,656
Tilly's Bus Service	10,814	-	10,814	10,814	100.0 %	10,358
Provincial Bus Subsidies	34,116	(5,790)	28,326	28,325	100.0 %	32,388
	<b>788,584</b>	<b>(5,790)</b>	<b>782,794</b>	<b>782,678</b>		<b>754,515</b>
						<b>750,517</b>

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**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Annexures to the Annual Financial Statements - Unaudited**

**Annexure 1G**

**Statement of transfers to households**

Figures in Rand thousand	Transfer allocation			Expenditure		2022/2023	
	Adjusted budget	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final budget	Actual transfer
<b>Households</b>							
<b>Transfers</b>							
Employee Social Benefits: Injury on Duty	1,288	170	1,458	1,458	100 %	348	348
Employee Social Benefits: Leave Gratuity	8,018	2,430	10,448	9,475	91 %	11,487	11,487
Claims Against State (Cash)	13,774	1,138	14,912	18,761	126 %	10,889	10,889
	<b>23,080</b>	<b>3,738</b>	<b>26,818</b>	<b>29,694</b>		<b>22,724</b>	<b>22,724</b>



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**Annexures to the Annual Financial Statements - Unaudited****Annexure 1H****Statement of gifts, donations and sponsorships received**

Figures in Rand thousand		2023/2024	2022/2023
Name of organisation	Nature of gifts, donations and sponsorships		
<b>Received in kind</b>			
<b>Donations</b>			
You Made This NPC	7 Dell Laptops	50	-

**Annexure 3B****Statement of contingent liabilities as at March 31, 2024**

Figures in Rand thousand	Opening balance April 1, 2023	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Closing balance March 31, 2024
Nature of liabilities				
<b>Claims against the department</b>				
Road Matters	84,241	43,821	24,208	103,854
General Matters	26,511	-	-	26,511
Government Motor Vehicle Matters	76	1,852	476	1,452
Pothole Claims Matters	1,422	10,239	7,819	3,842
Departmental Matters	31,742	33,293	10,753	54,282
Labour Matters	629	7,017	7,017	629
Transport Matters	25,463	-	11,968	13,495
<b>Subtotal</b>	<b>170,084</b>	<b>96,222</b>	<b>62,241</b>	<b>204,065</b>

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**Annexure 4**

**Claims recoverable**

Government entity	Confirmed balance outstanding	Unconfirmed balance outstanding		Total	
Figures in Rand thousand	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
<b>Department</b>					
Agriculture and Rural Development	1,516	1,985	963	1,985	2,479
Community Safety, Security and Liaison (Mpumalanga)	221	570	1,149	570	1,370
Economic Development and Tourism	-	399	672	399	672
Education	-	2,064	4,067	2,064	4,067
Human Settlement	2,078	857	523	857	2,601
Co-Operative Governance and Traditional Affairs	-	62	407	62	407
Mpumalanga Provincial Legislature	-	6,025	216	6,025	216
Health (Mpumalanga)	-	2,736	4,897	2,736	4,897
Office of the Premier	1,226	1,787	-	1,787	1,226
Social Development	-	3,075	3,707	3,075	3,707
South African Police Services	-	50	50	50	50
Culture, Sport and Recreation	1,471	2,230	-	2,230	1,471
Mpumalanga Provincial Treasury	98	-	-	-	98
Mpumalanga Tourism and Parks Agency	-	2	-	2	-
<b>Subtotal</b>	<b>6,610</b>	<b>21,842</b>	<b>16,651</b>	<b>21,842</b>	<b>23,261</b>

DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT  
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Annexures to the Annual Financial Statements - Unaudited

Annexure 5

Inter-government payables

Government entity	Confirmed balance outstanding	Total
Figures in Rand thousand	2023/2024	2023/2024
<b>Departments</b>		
<b>Current</b>		
Office of the Premier	583	583
<b>Other government entity</b>		
<b>Current</b>		
State Information Technology Agency (SITA)	124	124
<b>Total Inter-government payables</b>	<b>707</b>	<b>707</b>

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**Annexures to the Annual Financial Statements**

**Annexure 6**

**Inventories**

**Inventory for the year ended March 31, 2024**

Figures in Rand thousand	Note	Construction and Maintenance Inventory	Total
Opening balance		216	216
Add: Additions/Purchases - Cash		260,247	260,247
(Less): Issues		(260,472)	(260,472)
Add/(Less): Received current, not paid (Paid current year, received prior year)		34	34
<b>Closing balance</b>		<b>25</b>	<b>25</b>

Figures in Rand thousand	Note	Construction and Maintenance Inventory	Total
Add: Additions/Purchases - Cash		231,638	231,638
(Less): Issues		(231,426)	(231,426)
Add/(Less): Adjustments		4	4
<b>Closing balance</b>		<b>216</b>	<b>216</b>

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**Annexures to the Annual Financial Statements****Annexure 7****Movement in capital work-in-progress****Movement in capital-work-in progress for the year ended March 31, 2024**

Figures in Rand thousand	Opening balance	Current year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
<b>Buildings and other fixed structures</b>				
Dwellings	351,589	121,720	-	473,309
Non-residential buildings	463,042	228,400	22,325	669,117
Other fixed structures	1,732,943	883,373	698,701	1,917,615
	<b>2,547,574</b>	<b>1,233,493</b>	<b>721,026</b>	<b>3,060,041</b>
<b>Computer software</b>				
Computer Software	1,987	-	-	1,987
<b>Total</b>	<b>2,549,561</b>	<b>1,233,493</b>	<b>721,026</b>	<b>3,062,028</b>
<b>Buildings and other fixed structures</b>				
Dwellings	258,659	93,651	721	351,589
Non-residential buildings	369,254	103,440	9,652	463,042
Other fixed structures	1,965,105	744,816	976,978	1,732,943
	<b>2,593,018</b>	<b>941,907</b>	<b>987,351</b>	<b>2,547,574</b>
<b>Computer software</b>				
Computer Software	1,387	600	-	1,987
<b>Total</b>	<b>2,594,405</b>	<b>942,507</b>	<b>987,351</b>	<b>2,549,561</b>