



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
PUBLIC WORKS, ROADS & INFRASTRUCTURE

2022/23 ANNUAL REPORT



The heartland of Southern Africa - development is about people

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PART A: **GENERAL INFORMATION**



1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
DICC	Departmental Infrastructure Coordination Committee
ITMC	Infrastructure Technical Management Committee
HOD	Head of Department
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
PCDMI	Professional Capacity Development and Mentoring Initiative
PFMA	Public Finance Management Act, Act 1 of 1999
PUDF	Provincial User Department Forum
RSA	Republic of South Africa
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SMME	Small Medium and Micro Enterprises
SSA	South African Security Agency
TR	Treasury Regulation

3. MEC FOREWORD TO THE ANNUAL REPORT 2022/2023



Mme N kakareng Rakgoale
MEMBER OF EXECUTIVE COUNCIL

Limpopo Department of Public Works, Roads and Infrastructure continues to focus on the contribution towards the realization of South Africa's vision through its mandate and activities as aligned to the National Development Plan, as well as the Limpopo Development plan. Therefore, this report seeks to give an account on the work done during the past year and the work still to be carried out for the continued betterment of the lives of

the people of Limpopo.

Our Government continues, with the limited resources at its disposal, to address the backlog in the maintenance and upgrades of roads infrastructure in our province to ensure safer mobility of our people. In our endeavor to improve these roads infrastructure, we will continue to engage the private sector to form partnerships in delivering the much-needed services in our province.

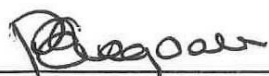
The 2022/2023 financial year, presented another opportunity to intensify engagements with our strategic partners and stakeholders in infrastructure development, as well as communities throughout the province in order to continue to provide infrastructure upgrades and development in line with the vision of the department, which is to be the leader in the provision and the management of the provincial land, buildings and roads infrastructure.

We have noted the declaration of the state of disaster in Limpopo, as a result of heavy rainfall which swept away our roads as well as bridges. We will put all hands on deck to restore the dignity and the safety of our people through the provision of these social and economic infrastructure development. The operation '**Thiba Mekoti Ditseleng**' is one of the strategies deployed to ensure that our roads infrastructure is resuscitated and well maintained.

Our commitment to 2023/2024 financial year is to intensify efforts and continue to make the lives of our people better as guided by the seven priorities as set by the 6th administration under the leadership of our Honourable Premier Chupu Stan

Mathabatha. The administration is aimed at improving the management of public resources and to also ensure that we achieve an improved audit opinion as compared to the financial year under review.

We certainly have confidence in the abilities and the skills of the men and women who constitute the administrative component of the Department of Public Works, Roads and Infrastructure, to lead us in attainment of the desired outcomes centered around accountability and good governance. The department wants to ensure that there is a striking balance between clean governance and improved service delivery.



Mme C.N. Rakgoale
Member of Executive Council:
Department of Public Works, Roads and Infrastructure
Date 31 May 2023

4. REPORT OF THE ACCOUNTING OFFICER



Mr MJ Phukuntsi
ACTING HEAD OF DEPARTMENT

The department continue to play a critical role in the planning, delivery, management and procurement of immovable assets in the province. In the year under review, the department, working together with Provincial Treasury, invested time and resources to improve forward planning of infrastructure projects. This planning framework is the cornerstone of infrastructure planning and management, and will ensure that the province deliver the much needed infrastructure to support the social and economic imperatives of the province and the country at large.

It is against this backdrop that the department was able to improve on its overall performance in as far as the 2022/23 Annual Performance Plan is concerned. The Department achieve 77 percent of the planned targets for the 2022/23 financial year as compared to the 39 percent during the 2021/22 financial year. Whilst we recognise this improvement, we are committed to continue in this positive trajectory, while we confront the remaining challenges to ensure that we meet our targets in the future.

The Department was able to spend 97 percent of its overall budget during the 2022/23 financial year, which is also an improvement from the 95 percent spent during 2021/22 financial year.

During the year under review, the department managed to fill critical senior management and built environment professionals positions such as that of the Chief Director Corporate Services, Chief Director Education Infrastructure Management, Director Health Infrastructure Management, etc.

In terms of infrastructure roll out, the department continue with the implementation of multi-year infrastructure projects for client Departments like Education, Health, Sports,

Arts and Culture, Transport and Community Safety, COGHSTA, LEDET and Agriculture. The challenges experienced during implementation of these projects, are communicated with departments during monthly departmental infrastructure coordination committees. The department also provides technical support to departments with limited technical capacity. The Department will continue to strive to enhance its capacity to improve on overall project and infrastructure management and delivery in the province.

Through the EPWP, the department was able to ensure improved provincial coordination of the programme, achieved 100% of the planned target for the 2022/23 financial year. The Department will continue to strive to ensure that beneficiaries of this programme utilise the skills gained to access permanent jobs and to create jobs through their own created companies as a result of this programme for sustained work opportunities, especially for women, the youth and people with disabilities.

On roads infrastructure management, the department and its entity, Roads Agency Limpopo, managed to maintain and upgrade the provincial roads network, albeit the limited financial resources to deal with the backlogs on upgrading and maintenance of surfaced roads. The department re-habilitated 1 163 611 m² of surface roads against the target of 1 110 000 m². 1 303 028 m² of surface roads resurfaced against the annual target of 470 000. 318 371 m² of blacktop patching was achieved against the annual target of 180 000. The department also managed to re-gravelled 157.58 kilometers of gravel roads against the target of 130 kilometers. In the process of implementing these projects, 6 493 work opportunities were created. Out of the 6 493 work opportunities, 3 514 youth, 3 679 women were employed and 2 394 FTE's.

The annual report is also indicating the challenges experienced during the year as well as proposed interventions to ensure improvement in the subsequent financial years.

The following is the summary of the Departmental Annual Performance for 2022/23 financial year per Programme and per Chief Directorate:

Programme	Chief Directorate	Annual Target	Actual Achievement	Variance	Percentage
Programme 1: Administration	Corporate Services	02	2	None	100%
	Financial Management	04	3	1	75%
Programme 2: Infrastructure Operations	Property and Facilities Management	05	4	1	80%
	Education Infrastructure Management	05	3	2	60%
	Health Infrastructure Management	05	2	3	40%
	Provincial Departments Infrastructure management	09	7	2	78%
Programme 3: Extended Public Works Programme	Expanded Public Works Programme	04	3	1	75%
Programme 4: Roads Infrastructure	Roads Infrastructure	18	13	5	72%
TOTAL		52	37	15	71%

Departmental receipts

Departmental receipts	2021/2022			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
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-

Departmental receipts	2021/2022			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
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	28 949	27 884	(1 065)	28 457	28 254	(203)
Transfers received	-	-	-	517 248	517 248	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	13	24	11	440	25	(415)
Sale of capital assets	3 000	9 416	6 416	3 900	16 146	12 246
Financial transactions in assets and liabilities	4 601	3 770	(831)	10 742	23 085	12 343
Total	36 563	41 094	4 531	560 787	584 758	23 971

The department collected R546 516 million against the target of R38 242 as a result of auctioning of redundant and obsolete assets which was conducted in the fourth quarter of the financial year and also a transfer received from RAL own revenue for 2022/23 financial year. The department will continue to strive to identify new sources of revenue and collect all revenue due to it. In the 2023/24 financial year, the department has been allocated a budget to install prepaid meters in residential houses that are rented out; this will reduce the expenditure incurred by the department. The Department will further explore the upgrading and installation of car parking facilities in some government office buildings for revenue collection.

Programme Expenditure

Programme Name	2021/2022			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	330 717	330 234	483	464 676	464 013	663
Infrastructure Operations	1 128 330	1 009 127	119 203	979 049	935 331	43 718
EPWP	66 091	62 696	3 395	67 607	63 175	4 432
Roads Infrastructure	2 912 762	2 809 657	103 105	2 915 978	2 820 711	95 267
Total	4 437 900	4 211 714	226 186	4 427 310	4 283 230	144 080

Programme Name	2021/2022			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
Unauthorised expenditure approved without funding	-	-	-	-	1 438	-
Total Expenditure	4 437 900	4 211 714	226 186	4 427 310	4 284 668	144 080

Programme 1 - Administration

The programme has spent 100 per cent of its allocated budget for the 2022/23 financial year.

Programme 2 – Infrastructure Operations

The programme has spent 96 per cent of its allocated budget for the 2022/23 financial year. The underspending is mainly due to service terminations, non-implementation of the 1.5% pay progression for SMS and delays in implementation of the approved 2022/23 recruitment plan. The department could not complete the Maphutha Malatjie Hospital Project, which was transferred from the department of Health during the second week of March 2023.

Programme 3 – Expanded Public Works Programme

The programme has spent 93 per cent of its allocated budget for the 2022/23 financial year. The reasons for underspending is due to service terminations, non-implementation of the 1.5% pay progression for SMS and delays in implementation of the approved 2022/23 recruitment plan.

Programme 4 – Roads Infrastructure

The programme has spent 97 per cent of its allocated budget for 2022/23 financial year. The reasons for underspending is due to service terminations, non-implementation of the 1.5% pay progression for SMS and delays in implementation of the approved 2022/23 recruitment plan. Non-implementation of the Construction of 5 steel bridge projects which are still at the planning and design stage, 2 households' routine roads maintenance project for greater Letaba and Elias Motsoaledi municipalities and 1 Fog spray and road marking project for Capricorn District could not be completed due to weather condition. Delays by service providers in delivering fuel and roads materials in Sekhukhune and Waterberg respectively also affected the spending of this programme.

Virements / Roll overs

The department obtained approval from Limpopo Provincial Treasury to effect virements in preparation for financial year-end closure and these were effected. The Department made an application for rollover of unspent funds to Provincial Treasury and awaiting approval thereof.

Unauthorised expenditure

The department did not incur any unauthorised expenditure during 2022/23 financial year.

Irregular Expenditure

The department incurred irregular expenditure of R35 822 million as disclosed in note 30 of the annual financial statements. The irregular expenditure incurred is due to continuing projects/contracts awarded in previous financial years.

Fruitless and Wasteful Expenditure

The department incurred fruitless and wasteful expenditure of R190 thousand as disclosed in note 30 of the annual financial statements.

Future plans of the department to prevent the unwanted expenditures

Unauthorised Expenditure

The department will enhance the functionality of the established Budget Committee to recommend timeous corrective measures to prevent material under spending or over spending of the allocated budget.

Irregular Expenditure

The department has implemented the following improved controls from 2022/23 and onwards:

- approved the reviewed SCM policy during 2022/23 financial year
- trained SCM officials and other officials who serve in procurement committees
- implemented SCM checklists to prevent incurring irregular expenditure
- Internal control unit conducted post audit on procurement activities
- appoint only trained officials on SCM prescripts to serve in procurement committees for 2023/24 financial year onwards.

Fruitless and Wasteful Expenditure

The department has implemented the manual invoice tracking system during the 2022/23 financial year, and it is in the process of getting approval to utilise the REAPATALA invoice tracking system from the National Department of Public Works and Infrastructure for implementation during 2023/24 financial year.

Public Private Partnership

The department did not have any Public Private Partnerships during the period under review.

Discontinued key activities / activities to be discontinued

The following planned projects were discontinued during the financial year for the Department of Health:

No	Project	Amount
1	Construction of laundry at St Rita's Hospital	R 25 896 787,32
2	Construction of laundry at Pietersburg Hospital	R 36 000 000,00
3	Construction of laundry at Dilokong Hospital	R 25 000 000,00
4	Construction of laundry at Evuxakeni Hospital	R 25 000 000,00
5	Construction of Laundry at Malamulele Hospital	R 25 000 000,00
6	Construction of laundry at Thabazimbi Hospital	R 25 000 000,00
7	Construction of Phakgameng Clinic	R 29 000 000.00
8	Construction of Modimolle EMS	R33 000 000.00

New or proposed key activities

None

Supply Chain Management

Reporting Structure and Capacity

Supply Chain Management is configured as indicated below:

Name of post	Filled / Not Filled	Comments
1 x CFO	Filled	The CFO has been appointed to be the Acting Head of Department from May 2023 until further notice
1 X Director Procurement management	Vacant	The Deputy Director Acquisition Management (Infrastructure) is appointed as Acting Director while recruitment process in underway.
4 x Deputy Directors	3 x Filled 1 x Vacant	1 x Acting as Director 1 x To be filled through placement
8 x Assistant Director	2 x Filled 6 x Vacant	Only 1x Assistant Director acquisition (Infrastructure) advertised to be filled by end of June 2023. The department to fill these vacancies through recruitment process.
5 x Admin Officers	12 x Filled	There are currently 7 Admin Officers who are in excess and to be placed in other units. They are currently still working within the unit.

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

The department did not receive an award any unsolicited bids during the year under review i.e. there were no proposals, deals or introduction of any sort of solutions to the department during the 2022/23 financial year.

Future plans of the department on Supply Chain Management

The department needs to review and enhance the Procurement Management organisational structure to include infrastructure procurement knowledge, qualifications and skills to ensure compliance to FIPDIM and CIDB when procuring infrastructure projects. In the meantime, the current colleagues will be trained to capacitate them on these requirements for improved infrastructure procurement.

SCM processes and systems to prevent irregular expenditure

The Department has updated its internal controls as follows:

- approved the reviewed SCM policy during 2022/23 financial year
- trained SCM officials and other officials who serve in procurement committees
- implemented SCM checklists to be used by committees to prevent incurring irregular expenditure
- Internal control unit conducted post audit on procurement activities
- appoint only trained officials on SCM prescripts to serve in procurement committees from 2023/24 financial year

Challenges experienced in SCM and how they were resolved

- The SCM unit experienced changes at management level during this financial year.
- The post of Director Procurement Management is vacant and the department will recruit during 2023/24 financial year.
- The department to finalise the placement of excess officials from this unit to have stability and improved morale.
- The Department has implemented the Public Administration Management Act that prohibit all employees appointed by the state to conduct business with the State and are not allowed to be a director of public or private company conducting business with the state. The Department utilise the Central Supplier Database system to verify government employees doing business with the state.
- The Department had several challenges in ensuring that SCM prescripts were fully complied with by all officials and this was evident through a number of issues raised during audit process. Officials responsible for procurement in the Department are continuously trained through on-the-job training and training provided by Provincial Treasury to ensure continuous compliance with SCM prescripts. Furthermore, all supply chain management practitioners have made their financial disclosures on E- Disclosure in accordance with the Regulation. All SCM officials signed the code of conduct and submitted their security clearance forms to SSA.

- In addition, the Department requires disclosures of interest by bid committee members prior to all evaluation and adjudication of bids. All members of bid committees declared their interest during the committee meetings.

Gifts and Donations received in kind from non-related parties during 2022/23 financial year.

The department has the gifts and donation register in terms of the Public Service Regulations 2016 and during the year under review, there were no gifts declared nor received that requires disclosure.

Variation orders approved during the 2022/23 financial year

The department approved a variation order of approximately R90 million for the Maphutha Malatjie Hospital project that was above the 20 percent. The department reported this to Provincial Treasury as per National Treasury instruction note.

Exemptions and deviations received from the National Treasury

There were no exemptions from the National Treasury on compliance to the PFMA, TR or deviation from the financial reporting requirements received for the 2022/23 financial year.

The following bids were awarded to bidders who did not score the highest points as the bidders who scored the highest points were already awarded for other municipalities which was provided for in the bid documents:

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/ EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
1.	Three years household based routine road maintenance project at Maruleng Local Municipality in Limpopo Province	Within Africa Construction	LDPWR-R/20133	21.07.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 431 144.73	21.07.22	12.12.22
2.	Three years household based routine road maintenance project at Bela-Bela Local	Bothabatsatse Group 001	LDPWRI-R/20123	15.06.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for	R8 092 415.45 Rate Based	15-06-22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/ EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
	Municipality in Limpopo Province						the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.			
3.	Three years household based routine road maintenance project at Thabazimbi Local Municipality in Limpopo Province	Tholanghutso Trading Projects 89	LDPWRI-R/20126	15.06.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R7 953 801.92 Rate Based	15-06-22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/ EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
4.	Three years household based routine road maintenance project at Thulamela Local Municipality in Limpopo Province	Yongama Development Projects JV Kgallo	LDPWRI-R/20137	15.06.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R7 466 835.00 Rate Based	15-06-22	12.12.22
5.	Three years household based routine road maintenance project at Ephraim Mogale Local Municipality in Limpopo Province.	Ramsley Contractors/Lioness Doing JV	LDPWRI-R/20127	15.06.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R7 456 304.45 Rate Based	15-06-22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/ EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
6.	Three years household based routine road maintenance project at Makhuduthamaga Local Municipality in Limpopo Province	Deunice Trading JV Samariri	LDPWRI -R/20128	15.06.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 025 002.45 Rate Based	15-06-22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/ EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
7.	Three years' household based routine road maintenance project at Fetakgomo-Tubatse Local Municipality in Limpopo Province	Tshiamiso trading 135	LDPWRI -R/20130	15.06.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R16 102 394.30 Rate Based	15-06-22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/ EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
8.	Three years household based routine road maintenance project at Collins Chabane Local Municipality in Limpopo Province	Ntshuso HWBL	LDPWRI-R/20136	15.06.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R7 892 461.04 Rate Based	15-06-22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/ EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
9.	Three years household based routine road maintenance project at Elias Motsoaledi Local Municipality in Limpopo Province	Moshopane Business Enterprise	LDPWRI -R/20129	15.06.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 195 295.95 Rate Based	15-06-22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
10	Three years household based routine road maintenance project at Greater Giyani Local Municipality in Limpopo Province	PGN Civils (Pty)Ltd	LDPWRI -R/20132	23.08.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 874 127.95 Rate Based	23-08.22	12.12.22
11	Three years household based routine road maintenance project at Ba Phalaborwa Local Municipality in Limpopo Province	Melrose Civil and Building Construction	LDPWRI -R/20131	05.09.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 275 478.20 Rate Based	05-09-22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
12	Three years' household based routine road maintenance project at Molemole Local Municipality in Limpopo Province	Thathu Bagwera Trading Enterprise	LDPWR-ROADS/ 20120	21.07.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 517 155.30 Rate Based	21-07.22	12.12.22
13.	Three years' household based routine road maintenance project at Lephalale Local Municipality in Limpopo Province	SEFMOD Projects	LDPWR-ROADS/ 20124	05.08.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 524 418.70 Rate Based	05-08-22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/ EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
14.	Three years' household based routine road maintenance project at Greater Tzaneen Local Municipality in Limpopo Province	Emole Group JV Kgohlodi	LDPWR-ROADS/20134	04.08.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 412 299.45 Rate Based	04.08.22	12.12.22
15.	Three years household based routine road maintenance project at Musina Local Municipality in Limpopo Province	MDRT Engineering (PTY)LTD	LDPWR-ROADS/20138	04.08.22	September `2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 474 735.30 Rate Based	04.08.22	12.12.22

NO	DESCRIPTION OF SERVICE/ GOODS/ PROJECT	NAME OF SUPPLIER	CONTRACT/ QUOTATION NUMBER	AWARD DATE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR DEVIATION/ EXPANSION/ VARIATION	AMOUNT	DATE APPROVED BY THE AA/AO	DATE SUBMITTED TO LPT
16.	Three years household based routine road maintenance project at Blouberg Local Municipality in Limpopo Province	Magoveni Civil Engineering Construction & Projects	LDPWR-ROADS/20119	04.08.22	September 2022	September 2025	Contracts awarded to bidders who did not score the highest points. The Bid Evaluation Committee has recommended for the appointment of not more than one contract to a single highest scoring bidder, unless it is unavoidable.	R8 416 141.60 Rate Based	04.08.22	12.12.22
17.	Purchasing of Limpopo Gambling Board Building (Erf 435 Pietersburg)	Henstock van den Heever	LDPWRI-P/20352	06.12.22	December 2022	December 2022	Provincial Executive Decision	R159 360 000	06.12.22	12.12.22

Events after the reporting date

The department has been placed under professional assessment from May 2023 and it will await the outcome of this process.

Other

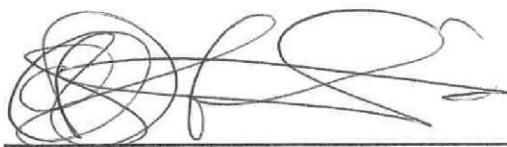
There were no other material fact or circumstances, which have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

Appreciation

Appreciation is extended to the management and entire staff of the Department of Public Works, Roads and Infrastructure for their continued hard work in ensuring that the people of Limpopo Province receive the desired and quality services they are entitled to in terms of the RSA Constitution.

Conclusion

This Annual Report is presented as an account on the work done by the Department in implementing its mandate in terms of the 2022/23 Annual Performance Plan



Mr M.J. Phukuntsi

Acting Head of Department

Department of Public Works, Roads and Infrastructure

Date: 23 August 2023

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.

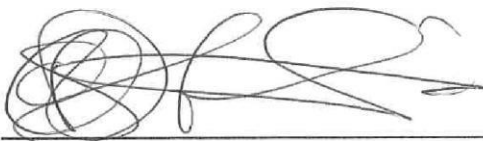
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2023

Yours faithfully



Mr M.J. Phukuntsi

Acting Head of Department

Department of Public Works, Roads and Infrastructure

Date: 23 August 2023

6. STRATEGIC OVERVIEW

6.1 Vision

A leader in the provision and management of provincial land, buildings and roads infrastructure.

6.2 Mission

Optimal utilization of resources in the provision and management of sustainable social and economic infrastructure including implementation and coordination of Expanded Public Works Programme. is must be as per the department's strategic plan.

6.3 Values

The Limpopo Department of Public Works, Roads and Infrastructure prides itself on the following core values:

- Accountability
Every official will be held responsible for own action and ensuring single point accountability
- Integrity
All officials will be truthful and honest in execution of duties in their area of competence Professional Ethics
All official will perform diligently with necessary proficiency in the execution of duties in their area of skills backed by acceptable moral codes.
- Excellence in Service Delivery
All official shall dedicate his or her energy and time to serve with distinction and offer quality service to the public
- Teamwork
Official in the department will at all times strive to deliver as a joint and cooperate amongst himself or herself for service excellence
- Transparency
The department will always uphold Batho Pele Principles and deliver accordingly.
- Answerability
The department will collectively take liability for poor service delivery

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandate

In terms of sub-section 125 (1) of the Constitution of RSA, “the executive authority of a Province is vested in the Premier of that

Province.” Sub-section (2) also provides that “The Premier exercises the Executive Authority, together with other Members of the Executive Council, by: -

- Implementing Provincial Legislation;
- Implementing all National Legislation within the functional areas listed in Schedule 4 or 5 except where the Constitution or an Act of Parliament provides otherwise;
- Administering in the province, national legislation outside the functional areas listed in Schedule 4 or 5, the administration of which has been assigned to the provincial executive in terms of an Act of Parliament;
- Developing and implementing provincial policy;
- Co-ordinating the functions of the provincial administration and its departments;
- Preparing and initiating provincial legislation; and
- Performing any other function assigned to the provincial executive in terms of the Constitution or an Act of Parliament.”

In terms of Schedule 4 of the RSA Constitution, Public Works, Roads and Infrastructure is a functional area of concurrent National and Provincial legislative competence “only in respect of the needs of provincial government departments in the discharge of their responsibilities to administer functions specifically assigned to them in terms of the Constitution or any other law.”

In terms of his Constitutional prerogative, the Honourable Premier or Minister establishes the Department of Public Works, Roads and Infrastructure to provide and manage Provincial land and buildings. In addition, to contribute

to the provincial goal of job creation and poverty alleviation through the Expanded Public Works Programme “only in respect of the needs of provincial government institutions in the discharge of their responsibilities to administer functions specifically assigned to them in terms of the Constitution.”

7.2 Legislative Mandates

In terms of the relevant provisions of the RSA Constitution, (Act 108 of 1996) and the Public Service Act, (Proclamation 103 of 1994), a functional mandate was assigned to the Department in respect to Public Works. The Provisions of the Northern Province Land Administration Act (Act 6 of 1999) confirms the legislative mandate of the department in matters pertaining to the acquisition and disposal of provincial land and building.

In terms of this legislative mandate, it is abundantly clear that the Department of Public Works, Roads, and Infrastructure is assigned the role of custodian and manager of all provincial government land and buildings for which other legislation does not make other departments or institutions responsible. This mandate includes the determination of accommodation requirements; rendering expert built environment services to client departments as well as the acquisition, management, maintenance and disposal of such provincial government land and buildings.

7.3 Other General Public Service Legislative mandates and the Regulations

Other General Public Service Legislative mandates and the Regulations are listed hereunder: -

- **Public Finance Management Act, (Act 29 of 1999):** To secure transparency, accountability and sound management of revenue, expenditure, assets and liabilities of various public institutions;
- **Division of Revenue Act, (Act of 2008):** To provide for the equitable division of revenue raised nationally among the national, provincial and local

spheres of government for the 2008/09 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith;

- **Public Service Act, (Act 103 of 1994):** The regulation of the conditions of employment, discipline and matters connected therewith.
- **Labour Relations Act, (Act 66 of 1995):** To promote and maintain sound labour practice.
- **Basic Conditions of Employment Act, (Act 75 of 1997):** To advance economic development and social justice by fulfilling the primary objects such as to give effect to and regulate the right to fair labour practices conferred by **Section 23(1)** of the Constitution.
- **Employment Equity Act, (Act 55 of 1998):** To promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination through affirmative action measures in order to redress the imbalances of the past. **Skills Development Act, (Act 97 of 1998):** To provide an institutional framework to devise and implement strategies to develop and improve the skills of the workplace;
- **Compensation of Occupational Injuries and Diseases Act, (Act No 130 of 1993):** To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases; and to provide for matters connected therewith;
- **Preferential Procurement Policy Framework Act, (Act 5 of 2000):** A system for proper evaluation in the provision of services;
- **Broad Based Black Economic Empowerment Act, (Act 53 of 2003):** To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and to publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith;
- **Occupational Health and Safety Act, (Act 85 of 1993):** To ensure safe working conditions and safe equipment at all times;

- **Promotion of Access to Information Act, (Act No 2 of 2000):** To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith;
- **Promotion of Administrative Justice Act, (Act 3 of 2000):** To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in **section 33** of the Constitution of the Republic of South Africa, **1996**; and to provide for matters incidental thereto.
- **Protected Disclosure Act (Act 26 of 2000):** To make provision for procedures in terms of which employees in both the private and the public sector may disclose information regarding unlawful or irregular conduct by their employers or other employees in the employ of their employers; to provide for the protection of employees who make a disclosure which is protected in terms of this Act; and to provide for matters connected therewith.

State Information Technology Agency Act, 1998

The department also discharges its core responsibilities in terms of the following line function specific legislative mandates, which are –

- Construction Industry Development Board Act, (Act 38 of 2000)
- Deeds Registries Act, (Act 47 of 1937)
- Council for the Built Environment Act, (Act 43 of 2000)
- Architectural Professional Act, (Act 44 of 2000)
- Landscape Architectural Profession Act, (Act 45 of 2000)
- Engineering Professions Act, (Act 46 of 2000)
- Property Valuers Act, (Act 47 of 2000)
- Projects and Construction Management Profession Act, (Act 48 of 2000)
- Quantity Surveying Profession Act, (Act 49 of 2000)
- Town and Regional Planning Act, (Act 36 of 2002)
- Rating of State Property Act, (Act 79 of 1984)
- Land Affairs Act, (Act 101 of 1987)
- Land Titles Adjustment Act, (Act 111 of 1995)

- National Building Regulations and Building Standards Amendment Act, (Act 49 Of 1995)
- Housing Act, (Act 107 of 1997)
- Rental Housing Act, (Act 50 of 1999)
- National Heritage Council Act, (Act 11 of 1999)
- Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)
- Northern Province Roads Agency Act, Act 7 of 1998 as amended by Act. No.3 of 2001.

7.4 Policy Mandates

The department is guided by the following policy mandates in the discharge of its core responsibilities:

National

- Ruling Party Election Manifesto of 2014
- National Development Plan
- Medium Term Strategic Framework 2014- 2019
- State of the Nation Address

Provincial

- State of the Province Address
- Limpopo Development Plan 2020-2025

Departmental

- MEC Budget Policy Speech
- Departmental Policies and Frameworks

7.5 Relevant court rulings

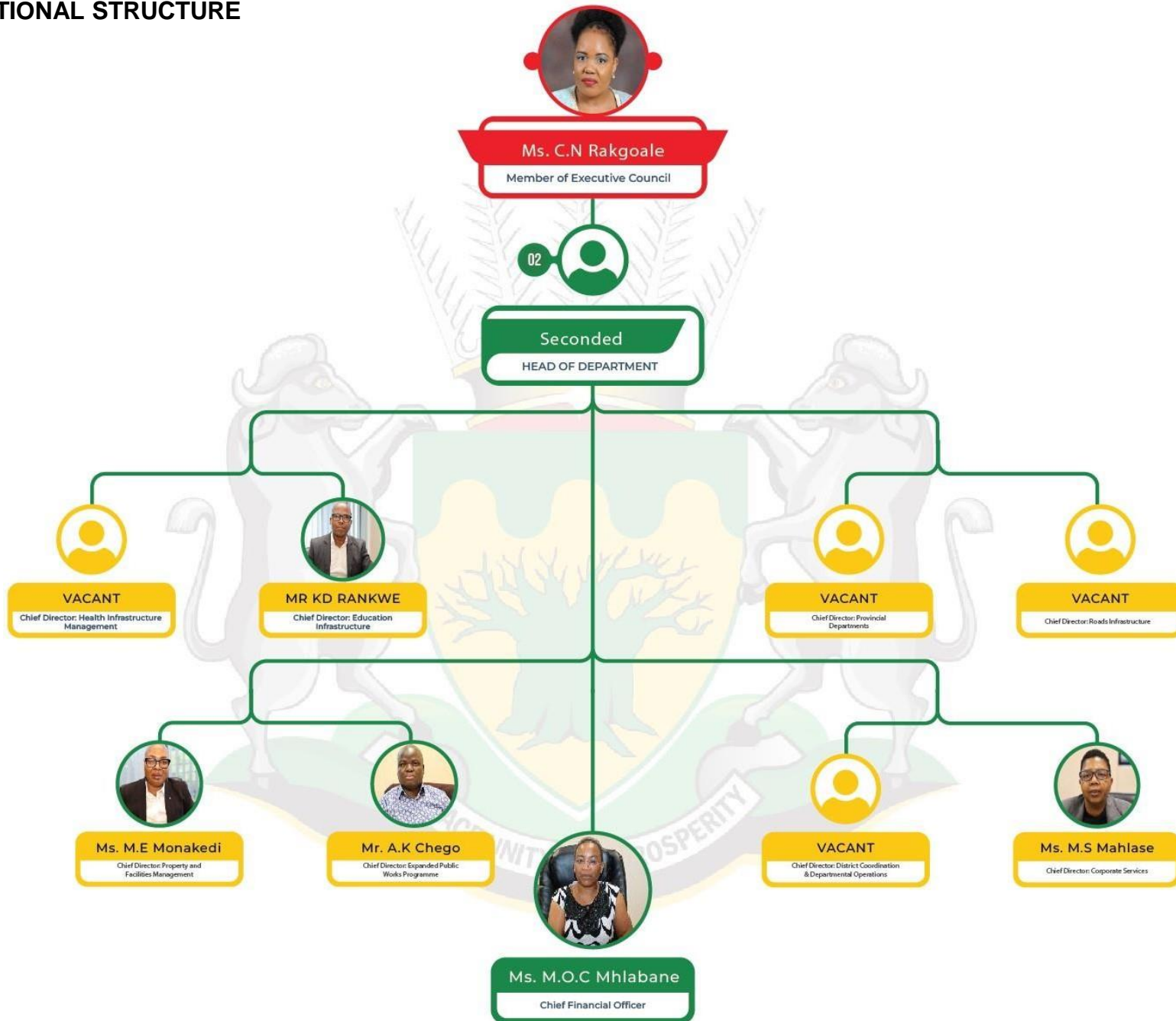
The department did not have any specific court rulings that have a significant impact on operations or service delivery obligations.

7.6 Planned Policy Initiatives

Over the strategic plan period, the focus of the department will be on –

- Effective coordination of policy development;
- Implementation and coordination of provincial infrastructure development.
- Development of departmental specific scarce skills;
- Contribution to the creation of decent work and sustainable livelihoods through increasing the labour intensity of government infrastructure funded projects through the Expanded Public Works Programme for unemployed people of working age; - SMME and Contractor development and capacity building for the built environment;
- Enact the Infrastructure Strategic Planning Hub
- Strengthen the efficacy of the reconfigured department to improve on service delivery

8. ORGANISATIONAL STRUCTURE



ENTITIES REPORTING TO THE MEC

The table below indicates the entity that report to the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Roads Agency Limpopo	RAL is listed as a schedule 3C Provincial Public Entity in terms of Public Finance Management Act (PFMA) 1999, Act No.1 of 1999 and also Chapter 16A of the Treasury Regulations is applicable to this entity. The Northern Province Roads Agency Act, Act 7 of 1998 as amended by Act, further governs RAL. No.3 of 2001.	Roads Agency Limpopo	Strategic planning of provincial roads system, planning, design, construction, operation, management, control, maintenance and rehabilitation of provincial roads.

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 conclusion. 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 139-149 of the Report of the Auditor General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Service Delivery environment provides an overview of how the Department of Public Works, Roads and Infrastructure has been operating in delivering services within the context of its mandate. This section outlines all the significant achievements, challenges and factors that may have had an impact on the Department's performance as articulated in the Annual Performance Plan 2022/23.

Infrastructure Operations

During the year under review the department managed to verify hundred assets in the immovable asset register against the target of hundred. Eighteen utilization inspections were conducted for office accommodation against the target of fifteen. Refurbishment of 40 Paul Kruger building to provide additional office accommodation for Office of the Premier was completed. In addition, the department of Sport, Arts and Culture Schoemansdal Museum project in Makhado was completed during the year under review.

Expanded Public Works Programme

During the year under review, the department created 1159 work opportunities against the planned target of 1100. The over achievement is due to the replacement of participants as the system counts additional as new work opportunities. Beneficiaries of these work opportunities were, youth, women and persons living with disabilities.

Provincial Progress Report Summary on jobs created

Sector	Target	Q1 WOs	Q2 WOs	Q3 WOs	Prelim Q4 WOs	%	Women 60%	Youth 55%	PWD 2%	FTE's Target	Progress	%
Infrastructure	28 430	6 714	10 191	13 748	18880	66%	49%	49%	2%	9 395	7144	76%
Environment & Culture	10 968	3 775	6 113	9 597	12434	113%	65%	53%	1%	5 462	4834	89%
Social	19 454	4 576	16 160	22 693	23653	122%	88%	21%	1%	15 337	18 125	118%
Provincial Total	58 872	15 065	33 204	46 038	54967	93%	69%	37%	1%	30 194	30104	100%
Non State Sector (CWP- NPO-)	36 863	CWP:0 (NPO:0)	CWP:25385 NPO:0	CWP:2678 NPO:10387 =3065	CWP:24109 NPO:16931 =41 040	111%	81%	30%	1%	N/A	14 207	N/A
National Depts	N/A	1 670	2 622	3 931	5 142	N/A	54%	55%	1%	N/A	2 143	N/A
Grand Total	95 735	16 735	61 211	86 034	101149	106%	73%	35%	1%	30 194	46454	154%

The Provincial performance is 54 967 Work Opportunities against a target of 58 872 which translates into 93%. The Social sector achieved 122%; Environment & Culture sector achieved 113%, while the Infrastructure sector achieved 66%. Overall work opportunities created in the province, including national funded projects through Non State Sector and National Departments is 101 149, which depicts 106%,

Roads Infrastructure

The department re-habilitated 1 163 611 m² of surface roads against the target of 1 110 000 m². The 1 303 028 m² of surface roads resurfaced against the annual target of 470 000. The 318 371 m² of blacktop patching was achieved against the annual target of 180 000. The department also managed to re-gravelled 157.58 kilometers of gravel roads against the target of 130 kilometers. In the process of implementing these projects, 6 493 work opportunities were created. Out of the 6 493 work opportunities, 3 514 youth, 3 679 women were employed and 2 394 FTE's.

2.2 Service Delivery Improvement Plan

During the period under review, the department was in a process of developing the Service Delivery Improvement Plan for 2023/24 cycle after approval of new guidelines by the Department of Public Service and Administration.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provision of information on number of immovable assets verified in the Immovable Asset Register in accordance with the mandatory requirements of National Treasury	Government departments	100 Asset to be registered in the Immovable asset register	100 Asset to be registered in the Immovable asset register	100 Asset to be registered in the Immovable asset register
Education Infrastructure Management	General Public	6 projects to be completed	6 projects to be completed	5 projects completed
Health Infrastructure Management	General Public	5 projects to be completed	5 projects to be completed	2 projects completed
Provincial Departments Infrastructure Management	General Public	6 projects to be completed	6 projects to be completed	4 projects completed
Provision of Roads	General Public	130 km of roads to be regravelled	130 km of roads to be regravelled	157.58 km of roads regravelled

Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Provincial User Departments Forum (PUDF)	To build capacity for government departments in terms of Asset Register and hold quarterly forums	PUDF was held twice in this financial year due to shortage of staff and the post of the Chief Director being vacant. The department would like to hold these meeting on quarterly basis since the appointed Chief Director
Professional Development Mentoring (PCDMI) Capacity and Initiative	For professional development as well as mentoring initiative in terms of registered professionals	Property and Facilities PCDMI is held on a monthly basis
Departmental Infrastructure Coordination Committee	To build capacity in the Infrastructure Operations and hold monthly meeting	DICC held only 4 meetings in this financial year.
Regional Coordinating Centre (RCC)	To register all job cards for maintenance issues	RCC's are effectively working in all five Districts, however in some districts there is no dedicated official managing the RCC.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Service Standards	Service Standards document	In this financial year, the Departmental Service standards developed, posted on the departmental website and workshops conducted in all departmental service points.
Citizens	Citizen Report	Citizen's report was developed and posted on the departmental website.
Service Charter	3 year Service Delivery Charter	3 year Service Delivery Charter developed and distributed to all departmental service points
PAIA Manuals	PAIA Manuals	PAIA Manuals are available

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints received through newsroom	11	09
Presidential Hotline	24	09
Premier Hotline	05	02

2.3 Organisational environment

Organizational Environment

During the year under review, five (5) SMS were appointed as follows:

- Chief Director: Corporate Services
- Chief Director: Education Infrastructure
- Director: Contractor Development
- Director: Internal Control and Compliance
- Director: Health Infrastructure

2.4 Key policy developments and legislative changes

During the period under review, there were no major policy changes.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The department held its Five-year strategic plan in August 2019 after the development of a revised framework on Strategic Plans and Annual Performance Plans- by the department of DPME. During planning process, 7 government priorities and other planning documentation were taken into consideration. Three departmental outcomes were developed as follows:

Impact statement:	
Accessible, integrated and sustainable infrastructure for economic and socio-economic development	
DPWRI Outcomes	DPWRI contribution to MTSF
Outcome 1: Decent jobs	<ul style="list-style-type: none"> □ Priority 1; Economic Transformation and Job Creation;
Outcome 2: Sustainable Roads and Building Infrastructure	<ul style="list-style-type: none"> • Priority 1;Economic Transformation and Job Creation; • Priority 4; Spatial Integration, Human Settlements and Local Government; • Priority 5; Social Cohesion and Safe Communities • Priority 7; A better Africa and World
Outcome 3: Capacitated Institution	<ul style="list-style-type: none"> • Priority 2; Education, Skills and Health; • Priority 6; A Capable, Ethical and Developmental State

Summary of performance 2022/23

Programme	Chief Directorate	Annual Target	Actual Achievement	Variance	Percentage
Programme 1: Administration	Corporate Services	02	2	None	100%
	Financial Management	04	3	1	75%
Programme 2: Infrastructure Operations	Property and Facilities Management	05	4	1	80%
	Education Infrastructure Management	05	3	2	60%
	Health Infrastructure Management	05	2	3	40%
	Provincial Departments Infrastructure management	09	7	2	78%
Programme 3: Expanded Public Works Programme	Expanded Public Works Programme	04	3	1	75%
Programme 4: Roads Infrastructure	Roads Infrastructure	18	13	5	72%
TOTAL		52	37	15	71%

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: ADMINISTRATION

The Programme serves as a support function to building Infrastructure Operations, Expanded Public Works Programme and Roads and Infrastructure. It provides strategic leadership, supports services and overall management of the Department. This entails giving political, managerial and administrative leadership for the effective functioning of the Department. The Programme consists of the Office of the MEC, Office of the Head of Department and Corporate Support (Strategic Management, Corporate Services and Finance).

Table 4.1

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Capacitated institution	Integrated HR plan	Number of integrated HR plan developed	1	1	1	1	0	None
Capacitated institution	Digital transformation project plan developed	Number of Digital transformation initiatives developed	-	None	4	4	0	None

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Capacitated institution	Reduced debt account	Percentage reduction of staff debt account	129.4%	57%	100%	27%	(73%)	<p>Prescribed Debts - (Bursary Debtors Young and unemployed, Salary Overpayment and Tax due to Death and Retirement)</p> <p>GEPF not paying some of the debts claimed by the department</p> <p>Write off applications still pending approval.</p>

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Capacitated institution	Revenue collected	Estimated amount of revenue collected	R31,656 1 mil	R41,094 mil	R38 242 mil	R 584 758 mil	+ R546 516 mil	<p>The over collection was due to the auction held in the 4th quarter, arrear rental received as well as the refund of over surrender from Provincial Treasury</p> <p>517 248 is transfer received from RAL as unspent funds for 2021/22 financial year</p>

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Capacitated institution	Eligible suppliers paid	Percentage of eligible suppliers paid within 30 days	99%	99.9%	100%	100%	0	None
Capacitated Institution	Complete and accurate assets register	Number of movable assets verification conducted	-	2	2	2	0	None

Linking performance with budgets
Sub-programme expenditure

Sub- Programme Name	2021/202			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	6 159	6 008	151	5 502	5 385	117
Head of Department	13 320	13 300	20	10 347	10 152	195
Corporate Services	311 238	310 926	312	446 752	446 401	351
Total	330 717	330 254	483	462 601	461 938	663

Strategy to overcome areas of under performance

The department will deduct from leave gratuity
 Implement write off of bad debts on quarterly basis and
 Participate in RT27 contracts (Referral to debt collectors)

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions None

4.2 Programme 2: Infrastructure Operations

NB// For the period under review the department was implementing the new Organisational Structure whereby Construction Management and Infrastructure Planning and Design Directorates no longer exist. In the new Organisational Structure the department under programme two (2) is divided into five (5) Sub-Programmes i.e. Property and Facilities, Education Infrastructure, Health Infrastructure, Provincial Departments Infrastructure and District Coordination.

4.2.1 Sub Programme: Infrastructure Planning and Design

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Compliant IPMP received from client departments	Number of 2022-23 Infrastructure Programme Management Plan (IPMP) received in line with Client Departments UAMPs	7	6	-	-	-	None
Sustainable Roads and Building Infrastructure	SDAs developed	Number of Client Department's Service Delivery Agreements (SDAs) for 2022/23 developed	6	1	-	-	-	None

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	IPIP developed	Number of Infrastructure Programme Implementation Plans (IPIP) for 2022/23 developed	7	4	-	-	-	None
Sustainable Roads and Building Infrastructure	Infrastructure designs ready for tender	Number of infrastructure designs ready for tender	11	30	-	-	-	None

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			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
Planning and Design	84 762	75 027	9 735	-	-	-
Total	84 762	75 027	9 735	-	-	-

4.2.2 Sub Programme: Construction Management

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Health Facilities Completed	Number of new Health Facilities Completed	-	2	-	-	-	None

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Health Facilities Renovated	Number of Health Facilities Renovated	-	0	-	-	-	None
Sustainable Roads and Building Infrastructure	Agriculture Facilities Completed	Number of Agriculture Facilities Completed	-	1	-	-	-	None
Sustainable Roads and Building Infrastructure	Transport Facilities completed	Number of Transport Facilities completed	-	0	-	-	-	None
Sustainable Roads and Building Infrastructure	Traditional Council Offices completed	Number of Traditional Council Offices completed	-	1	-	-	-	None

Sub- Programme Name	2021/2022			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
Construction Management	26 998	24 254	2 744	-	-	-
Total	26 998	24 254	2 744	-	-	-

4.2.3 Sub Programme: Property and Facilities Management

The Sub-Programme, Property and Facilities Management is responsible for the provision and management of immovable properties, which serves as a platform for the efficient delivery of various government services. It facilitates the provision of office accommodation and other related accommodation to the Provincial Government. These functions are performed in line with the broader departmental goals of improving service delivery, complying with corporate governance requirements, promoting black economic empowerment and contributing to the transformation of the property industry.

The main purpose of this Sub-Programme is to ensure that immovable assets owned and/ or utilized for delivery of government's services yield functional, economic and social benefits to the province.

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Compiled User Asset Management Plan	Number of user Asset Management Plan (U-AMP) compiled in terms of GIAMA framework	1	1	1	1	0	None
Sustainable Roads and Building Infrastructure	Facilities/buildings provided to users	Number of accommodation units provided	-	-	12	1	(11)	Most bidders were not responsive, due to issues such as proof of ownership and other administrative issues and BAC recommended the re-advertisement of bids.

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Utilisation inspections for office accommodation	Number of utilisation inspections conducted for office accommodation	-	30	15	18	+3	Overachievement Was due to additional capacity provided by the HUB (Cuban Nationals) to conduct space audit.
Sustainable Roads and Building Infrastructure	Disposed properties	Number of properties disposed of	-	-	3	9	+6	Overachievement was due to outstanding land claims from previous financial years.
Sustainable Roads and Building Infrastructure	Verified immovable Asset register	Number of immovable assets verified in the Immovable Asset Register	300	200	100	100	0	None

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Maintenance projects completed	Number of planned maintenance projects completed	-	-	-	-	-	None

Strategy to overcome areas of under performance

The department will re-advertise the bids and specifically target those Landlords who qualify.

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

Standardised outputs and output indicators are part of the reported performance information

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			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
Property & Facilities Management	1 016 570	909 846	106 724	569 750	559 082	10 668
Total	1 016 570	909 846	106 724	569 750	559 082	10 668

4.2.4. Sub Programme: Education Infrastructure Management

The Sub-Programme: Education Infrastructure Management is responsible for managing infrastructure and maintenance for Education by provision of technical portfolio management services and to implement infrastructure and maintenance programmes/projects for Education.

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Compliant IPMP received from Education	Number of 2023-24 Education Infrastructure Programme Management Plan (IPMP) received in line with Education U-AMPS	-	-	1	1	0	None
Sustainable Roads and Building Infrastructure	SDAs developed	Number of Client Department's Service Delivery Agreements (SDAs) for 2022/23 developed	-	-	1	1	0	None

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	IPIP developed	Number of Education Infrastructure Programme Implementation Plan (IPIP) for 2023-24 developed	-	-	1	1	0	None
Sustainable Roads and Building Infrastructure	Infrastructure designs ready for tender	Number of Education infrastructure designs ready for tender	-	-	25	23	(2)	There has been a change of scope for Rethusheng school from normal to a special school, which requires a longer planning period prior to

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								completion of designs. The condition assessment for Capricorn District Office has been submitted to LDoE for evaluation and approval, hence the designs could not be completed
Sustainable Roads and Building Infrastructure	Education construction projects completed	Number of Education construction projects completed	-	-	6	5	(1)	The poor performance by the contractor for construction of Naledi Ya Meso school affected the

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								completion of the project

Strategy to overcome areas of under performance

Rethusheng School: The department will fastrack the completion of the designs.

Capricorn District Office: The department will fastrack the approval of the designs.

Naledi Ya Meso: The project is being closely monitored and a new contractor to be appointed.

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

Standardised outputs and output indicators are part of the reported performance information

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			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
Education Infrastructure Management	-	-	-	6 323	5 447	876
Total	-	-	-	6 323	5 447	876

4.2.5. Sub Programme: Health Infrastructure Management

The sub program Health Infrastructure Management is responsible for managing the infrastructure and maintenance for health by providing of technical portfolio management services and implementing infrastructure and maintenance programmes/projects for health.

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Compliant IPMP received from Health	Number of 2023-24 Health Infrastructure Programme Management Plan (IPMP) received in line with Health U-AMPS	-	-	1	1	0	None
Sustainable Roads and Building Infrastructure	SDA developed	Number of Health Service Delivery Agreement	-	-	1	0	(1)	The Department of Health did not sign the

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		(SDA) for 23-24 developed						Service Delivery Agreement (SDA).
Sustainable Roads and Building Infrastructure	IPIP Developed	Number of Health Infrastructure Programme Implementation Plan (IPIP) for 2023-24 developed	-	-	1	1	0	None
Sustainable Roads and Building Infrastructure	Health projects ready for tender	Number of Health Infrastructure designs ready for tender.	-	-	8	0	(8)	The projects were withdrawn from the department by LDoH

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Health construction projects completed	Number of Health construction projects completed	-	-	5	2	(3)	Lebowakgomo EMS contractor was put on terms due to poor performance. The impasse for Maphutha-Malatjie OPD project was resolved and the site was re-opened on 28 March 2023. Letaba B5B project terminated, and the project withdrawn.

Strategy to overcome areas of under performance

- Lebowakgomo EMS: The process of terminating the project is underway and the replacement of the contract.
- Maphutha Malatjie OPD: The project is back on track the department will be closely monitoring the project and it will be completed in the next financial year.
- Letaba B5B: The project is terminated and the department is preparing a final account.

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

Standardised outputs and output indicators are part of the reported performance information

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			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
Health Infrastructure Management	-	-	-	128 575	91 956	36 619
Total	-	-	-	128 575	91 956	36 619

4.2.6. Sub Programme: Provincial Departments Infrastructure Management

The sub programme Provincial Department Infrastructure Management is responsible for the Provision of technical portfolio management services for other provincial departments, shared offices and offices of LDPWRI, Implement infrastructure and

maintenance programmes /projects for other provincial departments and Implement category level three day-to-day, routine and emergency services for LDPWRI offices, shared offices and Legislature

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Compliant IPMP received from client departments	Number of Infrastructure Programme Management Plan (IPMP) received in line with client department UAMPS	-	-	4	6	+2	Increase in the number of Departments complying with IDMS with regard to submission of IPMPs.
Sustainable Roads and Building Infrastructure	SDAs developed	Number of client departments service delivery agreements (SDAs) for 2023-24 developed	-	-	4	5	+1	Increase in the number of Departments complying with IDMS.

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	IPIP Developed	Number of Infrastructure Programme Implementation Plans (IPIP) for 2023-24 developed	-	-	4	6	+2	Increase in the number of Departments complying with IDMS.
Sustainable Roads and Building Infrastructure	Infrastructure designs ready for tender	Number of infrastructure designs ready for tender	-	-	7	7	0	None
Sustainable Roads and Building Infrastructure	Sport, Arts and Culture construction projects	Number of sport, arts and culture construction project completed	-	-	1	1	0	None

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Transport construction projects completed	Number of transport construction projects completed	-	-	1	0	(1)	Target not achieved due to poor performance by the contractor and the department has levied penalties.
Sustainable Roads and Building Infrastructure	LDPWRI construction projects completed	Number of LDPWRI construction projects completed	-	-	1	1	0	None
Sustainable Roads and Building Infrastructure	LEDET construction projects completed	Number of LEDET construction projects completed	-	-	2	2	0	None

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Agricultural construction projects completed	Number of Agricultural construction projects completed			1	0	(1)	The project was not completed due to late delivery of the lift. DBSA has granted extension of time

Strategy to overcome areas of under performance

The Traffic College Block B is at completion stage and the department is closely monitoring the project

The contractor for the department of Agriculture (Tompri Seleka) has been granted extension of time and the project will be completed in the next financial year.

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

Standardised outputs and output indicators are part of the reported performance information

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			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
Provincial Department Infrastructure Management	-	-	-	264 047	268 518	(4 471)
Total	-	-	-	264 047	268 518	(4 471)

4.2.7. Sub Programme: District Coordination and Departmental Operations

The sub programme District Coordination and Departmental Operations is responsible for coordinating activities of all five (5) districts.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			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
District Coordination and Departmental Operations	-	-	-	10 354	10 328	26
Total	-	-	-	10 354	10 328	26

4.3. Programme 3: Expanded Public Works Programme

The Sub programme Expanded Public Works Programme is responsible for the managing the creation of work opportunities i.e. coordinate and support the implementation of EPWP across all sector departments and municipalities, monitor the delivery of the set targets and reporting and to promote the implementation of immovable and empowerment initiatives.

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Decent Jobs	Work opportunities created	Number of EPWP Work opportunities created by the Provincial Department of Public Works, Roads and Infrastructure (Empowerment and NYS)	2 067	1 060	1100	1 434	+334	The over achievement is due to the replacement of participants
Decent Jobs	Beneficiary Empowerment interventions	Number of Beneficiary Empowerment Interventions	2	2	2	1	(1)	The department only managed to implement one Beneficiary Empowerment Interventions in this financial year.

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Decent Jobs	Reports by Public bodies on EPWP targets	Number of Public Bodies reporting on EPWP targets within the Province	35	36	35	36	+1	The department had planned for 35 Public Bodies but Waterberg Municipality has started reporting their targets.
Decent Jobs	Interventions to support job creation	Number of Interventions Implemented to Support Public Bodies	4	4	4	4	0	None

Strategy to overcome areas of under performance

Number of Beneficiary Empowerment Interventions: The department will make sure that all planned Beneficiary Empowerment Interventions are implemented.

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

Standardised outputs and output indicators are part of the reported performance information

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			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
Expanded Public Works Programme	66 091	62 696	3 395	67 607	63 175	4 432
Total	66 091	62 696	3 395	67 607	63 175	4 432

4.4 Programme 4: Roads Infrastructure

The programme Roads infrastructure is responsible for the management, coordination and monitoring of maintenance of roads and bridges, manage and coordinate roads projects implementation, provide environmental and disaster management services and manage and coordinate mechanical services

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Kilometres of gravel roads upgraded	Number of kilometres of gravel roads upgraded	79,3	51,6	40	8.48	(31.52)	The funds on the project were exhausted and a request for additional funds to AAP, which is currently under consideration by their investment review committee. The T652c project the construction progress was slow due to inclement weather in the region. The new upgrade contractors that were handed over towards the end of Q3 was also affected by the

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								inclement weather in Q4 which prevented them from executing these projects as planned.
Sustainable Roads and Building Infrastructure	Square metres of surfaced roads rehabilitated	Number of square metres of surfaced roads rehabilitated	0,4	432 260	1 110 000	1 163 611	+53 611	During the dry season the entity accelerated the rehabilitation of surface road to ensure that the impact of the inclement weather doesn't affect the achievement of the target. The acceleration strategy resulted in overachievement of the target. In addition, some of the

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								new year started in March in preparation for the new year, this added more rehabilitation metres in the current year. This was done to ensure that projects are ready for execution for the new year.
Sustainable Roads and Building Infrastructure	Bridges completed	Number of bridges completed	4	1	2	2	0	None

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Consolidated Infrastructure plans developed	Number of consolidated Infrastructure plans developed	-	-	1	0	(1)	The department did not manage to develop the plan in this financial year.
Sustainable Roads and Building Infrastructure	Surfaced roads visually assessed	Number kilometres of surfaced roads visually assessed as per applicable Technical methods for Highways (TMH) manual	-	-	3 086	6 657	+3 571	The focus was on doing maintenance and rehabilitation of the paved network in the current financial year. The assessments were done for the full network to see the impact of the interventions
Sustainable Roads and Building Infrastructure	Gravel roads visually assessed	Number of kilometres of gravel roads visually	-	-	6 958	6 985	+27	The focus was on doing maintenance and rehabilitation of the paved

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		assessed as per applicable TMH manual						network in the current financial year. The assessments were done for the full network to see the impact of the interventions
Sustainable Roads and Building Infrastructure	National Contractor Development Programme (NCDP)	Number of contractors participating in the National Contractor Development Programme (NCDP)	-	-	20	0	(20)	The department will align the programme with CIDB. The contractor development policy process is ongoing
Sustainable Roads and Building Infrastructure	Surfaced roads resurfaced	Number of square metres (m ²) of surfaced roads	-	447 126,74	470 000	1 303 028	+833 028	During the assessment and investigation of the roads, it was found that most roads

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		resurfaced (Resealed)						base layers were in a good condition and required only a reseal action, which is relatively a quick activity to implement.
Sustainable Roads and Building Infrastructure	Kilometres of gravel roads bladed	Number of kilometres of gravel roads bladed	33 710.6	52 088,5	60 000	45 270.7	(14 729.3)	The department did not achieve due to inadequate plant availability and frequent machine breakdown
Sustainable Roads and Building Infrastructure	Kilometres of gravel roads regravelled	Number of kilometres of gravel roads regravelled	84,2km	158km	130	157.58	+27.58	Planned annual target was exceeded due to high demand of re-gravelling in most gravel roads to provide accessibility

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Square metres of blacktop	Number of square metres of blacktop patching	208 044	244 500,2	180 000	318 371.3	+138 371.3	Target was exceeded due to operation Thiba mekoti ditseleng program launched in August 2022. Resources were diverted to the programme.
Sustainable Roads and Building Infrastructure	Households projects implemented	Number of households based projects implemented	22	22	22	22	0	None
Sustainable Roads and Building Infrastructure	Work opportunities	Number of work opportunities created	-	9 020	5 000	6 493	+1 493	The target was over achieved due to additional persons required to execute activities within the planned period

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	Full time equivalent	Number of full time equivalent	-	5 559	2 000	2 394	+394	The target was over achieved due to additional persons required to execute activities within the planned period
Sustainable Roads and Building Infrastructure	Youth employed	Number of youth (1835) employed	3 644	4 892	2 750	3 514	+764	The target was over achieved due to additional persons required to execute activities within the planned period
Sustainable Roads and Building Infrastructure	Women employed	Number of women employed	3 644	4 892	2 750	3 679	+929	The target was over achieved due to additional persons required to execute activities within the planned period

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Sustainable Roads and Building Infrastructure	People with disabilities employed	Number of persons with disabilities employed	44	36	100	94	(6)	Limitation on the recruitment of persons with disability depended on areas were projects are executed
Sustainable Roads and Building Infrastructure	SMMEs contracted	Number of SMME's contracted	-	347	350	351	+1	The target has been over achieved by 1

Strategy to overcome areas of under performance

Number of kilometres of gravel roads upgraded

- The planning and execution of roads infrastructure projects are ready for actual construction effective from April 2023.
- The budget allocation per project from various funding bodies (public private partnerships, grants and equitable shares) is approved timeously to ensure efficiency and effectiveness in implementation.

- The project execution methodologies that are applied during construction must be aligned to continuous climate changes. Alternative programme and project management techniques in the build environment be applied during construction of all projects.

Number of contractors participating in the National Contractor Development Programme (NCDP)

- The integrated planning and implementation of infrastructure projects will be aligned to the Learner Contractor Development Programme (LCDP)
- The project packages to be planned and implemented based on CIDB requirements and LCDP policy.

Number of kilometres of gravel roads bladed

- The Department planned to procure the yellow fleet in the 2nd quarter of the current financial year. The yellow fleet will be allocated strategically within the district areas for effectiveness and efficiency in improving the blading of gravel road network.
- The monitoring and performance evaluation of infrastructure teams attached to the projects will be strengthened.
- The assessment of both (Professional Service Provider and Contractor's) performance will be closely monitored to ensure successful implementation of the projects to achieve the set targets.

Number of persons with disabilities employed

- The focus will be given to Persons with Disability during the recruitment process of the labour force on each project

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions Standardised outputs and output indicators are part of the reported performance information

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			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
Roads Infrastructure	2 912 762	2 809 657	103 105	2 915 978	2 820 711	95 267
Total	2 912 762	2 809 657	103 105	2 915 978	2 820 711	95 67

5. TRANSFER PAYMENTS

5.1. Transfer payments to Public Entity

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
Roads Agency Limpopo(RAL)	Planning, Design, construction and maintenance of provincial roads and bridges	R 2 092 658	R 2 092 658	<p>The entity managed to achieve the following targets:</p> <ul style="list-style-type: none"> • 1 163 611 Square metres (m²) of surfaced roads rehabilitated. • 1 303 028 Square metres (m²) of surfaced roads resurfaced. • 2 Bridges completed • 6 657 Kilometres of surfaced roads visually assessed as per applicable TMH manual. • Kilometres of gravel roads visually assessed as per applicable TMH manual. • 3 341 Jobs created. • 1 928 Youths (18-35) employed. • 1 529 Women employed. • 72 People with disabilities employed.

5.2. Transfer payments to all organisations other than public entity

None

6. CONDITIONAL GRANTS

6.1. Conditional grants paid

The table/s below details the conditional grant paid by the department during the period 1 April 2022 to 31 March 2023

Conditional Grant 1: EPWP Integrated Grant

Department/ Municipality to whom the grant has been transferred	Limpopo Public Works Roads & Infrastructure
Purpose of the grant	To increase the performance of the Department on job creation
Expected outputs of the grant	600 work opportunities
Actual outputs achieved	853 work opportunities
Amount per amended DORA (R'000)	12 311
Amount transferred (R'000)	12 311
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	12 304
Reasons for the funds unspent by the entity	93% spent as per the allocation
Monitoring mechanism by the transferring department	Through IYM , Quarterly and Annual Evaluation reports

Conditional Grant 2: Provincial Roads Maintenance Grant

Entity to whom the grant has been transferred	Roads Agency Limpopo
Expected outputs of the grant	To supplement provincial investments for preventative, routine and emergency maintenance as well as none motorised infrastructure,
Actual outputs achieved	Preventative, routine and emergency maintenance as well as non-motorised infrastructure
Amount per amended DORA	852 926
Amount transferred (R'000)	852 926
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	771 632
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	Quarterly and annual reports from the entity

6.2. Earmarked funds received

The table/s below details the ear marked funds received during the period 1 April 2022 to 31 March 2023.

Earmarked fund: Payment of Rates and Taxes

Department who transferred the earmarked funding	Department of Public Works, Roads and Infrastructure
Purpose of the earmarked funding	Municipal Rates
Expected outputs of the earmarked funding	Payment of Rates and Taxes for all registered properties in all municipalities; and payments of rates and taxes for unregistered properties for Makhuduthamaga, Blouberg, Molemole and Polokwane Municipalities.
Actual outputs achieved	Paid Rates And Taxes

Amount per amended equitable share	190 000
Amount received (R'000)	190 000
Reasons if amount as per equitable share was not received	N/A
Amount spent by the department (R'000)	190 032
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Invoices, market value & tariffs

Earmarked funding 2: Purchase of building

Department/ Municipality to whom the earmarked funding has been transferred	Department of Public Works, Roads and Infrastructure
Purpose of the earmarked funding	Acquisition/ Purchase of Building
Expected outputs of the earmarked funding	Acquired Building
Actual outputs achieved	Acquired Building
Amount per amended equitable share	N/A
Amount transferred (R'000)	159 360
Reasons if amount as per equitable share not transferred	N/A
Amount spent by the department/ municipality (R'000)	159 360
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	N/A

Earmark funding 3: Infrastructure

Department/ Municipality to whom the earmarked funding has been transferred	Department of Public Works, Roads and Infrastructure
Purpose of the earmarked funding	Infrastructure Strategic Planning Capacity Building
Expected outputs of the earmarked funding	To establish the capacity building unit through DBSA
Actual outputs achieved	The Capacity building unit established
Amount per amended equitable share	N/A
Amount transferred (R'000)	34 560
Reasons if amount as per equitable share not transferred	N/A
Amount spent by the department/ municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	The department transferred two tranches to DBSA for the remuneration of Technical Professionals seconded to LDPWRI

Earmarked Funding 4: RAL Capital Projects

Department who transferred the earmarked funding	Department of Public Works Roads and Infrastructure
Purpose of the earmarked funding	Upgrading of roads infrastructure
Expected outputs of the earmarked funding	Roads and infrastructure upgrade
Actual outputs achieved	Kilometres of gravel roads upgraded
Amount per amended	N/A
Amount received (R'000)	446 000

Reasons if amount as per was not received	N/A
Amount spent by the department (R'000)	446 000
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the transferring department	N/A

7. DONOR FUNDS

7.1. Donor Funds Received

There were no donor funds received in this financial year

8. Capital Investment

8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2021/2022			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	1 000	678	322	159 360	159 360	0
Existing infrastructure assets	-	-	-			
Upgrades and additions	-	-	-			
Rehabilitation, renovations and refurbishments	19 500	19 699	(199)	19 800	18 861	939
Maintenance and repairs	11 232	13 378	(2 146)	10 653	10 300	353
Infrastructure transfer	-	-	-	-	-	-
- Current	-	-	-	-	-	-

Infrastructure projects	2021/2022			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
- Capital	-	-	-			
Total	31 732	33 755	(2 023)	189 813	188 521	1 292

The Department implemented the refurbishment of 40 Paul Kruger Building. The building is meant to provide office accommodation of Office for the Premier and the Department of Transport and Community Safety. The building is a three storey where OTP is taking second floor and Transport is taking first floor and ground floor being used for parking.

The refurbishment included the replacement of floors, ceilings, reconfiguration of offices, mechanical works including the lift, electrical works, ICT infrastructure, and generator. The Department also purchased Gambling Board Building

PART C: **GOVERNANCE**



1. INTRODUCTION

The department has established the following governance structures to ensure effective, efficient and economic use of state resources: Executive Management Committee which is responsible for making strategic decisions and monitors the overall performance of the department. The Audit Committee has a responsibility to provide an oversight on financial and non-financial performance of the department as well as compliance with applicable rules and regulations. The Shared Internal Audit Services is responsible for the evaluation of the adequacy and effectiveness of internal controls and compliance with applicable rules and regulations, and assessment of key risk areas and they also provide advisory services to the Accounting Officer and management.

The Risk Management Committee has been established to monitor and evaluate the effectiveness of the risk management processes and also to review control measures to mitigate identified significant risks. The Committee is chaired by an Independent Chairperson. The committee meets on quarterly basis to address audit related issues.

The departmental Audit Steering Committee has been established to oversee the implementation of the audit programs for both the Shared Internal Audit Services and Office of the Auditor-General to ensure the smooth running of the auditing process. The committee meets on monthly basis to address audit related issues.

2. RISK MANAGEMENT

The department is guided, in its risk management practices, by the Public Finance Management Act, Treasury Regulations, National Treasury Risk Management Framework and the Provincial Risk Management Framework and ISO 31000 of 2018. The department is in the process of reviewing the risk management policy approved by the Executing Authority and the risk management strategy approved by the Accounting Officer. The department conducted both strategic and operational risk assessments during the year under review to identify significant risks affecting the operations of the department. The risk mitigation plan is implemented and monitored on a continuous basis and progress is reported to the Audit

Committee on a quarterly basis for oversight and evaluation of the effectiveness of the risk management processes.

The department has developed the Risk Management Policy which has been approved by the Executing Authority on the 31 March 2023. The Risk Management Strategy has been approved by the Head of Department on the 11 April 2022 and it's valid for a period of two (2) years. The department has developed and implemented risk management awareness programme and conducted training and education on risk management related activities to all staff members both at Head Office and District Offices for continuous improvement of its performance.

The department has established the Departmental Risk Management Committee which is comprised of the executive management of the department, internal auditors and transversal risk management officers. The contract for the independent chairperson of the Risk Management Committee expired and the department is in the process of finalizing the appointment of the chairperson. Despite challenges pertaining to the appointment of the independent Chairperson the committee held three quarterly meetings during the year under review.

3. FRAUD AND CORRUPTION

The department continuously implements the provisions of the Public Service Anti-Corruption Strategy and the Provincial Anti-Corruption Strategy as a guideline to address issues relating to fraud and corruption. The department has reviewed and implemented the fraud prevention strategy and plan. Fraud and Corruption Prevention awareness and education workshops were conducted during induction and orientation workshops of the newly appointed employees. The department fraud and corruption policy and the whistle blowing policy have been approved by the Executing Authority on the 31 March 2023. The department has developed and implemented programs on induction and orientation on newly appointed staff members on the Code of Conduct of Public Service, Whistle Blowing procedure including the Public Service Charter.

The department has established an Integrity Management Unit to deal with fraud risk management. The department has developed Ethics Management Strategy. The National Hotline (0800 701 701) has been popularized amongst all staff members

and reported cases are investigated and finalized within the prescribed time stipulated in our service delivery standards. Fraud and corruption related cases are reported through the National Anti-Corruption Hotline and through the Departmental Risk Management Unit as stipulated in our Whistleblowing Policy. Cases are registered in the case register and assigned to investigating officers. Criminal cases are reported to law enforcement agencies and misconduct cases are dealt with through the internal disciplinary processes.

4. MINIMISING CONFLICT OF INTEREST

The Public Service Act No.103 of 1994 and Regulations as amended requires Senior Management Service (SMS) and Middle Management Service (MMS) members to complete Financial Disclosure form on an annual basis. In terms of the New Public Service Regulations, public servants are forbidden to conduct business with organs of the State.

The department has continuously implemented the policy on Remunerative work outside public service. The purpose of this policy is to encourage employees to seek approval from the Executive Authority to conduct remunerative work and for the declaration of financial interest as provided for in the Public Service Code of Conduct. On a yearly basis the department issues a circular to remind employees to disclose their financial interest and to seek approval to conduct remunerative work.

Members of the Bid Specification, Bid Evaluation and Bid Adjudication Committees have signed the Code of Conduct and are required to declare their financial interest during each meeting of the Departmental Evaluation and Bid Adjudication committees. Staff members as well as officials rendering administrative support such as recruitment are also required to complete declaration forms. Permanent officials in the department are subjected to the vetting process which is conducted by State Security Agency. The department has implemented Instruction Notes issued by Provincial Treasury relating to Supply Chain Management to ensure compliance.

5. CODE OF CONDUCT

The primary purpose of the Code of Conduct is to promote ethical behavior as exemplary conduct. In order to promote a high standard of professional ethics in the workplace, public servants are encouraged to think and behave ethically. The Code of Conduct addresses issues pertaining to relationships with Legislature, the general public, performance of duties, personal conduct and personal interests. The department has during the awareness workshops distributed the Code of Conduct to all staff members. The department has appointed ethics officers to advise on ethics matters and monitor the implementation of ethics management policy and strategy in line with Public Service Regulations of 2016. Ethics officers' conducted investigations on complaints of unethical conduct and monitor the implementation of remedial actions.

New recruits are inducted during the first week of assumption of duties. The Department has developed a yearly programme to create awareness on the Code of Conduct for all staff members. All staff members are required to complete the Oath of Secrecy to regulate unauthorized leakage of confidential information.

Any reported transgressions of the Code of Conduct are dealt with in terms of the Public Service Disciplinary Code and Procedures.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department of Public Works, Roads and Infrastructure in Limpopo Province is committed to provide and implement Occupational Safety, Health, Environment and Quality measures to ensure healthy and safe work environment for employees and clients. The department is responsible and committed to prevent Occupational injuries and diseases in the workplace and is continually implementing Health and Safety standards operational procedures to minimise hazards in compliance with the relevant SHERQ legislations, regulation, codes, standards and practices.

The current state of compliance with OHS issues in the Department:

The department conducted the following activities in order to comply with the OHS Act 85 of 1993 and its regulations,

- 17 SHERQ Management committee meetings.
- 18 OHS workplace inspections/audits.
- 12 SHERQ Supervisory Training
- 16 Incident and accident investigations
- 01 Emergency evacuation drill.
- 23 OHS/COID, PPE, emergency evacuation awareness sessions.
- Appointment of Senior Management officials in terms of Section 16.2 of the OHS Act.

The department also continues to report injury on duty (IOD's) cases to the Department of Employment and Labour.

7. PORTFOLIO COMMITTEES

Date of the meeting	Matters raised by the Portfolio Committee	How has the department addressed these matters
17 May 2022	<p>The meeting dealt with briefings by both department and RAL in respect of:</p> <ul style="list-style-type: none"> • 2021/2022 4th quarter report, • 2022/2023 Department's annual performance plan (APP) and budget; • 2021/2022 4th quarter report; and • 2022/2023 RAL annual performance plan (APP) and budget respectively. 	Prepared the report and issues raised by Portfolio Committee Members were responded to.
06 October 2022	<p>The meetings dealt with briefings by both Departments and RAL in respect of:</p> <ul style="list-style-type: none"> • 2021/2022 Annual reports; and • 2022/2023 1st quarter reports 	Prepared the report and issues raised by Portfolio Committee Members were responded to.

8. SCOPA RESOLUTIONS

The department appeared before the Standing Committee on Public Accounts (SCOPA) public hearing on the 27 March 2023 to provide oral responses to the 9(nine) questions raised in line with the Auditor-General's audit report for the financial year ended 31 March 2021/22. The summary of the questions were raised by members as follows:

Resolution No.	Subject	Resolved (Yes/No)
1	Stagnant in the audit outcomes	No
2	Expenditure management	No
3	Material under-spending of the budget	Yes
4	Achievement of the planned targets	No
5	Annual Financial Statements	No
6	Revenue management	No
7	Assets management	No
8	Material Irregularities	No
9	Remunerative work outside Public Service (RWOPS)	No

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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
<ul style="list-style-type: none"> Expenditure Management Effective and appropriate steps were not taken to prevent irregular expenditure as required by section 38 of the PFMA and Treasury Regulation 9.1.1 Revenue Management: Effective and appropriate steps were not taken to collect all money due as required by section 38 of the PFMA. Asset Management – Proper control systems were not in place to ensure maintenance of assets as required by Treasury Regulation 10.1.1 (a) Procurement and Contract Management- some contracts were awarded to suppliers whose tax 	2021/22 financial year	<p>Irregular expenditure incurred by RAL on conditional grant. – The Service Provider has been appointed to conduct forensic investigation which will be completed in 2023/24 financial year.</p> <p>Understatement of accrued departmental revenue – The Chief Director Property and Facilities Management appointed with effect from 1st April 2023. Internal Control and Compliance Unit established.</p> <p>During 2022/23 financial year the department did not have sufficient budget for building maintenance.</p> <p>The department conducted investigation on contracts awarded</p>

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
<p>matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16 A 9.1”d”</p> <ul style="list-style-type: none"> • Consequence Management- No sufficient appropriate audit evidence obtained that disciplinary steps were taken against official who incurred irregular expenditure as required by section 38 (1h) (iii) of the PFMA 		<p>to suppliers who were tax noncompliant.</p> <p>Disciplinary hearings against officials who served in the bid committees for irregular expenditure contracts is in progress.</p>

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
<ul style="list-style-type: none"> • Expenditure and appropriate steps were not taken to prevent irregular expenditure as required by section 38 of the PFMA and Treasury Regulation 9.1.1 • Asset Management – Preventative mechanism were not in place to eliminate the loss of assets as required by Treasury Regulation 10.1.1(a) • Procurement and Contract Management- some contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16 A 9.1”d” • Consequence Management- No sufficient appropriate audit evidence obtained that disciplinary steps were taken against official who incurred irregular expenditure as required by section 38 (1h) (iii) of the PFMA 	<p>2020/21 financial year</p>	<p>Irregular expenditure incurred by RAL on conditional grant. – The Service Provider has been appointed to conduct forensic investigation which will be completed in 2023/24 financial year. Internal Control and Compliance Unit established.</p> <p>The department installed tracking devices on the white and yellow fleet.</p> <p>The department conducted investigation on contracts awarded to suppliers who were tax noncompliant.</p> <p>Disciplinary hearings against officials who served in the bid committees for irregular expenditure contracts is in progress.</p>

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
<ul style="list-style-type: none"> • Expenditure Management Effective and appropriate steps were not taken to prevent irregular expenditure as required by section 38 of the PFMA and Treasury Regulation 9.1.1 • Annual Financial Statement and Annual report- Annual financial statements and annual reports were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) of the PFMA. • Strategic Planning- Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by Public Service Regulations 25(1)(e)(i) and (iii) 	<p>2019/20 financial year</p>	<p>The department has appointed financial misconduct board and established the Internal Control Unit to strengthen compliance function.</p> <p>The department established Internal Audit Steering Committee to oversee the preparation and review of the Annual Financial Statements and Annual Report.</p> <p>The department has put systems in place for management and verification of Portfolio of Evidence, during planning Programmes provides listing of projects/planned targets to. Monitoring and Evaluation Unit.</p>

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
<ul style="list-style-type: none"> • Conditional Grants- The Provincial Roads Maintenance Grant (PRMG) was not spend in accordance with the applicable framework, as required by section 17(1) of the DoRA. • Procurement and Contract management – some of the contracts were awarded to bidders based on preference points that were not allocated in accordance with the required of the Preferential Procurement Policy Framework Act, 2000(Act No 5 of 2000)(PPPFA) and its regulations. • Consequence Management- No sufficient appropriate audit evidence obtained that disciplinary steps were taken against official who incurred irregular expenditure as required by section 38 (1h) (iii) of the PFMA. 		<p>Irregular expenditure incurred by RAL on conditional grant. – The Service Provider has been appointed to conduct forensic investigation, which will be completed in 2023/24 financial year. Internal Control and Compliance Unit established</p> <p>The department conducted investigation on contracts awarded to suppliers who were not compliant to Preferential Procurement Policy Framework Act, 2000(Act No 5 of 2000)(PPPFA) and its regulations..</p> <p>Disciplinary hearings against officials who served in the bid committees for irregular expenditure contracts is in progress.</p>

10. INTERNAL CONTROL UNIT

10.1 Coordination of Auditor General Findings

Internal Control Unit is functional and DPWRI received a Qualified audit opinion with findings for the financial year 2022/23. The qualified audit opinion had Emphasis on matters and other significant audit findings are being addressed in the audit action plan designed to prevent recurrence of similar audit findings.

The ICU plan is to manage and facilitate the provision of internal controls and compliance by providing the department with the overall management and 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.

10.2 DPWRI Coordination of Internal Audit Findings (ASC).

Internal Control and Compliance sub-directorate coordinate the departmental internal audit findings to ensure that management implement the audit recommendations. During the financial year 2022/23 not all the unsatisfactory findings were resolved. The department managed to resolve 17 findings from 136 and 119 is still in progress as at 31 March 2023.

10.3 Departmental Audit Steering Committee meetings

Internal Control and Compliance sub-directorate coordinates the departmental audit steering committee meetings. The committee members were appointed in writing, terms of reference for the committee were approved. It is constituted as follows: Accounting Officer, Chief Financial Officer and Directors, Chief Director EPWP and Directors, Chief Director Property & Facilities and Directors, Chief Director Corporate Services and Directors, Chief Director Education Infrastructure and Directors, Chief Director Roads Infrastructure and Directors, and standing invitees from Provincial Treasury. Chairpersonship responsibilities of the Office's Audit Steering Committee is allocated to the Accounting Officer. There were fourteen (14) Audit Steering Committee meetings held to discuss the implementation of the internal audit recommendations, SCOPA resolutions, AG action plan, progress of the regularity

audit which is currently underway, and the work performed by the Internal Control unit during the year.

10.4 Financial Misconduct Board appointment

A Financial Misconduct Board (FMB) is a Committee established to give effect to the provisions of Section 38 (1)(h) and 51(e) of the Public Financial Management Act 1999, as amended by Act 29 of 1999 (Act no.1 of 1999), and paragraphs 4 and 33 of the Treasury Regulations.

DPWRI has appointed the following board members: Ms Dikotla MR (Chairperson), Mr Letshedi SD (Deputy Chairperson), Mr Nwedamutswu R (Member), Ms Moloisi NA (Member), Ms Mhlabane MOC (Ex-Officio Member), Mr Kutama MD (Member) and Mr Nyathela LG (Member) with effect from 01 June 2022 to 30 June 2025. The FMB has conducted two (2) meetings during the financial year 2022/23.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

11.1 Key Activities

The Audit Committee (AC) activities are outlined in the approved AC Charter, which requires that an Annual Schedule must be finalised and approved as a guideline for the AC activities of that particular financial year. The AC has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) read in conjunction with Treasury Regulations 3.1, which states that AC must, amongst others, review the following:

- i. the effectiveness of the internal control systems;
- ii. the effectiveness of the internal audit function;
- iii. the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- iv. the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- v. any accounting and auditing concerns identified as a result of internal and external audits;
- vi. the institution's compliance with legal and regulatory provisions; and

- vii. the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

11.2 Audit Committee Meetings

During the financial year 2022/2023, the AC met five (5) times to perform its roles and responsibilities as stipulated in the AC Charter. All the AC meetings have taken place as planned through 2022/2023 AC Annual Schedule. As resolved during the 2022 AC Annual Strategic Planning Workshop, briefing sessions between Members of Executive Council (MECs) and Cluster Chairpersons were held from 27 – 28 October 2022 and 10 November 2022. The briefing sessions were held virtually and afforded all the AC Chairpersons a slot with each MEC of the department they serve to discuss all the pertinent issues affecting the department. However, two (2) CAC meetings were held physically including the very last CAC held 07 December 2022 to bid farewell to the outgoing CAC and Cluster Chairpersons. A plan is in place to hold one of the Cluster AC meetings physically as part of strengthening oversight on the work of departments by the ACs.

11.3 2023 Audit Committee Annual Strategic Planning Workshop and Orientation Program

The 2023 AC Annual Strategic Planning Workshop was held face-to-face to discuss numerous issues affecting the work of the AC during 06 – 08 February 2023. The Strategic Planning workshop included an Orientation Program for all AC members to familiarise them to the Limpopo Provincial Government operations including taking them through what is expected from them as the newly appointed AC members in their respective roles. Departments were requested to prepare Presentations on their mandate to brief the newly appointed AC members. Honourable MEC for Treasury who was also Acting Premier presented to the workshop to outline the Executive Council (EXCO) expectations to the newly appointed AC members and made a commitment that the AC is enjoying unconditional support from EXCO.

In an effort to enhance and integrate risk-based audit approach, the Independent Risk Management Committee Chairpersons were represented by Chairperson of COGHSTA who presented the Overview of the Provincial Risk Management including progress made on the Provincial Risk Profile. The three (3) day workshop has resulted

in the members taking a total of eight (8) resolutions coupled with thirty-eight (38) resolutions that were carried forward from the 2022 AC annual strategic planning workshop which makes up a total of forty-five (45) resolutions to be implemented by various AC stakeholders. Slow implementation of the AC resolutions remains a concern. Continued Professional Development (CPD Hours) item was rendered by the Institute of Internal Audit South Africa (IIASA) as required by best practices and the AC Charter that AC members must be provided with CPD hours. All the protocol documents such as the AC Charter, Internal Audit Charter, and Reporting Frameworks were reviewed and adopted during day two (2) of the workshop.

11.4 CAC Chairperson Meetings

During the current financial year, the CAC Chairperson managed to attend only one (1) EXCO meeting during August 2022. Despite a need for the CAC Chairperson to attend such meetings, they are based on invite from EXCO Secretariat depending on issues being discussed. However, a great emphasis is made that the CAC Chairperson must be invited to attend EXCO at least quarterly to present CAC Reports detailing all the Clusters AC activities. Contradictory to the previous financial year wherein CAC Chairperson managed to attend three (3) HOD Forums, the CAC Chairperson was not able to attend any HOD Forum in the current financial year as no invite was extended to the Chairperson. Invitations to these structures are welcomed and strategic in nature as they provide an opportunity for the CAC Chairperson to interact with Executive Authorities and Accounting Officers of all the Departments. As per best practices and PFMA / Treasury Regulations provisions, the CAC Chairperson was part of the panellist for the appointment of the Chief Audit Executive (CAE) to head Shared Internal Audit Services (SIAS). Moreover, the CAC Chairperson was involved in the recruitment process of the newly appointed seventeen (17) AC Members.

11.5 360 Degree Audit Committee Evaluation Feedback

National Treasury 360 Degree Evaluation tool was used to evaluate the work and performance of the AC. The final evaluation yielded an average score of 4.72 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented a slight improvement from the previous evaluation period which yielded an average score of 4.71 rating. The AC stakeholders who participated in the

performance evaluation of the AC included Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers, Head of Internal Controls and GITO). Auditor General South Africa as an AC stakeholder could not participate in the performance review of the AC, mentioning that they do their own evaluation in the management report of each Department to protect and maintain their independence.

In comparison to the average scores of the three (3) stakeholders (AC; SIAS; and Management), it must be noted that SIAS has recorded a highest average score of 4.97 as compared to 4.92 in the last financial year followed by the AC with the second highest average score of 4.61 while Management remained steady at an average score of 4.5.

The following were critical issues that departments felt were not robustly engaged to their satisfaction by the AC members as follows:

- Understanding of Departmental Environment
- Oversight of Internal Audit and External Audit matters by AC Members
- Concerns around reviews of both the findings and recommendations by internal and external auditors to ensure that recommendations are implemented
- Concerns around reviewing the appropriateness of the external audit fee
- Concerns around review of a whistleblower hotline and reviewing the log of incoming calls
- Understanding of Business & Risks of the Departments

It remains priority of the AC members to deal with the above issues as they conclude the current PFMA audit and start a new session. The newly appointed AC members were robustly orientated with the mandate of each department with most Hon. MECs taking a lead role and attending the induction and orientation program for their respective departments. This was done in a breakaway session per Cluster to ensure completeness of the process.

11.6 Audit Committee Membership

Current AC Membership was appointed with effect from 01 January 2023 and will expire on 31 December 2025. A total of 17 AC members were appointed

during 2022 AC membership recruitment process. Total number of female AC members are seven (7) while a total number of male AC members are ten (10) represented as: 58.8% males and 41.2% females. This is a decline in the appointment of female candidates as the previous year the number stood at eight (8) and it has currently decreased to seven (7). There is a strong need to improve female recruitment into the Limpopo AC membership as 41% is very low. Due to challenges when engaging into doing business with the state, most of the AC members no longer opt to be appointed through the PERSAL and rather use BAS system to receive their payments.

11.7 The following table stipulate the nature and activities of each AC meeting/event held:

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
1.	May 2022	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Annual Performance Report, b. Draft Annual Financial Statements, c. Fourth Quarterly Risk Management Report, d. Fourth Quarterly Internal Audit Progress Report.
2.	June 2022	CAC Meeting to consider Clusters AC Reports	e. Clusters AC Reports reporting on matters pertaining to Draft Annual Performance Report including Draft AFS
3.	July 2022	Review of Draft Audit and Management Reports	f. Draft Management Reports, g. Draft External Audit Reports.
4.	August 2022	CAC Meeting to consider Clusters AC Reports	h. Clusters AC Reports on matters pertaining to External Audit Reports.
5.	August September 2022	Review of First Quarter Performance Information including Financial & Non-Financial Reports	a. First Quarter Accounting Officer's Report to the AC (Financial & Non-Financial), b. First Quarter Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. First Quarter Internal Audit Report
6.	September 2022	CAC Meeting to consider Clusters AC Reports	f. Clusters AC Reporting on matters concerning to First Quarter Reports

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
7.	October / November 2022	AC Briefing Sessions between AC Chairpersons and Hon. MECs to discuss AC Matters.	
8.	November 2022	Review of Second Quarter Performance Reports (Financial and Non-Financial)	<ul style="list-style-type: none"> a. Second Quarter Accounting Officer's Report to the AC (Financial & Non-Financial), b. Second Quarter Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Second Quarter Internal Audit Report.
9.	December 2022	CAC Meeting to consider Clusters AC Reports	f. Clusters AC Reports on matters pertaining to Second Quarter Audit Committee Reports as per paragraph 7 above.
10.	February 2023	AC Annual Strategic Planning Workshop	<ul style="list-style-type: none"> a. Approval of the Audit Committee Charter, b. Approval of the Internal Audit Charter, c. Review of the Accounting Officer's Reporting Framework to the AC, d. AC Improvement Plan by Clusters AC Chairpersons e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree AC Evaluation Feedback.
11.	March 2023	Third Quarterly Departmental Reports and approval of the Three-Year Internal Audit Plan, Annual Internal Audit Plan and Auditor General Audit Coverage Strategy	<ul style="list-style-type: none"> g. All information under No. 5, h. Three Year Internal Audit Plans and Annual Internal Audit Plans for 2022/2023. i. Auditor General Audit Coverage Strategies
12.	March 2023	CAC Meeting to consider Clusters AC Reports	j. Clusters AC Reports on matters pertaining to Third Quarter AC Reports as per paragraph 11 above.

11.8 Objectives of The Audit Committee

The Strategic Objectives of the AC as stipulated in its approved written Terms of Reference (AC Charter) are to ensure:

- a. The availability of a well-resourced, functional and sustained internal audit function;
- b. Sound relationship with all assurance providers, oversight structures and other stakeholders;
- c. Effective and efficient Internal and External Audit processes;
- d. Promotion of sound functional interaction between the internal audit and other assurance providers;
- e. That there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- f. Accounting Officers are fully supported in fulfilling their responsibilities in terms of the PFMA;
- g. Accountability in terms of financial management and performance information for effective service delivery; and
- h. Compliance with relevant laws and regulations.

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 (DPWRI)
S.A NGOBENI	<ul style="list-style-type: none"> • Masters in Commerce: Taxation • Master in Business Administration (MBA) • UNISA - B Compt (honours) CTA 	External	N/A	01 February 2017 Reappointed 01 February 2020	N/A	4

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (DPWRI)
	<ul style="list-style-type: none"> • B Com Accounting • Directors Programme • Certificate in Portfolio Management & Investment Analysis. • Higher Diploma in Computer Auditing. • Certificate in Mining Taxation 					
S.P MZIZI	<ul style="list-style-type: none"> • ACG (CGISA) • ACMA, CGMA (CIMA) • Post Grad Diploma: Corporate Law • B Com Hons: Financial Management • BTech: Cost and Management Accounting • Post Graduate Certificate in Corporate Governance • Higher Diploma in Education 	External	N/A	01 Feb 2020	N/A	4
M.G MATHABATHE	<ul style="list-style-type: none"> • Certified Internal Auditor (CIA) • Post-Grad. Diploma: Internal Audit 	External	N/A	01 Feb 2020	N/A	4

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (DPWRI)
	<ul style="list-style-type: none"> • B Tech Internal Audit • Advanced Diploma in Accounting Sciences □ • N Dip Auditing • Cert. Information System Auditor (CISA) • Cert. Information Security Manager (CISM) 					
K.M RAMUKUMBA	<ul style="list-style-type: none"> • CA (SA) □ • MBA. • B Com: Honours (Fin. Acc.) • B Com: Financial Accounting • Project Management Certificate • Advanced Banking Services Certificate 	External	N/A	01 February 2017 Reappointed 01 February 2020	N/A	4

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (DPWRI)
TC MODIPANE	<ul style="list-style-type: none"> • CA (SA) • B Com Honours (CTA) • B Com (Accounting) • Higher Diploma in Auditing • Certificate in Business Development Systems • SAICA GRAP Certificate 	External	Not applicable	01 February 2020 Re appointed 01 January 2023	To date	2
M.F KEKANA	<ul style="list-style-type: none"> • CA (SA) • Qualified Executive Coach (South African Business Coaches and COMENSA (Coaches and Mentors of South Africa) • Advanced Certificate in Auditing • Bcom Accounting Honours/CTA Degree • Bcompt. Accounting Degree 	External	Not applicable	01 January 2023	To date.	2
ADV. L.T NEVONDWE	<ul style="list-style-type: none"> • Bachelor of Laws (LLB) (Univen) • Masters of Laws (LLM) (Univen) 	External	N/A	1 January 2023	To date	2

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (DPWRI)
A.M.M BADIMO	<ul style="list-style-type: none"> • Master in Business Administration (MBA) • Master of Science • B. Science: Hons Computer Science • B. Science: Computer Science • CISM (Certified Information Security Manager) • CGEIT (Certified in the Governance of Enterprise IT) • CISA (Certified Information Systems Auditor) • CRISC (Certified in Risk and Information Systems Control) • Cobol Programming Diploma • PMP (Project Management Professional) • Cert. IT 	External	N/A	13 April 2019 – 31 December 2020 Reappointed: 01 January 2021 Re – appointed 01 February 2023.	To date	2

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (DPWRI)
	Auditing <ul style="list-style-type: none"> • COBIT 5 • ITIL Foundation • Certified ISO 22301 Lead Implementer • Certified ISO 22301 Business Continuity 					
	Management Lead Auditor <ul style="list-style-type: none"> • Certified ISO 27001 ISMS Lead Auditor • Certified Blockchain Expert (CBE) • F. Inst D (IoDSA) 					

**REPORT OF THE AUDIT COMMITTEE ON
LIMPOPO DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee Structure

Limpopo Provincial Government has an Audit Committee which is two tiered consisting of 4 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee.

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 and the related code of conduct, policies and practices.

Stakeholder Engagement/s

The committee has been able to engage with the following stakeholders:

- Limpopo Provincial Treasury senior management
- Limpopo Provincial Internal Auditors (Shared Internal Audit Services)
- Limpopo Provincial Auditor General (AGSA)
- Limpopo Provincial Treasury and Office of the Premier transversal units

Audit Committee Skills Development

A strategic and induction session was held during the last quarter of the financial year to assist the audit committee members better understand their challenging roles and the direction of the province in general.

The Effectiveness of Internal Control

Based on the results of the formal documented review of the design, implementation and effectiveness of the department's system of internal controls conducted by the internal audit and AGSA during the financial year ended 31 March 2023, and in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the Audit Committee concluded that that current internal control systems is not fully effective as significant deficiencies were reported by both the AGSA and Shared Internal Audit Services.

Risk Management

The Audit committee reviewed the department's policies on risk management and strategy (including IT Governance) and monitored the implementation of risk management policy and strategy and concluded that there is a notable room for

improvement in so far as department's risk management maturity level in capacitation of the risk management unit and funding of the risk management activities. The department's risk maturity level is not at the desired level and new measures should be put in place to get to a level where risk management is embedded in the culture of the department with a proactive approach to risk management in all aspects of the business.

In-Year Management and Monthly/Quarterly Report

Based on the quarterly review of in-year monitoring systems and reports, the Audit Committee is not satisfied with the quality, accuracy, uselessness, reliability, appropriateness, and adequacy of the department in-year reporting systems. The yearend reporting and review of both the annual financial statements and annual performance report should significantly improve to avoid adjustments after submission to the AGSA.

Internal Audit

The Audit committee:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the reports of the Internal Auditors on the department's systems of internal control; and
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto.

Combined assurance

The Audit committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that the internal audit unit should finalise the fully implementation of Combined assurance framework.

Compliance with the relevant laws and regulations

The Audit Committee considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the department did not fully comply with the enabling laws and regulations as well as its departmental policies and standard operating

procedures, especially in the area of quality of annual financial statement, strategic planning and performance management, revenue management, asset management, consequence management, and procurement and contract management (including expenditure management).

Evaluation of Annual Financial Statements

Following the review by the Audit Committee of the annual financial statements for the year ended 31 March 2023 before and after the audit, the committee is of the view that the annual financial statements, except for the effects and possible effects of the basis for qualified opinion (accrued department revenue and irregular expenditure) fairly present, in all material respect, the financial position of the department for the year under review and can be incorporated into the annual report.

Evaluation of Annual Performance Report

Following the review by the Audit Committee of the annual performance report for the year ended 31 March 2023 before and after the audit, the committee is of the view that, annual performance report can be incorporated into the annual report.

Consideration of the Final Audit report

The Audit Committee considered final audit report and concurs with the AGSA's qualified audit opinion. Furthermore, the Audit Committee is concerned of the regression from unqualified with finding to qualified opinion. The department should accelerate efforts to satisfactorily resolve the internal control weaknesses that led to the identified deficiencies, non-compliance and material misstatements.

Conclusion

The Audit Committee is of the opinion that it is possible for the department to move from qualified opinion to clean audit opinion if management is committed to:

- establishing a stable leadership that is committed to a robust control environment and effective governance;
- diligently observe basic discipline of accounting and records management;
- sufficient management review and supervisory checks;
- closely monitoring the implementation of the audit action plan, internal audit action plan and audit committee recommendations;

- persistently inculcating a culture of ethical leadership, good governance, and accountability;
- ensuring management act on the recommendations of all the oversight structures to strengthen internal controls and improve governance;
- advocating for swift consequences for all reported irregularities and poor performance; and
- ensuring that all critical vacancies are always filled.

We are optimistic that with appropriate intervention and concerted effort from management the department will strengthen governance and improve the internal control environment which will result to improved audit outcomes.



Tebogo Modipane CA (SA)

Chairperson of the Audit Committee

Department of Public Works, Roads and Infrastructure 10

August 2023

12. 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?	N/A	N/A
Developing and implementing a preferential procurement policy?	Yes	The departmental Preferential Policy is developed and approved and with effect from January 2023.
Determining qualification criteria for the sale of stateowned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	N/A	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	N/A

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 department's Human Resource Component plays a critical role in building a team of working professionals. It provides support function and leverage service delivery to other programmes in the department. The fundamental functions of the Human Resource unit include organisational design, recruitment, training human capital, performance appraisals and employee motivation. In a quest to realise its objectives, the department implements an integrated Human Resource Plan annually which comprises amongst other plans, the Recruitment Plan and a Workplace Skills Plan for the capacitation of critical areas of the department.

The department acknowledges that the health and wellness of its employees is directly and indirectly linked to production and quality of work. The department is committed to enhance and maintain the employee's health and wellness, including the quality of their working life and appropriate environment thus enhancing productivity and service delivery. The department is further responsible and committed to preventing occupational injuries and diseases in the workplace by continually providing health and safety control measures in line with the available legislations, regulations, codes, standards and practices.

The department is entrusted with a mandate to deliver quality infrastructure for the provincial government. In order to fulfil this mandate, there is an ever-present need for skilled personnel in order to improve productivity, service delivery and sustainability within a fast growing and competitive environment. To achieve this, the department invests in the training and development of its human resource through the Workplace Skills Plan that is developed and implemented annually.

Such training initiatives and priorities conform to the broader national priorities laid down in the South African training legislations, from which the capacity building programmes are derived, and are also be linked to the departmental Five-Year Strategy and the MTEF Human Resource Plan.

The following have been identified as some of the main human resource challenges in the department:

- High vacancy rate due to difficulty in attracting and retaining scarce skills especially the built environment professions.
- Delays to replace employees when they exit
- Insufficient registered built environment professionals in the Department.
- Inadequate management of Human Resources Information
- Limited number of posts in the new approved organisational structure.

The department subscribes to the Provincial Performance Management and Development System (PMDS) Policy for level 1-12, approved in 2018 and Chapter 4 of the Senior Management Service (SMS) Handbook, 2006 on performance management of SMS members. The main purpose of the PMDS is to; enhance performance at strategic and operational levels of the department by teams and individuals to achieve desired results, to identify individual's potential, strengths, weaknesses and align them to the departmental priorities and strategies, identify and remedy poor performance and to provide a framework for recognising and rewarding good performance.

Action plans were put in place to ensure that the processes to mitigate risks and challenges identified in human capital management are undertaken. Whilst some improvement in the controls, systems and processes implementation are evidenced in compliance with human resources policies, more strategic and operational interventions are still required in the quest to institutionalise world-class human resource practices in the department.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

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	463 217,00	258 922,00	277 345,00	0,00	55,90	630,00
Expanded Public Works Programme	62 321,00	27 235,00	0,00	0,00	43,70	20,00
Infrastructure Operations	935 891,00	349 355,00	167 431,00	0,00	37,30	376,00
Roads Infrastructure	2 821 809,00	222 673,00	628 807,00	0,00	7,90	85,00
Total	4 283237,00	858 186,00	1 073 583,00	0,00	20,00	162,00

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

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)	9 660,00	1,00	45,00	214 667,00
Skilled (level 3-5)	285 541,00	29,70	978,00	291 964,00
Highly skilled production (levels 6-8)	282 845,00	29,40	553,00	511 474,00
Highly skilled supervision (levels 9-12)	215 049,00	22,40	234,00	919 013,00
Senior and Top management (levels 13-16)	35 003,00	3,60	32,00	1 093 844,00
Contract (Levels 1-2)	183,00	0,00	1,00	183 000,00
Contract (Levels 3-5)	3 282,00	0,30	3,00	1 094 000,00
Contract (Levels 6-8)	11 796,00	1,20	26,00	453 692,00
Contract (Levels 9-12)	27 293,00	2,80	35,00	779 800,00
Contract (Levels >= 13)	2 954,00	0,30	2,00	1 477 000,00
Contract Other	3 205,00	0,30	36,00	89 028,00
Abnormal Appointment	63 862,00	6,60	3 364,97	18 978,00
Total	940 674,00	97,90	5 309,97	177 152,00

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

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	193 269,00	78,10	5 089,00	2,10	6 639,00	2,70	13 172,00	5,30
Expanded Public Works Programme	16 927,00	59,20	0,00	0,00	266,00	0,90	747,00	2,60
Infrastructure Operations	295 106,00	67,10	1 014,00	0,20	15 667,00	3,60	23 563,00	5,40
Roads Infrastructure	175 897,00	71,90	911,00	0,40	11 657,00	4,80	16 876,00	6,90
Total	681 198,00	70,90	7 013,00	0,70	34 230,00	3,60	54 358,00	5,70

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

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
Skilled (level 12)	6 302,00	65,20	53,00	0,50	807,00	8,30	1 763,00	18,20
Skilled (level 35)	204 311,00	70,90	974,00	0,30	18 939,00	6,60	28 066,00	9,70
Highly skilled production (levels 6-8)	217 710,00	75,60	4 172,00	1,40	10 492,00	3,60	17 337,00	6,00
Highly skilled supervision (levels 9-12)	174 607,00	78,30	1 727,00	0,80	3 163,00	1,40	6 741,00	3,00
Senior management (level 13-16)	30 704,00	84,00	53,00	0,50	787,00	2,20	451,00	1,20
Contract (Levels 1-2)	175,00	95,60	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 3-5)	3 198,00	96,60	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	11 710,00	98,80	18,00	0,20	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	26 619,00	90,00	32,00	0,10	15,00	0,10	0,00	0,00
Contract (Levels >= 13)	2 682,00	84,60	0,00	0,00	28,00	0,90	0,00	0,00
Contract Other	3 163,00	97,00	36,00	1,10	0,00	0,00	0,00	0,00
Abnormal Appointment	17,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	681 198,00	70,90	7 013,00	0,70	34 230,00	3,60	54 358,00	5,70

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 (see definition in notes below).

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 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	426	401	5.9	18
Infrastructure Operations	871	844	3.1	44
EPWP	21	19	9.5	4
Roads Infrastructure	578	564	2.4	1
Total	1896	1828	3.6	67

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	50	45	10	1
Skilled (3-5)	992	958	0.34	1
Highly skilled production (68)	564	556	1.4	11

Highly skilled supervision (9-12)	245	235	4.1	26
Senior management (13-16)	45	34	24.4	0
Total	1896	1828	3.6	39

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Artisan Chief	26	26	0	0
Artisan Foreman	32	31	3.1	0
Artisan Production	167	163	2.4	0
Candidate Construction Project Manager	0	0	0	6
Chief Construction Project Manager	7	6	14.3	0
Construction Project Manager	13	13	0	0
Candidate Engineer	0	0	0	10
Candidate Engineering Technician	0	0	0	7
Candidate Engineering Technologist	0	0	0	1
Environmental Health Practitioner (Community Services)	0	0	0	1
Candidate GISC Professional	0	0	0	1
Candidate Professional Surveyor	0	0	0	2
Candidate Quantity Surveyor	0	0	0	6
Chief Quantity Surveyor	1	1	0	0
Total	246	240	2.4	34

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 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	-	-	-	-	-
Salary Level 16	1	1	100	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	9	3	37.5	6	62.5
Salary Level 13	34	29	85.3	5	14.7
Total	45	34	75.6	11	24.4

Table 3.3.2 SMS post information as on 30 September 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	-	-	-	-	-
Salary Level 16	1	1	100	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	9	1	11.1	8	88.9
Salary Level 13	34	26	76.5	8	23.5
Total	45	29	64.4	16	35.6

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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			
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	1	0	0
Total	0	0	0

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months

Due to the transition of the Executive Authority Resulting in change of recruitment management plans postponement of short listing and interviews affected the filling of the funded vacant SMS positions in time.

Reasons for vacancies not filled within twelve months

Due to the transition of the Executive Authority Resulting in change of recruitment management plans postponement of short listing and interviews affected the filling of the funded vacant SMS positions in time.

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months

None

Reasons for vacancies not filled within six months

None

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or reevaluate 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 2022 and 31 March 2023

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)	50	0	0	0	0	0	0
Skilled (Levels 3-5)	992	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	564	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	245	0	0	0	0	0	0
Senior Management Service Band A	34	0	0	0	0	0	0
Senior Management Service Band B	9	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	1896	0	0	0	0	0	0

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 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

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 2022 and 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

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 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0
Total number of Employees whose salaries exceeded the grades determine by job evaluation					None

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 (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period 1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	46	0	1	2.17
Skilled (Levels 3-5)	1118	0	154	13.77
Highly skilled production (Levels 6-8)	598	0	49	8.19
Highly skilled supervision (Levels 9-12)	260	3	29	11.02
Senior Management Service Bands A	26	3	0	0
Senior Management Service Bands B	1	2	0	0
Senior Management Service Bands C	1	0	0	0
Senior Management Service Bands D	1	0	1	100
Contracts	79 (Excl. 10 Interns)	0	92	103.3
Total	2130 (Excl. 10 Interns)	8	326	15.17

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Artisan Chief	30	0	4	13.33
Artisan Foreman	36	0	5	13.88
Artisan Production	178	0	16	8.98
Artisan Specialised Production	1	0	1	100
Candidate Construction Project Manager	4	0	1	25
Chief Construction Project Manager	7		1	14.28
Construction Project Manager Production	13	0	0	0
Candidate Engineer	15	0	6	40
Candidate Engineering Technician	26	0	19	73.07
Valuer: Professional	1	0	1	100
Candidate GISC Professional	2	0	1	50
Candidate Professional Surveyor	2	0	0	0
Candidate Quantity Surveyor	6	0	0	0
Architectural Technologist Production	1	1	1	50
TOTAL	322	1	0	0

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 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death	23	7.12
Resignation	30	9.28
Expiry of contract	76	23.52
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Early Retirement	13	4.02
Retirement	181	56.03

Termination Type	Number	% of Total Resignations
Transfer to other Public Service Departments	0	0
Other	0	0
Total	323	99.97
Total number of employees who left as a % of total employment		17.04

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	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
	0	0	0	0	0
	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 1 April 2022	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)	46	0	0	0	0
Skilled (Levels3-5)	1118	0	0	0	0
Highly skilled production (Levels 6-8)	598	0	0	0	0
Highly skilled supervision (Levels 9-12)	260	0	0	0	0

Senior Management (Level 1316)	29	0	0	0	0
Total	2051	0	0	0	0

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 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	21	1	0	0	11	0	0	0	33
Professionals	73	1	0	0	88	1	0	1	164
Technicians and associate professionals	96	0	0	0	102	4	1	3	206
Clerks	63	0	0	1	120	1	1	1	187
Service and sales workers	30	0	0	0	28	0	1	0	59
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	258	0	0	4	78	1	0	0	341
Plant and machine operators and assemblers	120	0	0	2	11	0	0	0	133
Elementary occupations	467	0	0	1	275	0	0	0	743
Total	1128	2	0	8	713	7	3	5	1866
Employees with disabilities	25	0	0	0	11	0	0	0	36

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	20	1	0	0	11	0	0	0	32
Professionally qualified and experienced specialists and mid management	153	1	0	2	101	2	0	2	261
Skilled technical and academically qualified workers, junior	303	0	0	4	249	5	3	3	567
management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making	631	0	0	2	326	0	0	0	959
Unskilled and defined decision making	20	0	0	0	26	0	0	0	46
Total	1128	2	0	8	713	7	3	5	1866

Table 3.6.3 Recruitment for the period 1 April 2022 and 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	02
Senior Management	02	0	0	0	1	0	0	0	03
Professionally qualified and experienced specialists and mid-management	01	0	0	0	01	0	0	0	02
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	01	0	0	0	0	0	0	0	01
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	05	0	0	0	03	0	0	0	08
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2022 and 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>Top Management</i>	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	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2022 and 31 March 2023

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	24	0	0	10	12	0	0	13	59
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	40	0	0	1	29	1	0	0	71
Semi-skilled and discretionary decision making	113	0	0	0	65	0	0	0	178
Unskilled and defined decision making	0	0	0	0	13	1	0	0	14
Total	178	0	0	11	119	2	0	13	323
Employees with Disabilities	3	0	0	0	0	0	0	0	3

Table 3.6.6 Disciplinary action for the period 1 April 2022 and 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	33	1	0	0	18	0	0	0	52

Table 3.6.7 Skills development for the period 1 April 2022 and 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	43	03	0	0	37	01	0	0	84
Professionals	07	0	0	0	10	0	0	0	17
Technicians and associate professionals	23	0	0	01	22	01	01	0	48
Clerks	5	0	0	0	25	01	0	0	31
Service and sales workers	03	0	0	0	04	0	0	0	07
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	17	0	0	0	08	0	0	0	25
Plant and machine operators and assemblers	85	0	0	01	09	0	0	0	95
Elementary occupations	60	0	0	0	44	0	0	0	104
Total	244	03	0	02	159	03	01	0	411
Employees with disabilities	05	0	0	0	0	0	0	0	05

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 2022

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				
Salary Level 16				
Salary Level 15	01	01	01	100%
Salary Level 14	01	01	01	100%
Salary Level 13	26	26	26	100%
Total	28	28	28	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023

Reasons
N/A

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 (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 and 31 March 2023

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	00	1 128	0.00%	00	00
Female	00	713	0.00%	00	00
Asian					
Male	00	00	0.00%	00	00
Female	00	03	0.00%	00	00
Coloured					
Male	00	02	0.00%	00	00
Female	00	07	0.00%	00	00
White					
Male	00	08	0.00%	00	00
Female	00	05	0.00%	00	00
Total	00	1866	0.00%	00	00

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 and 31 March 2023

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'0 00)	Average cost per employee	
Lower Skilled (Levels 1-2)	46	0.00%	00	00	0.00	00
Skilled (level 3-5)	959	0.00%	00	00	0.00	00
Highly skilled production (level 6-8)	567	0.00%	00	00	0.00	00
Highly skilled supervision (level 9-12)	261	0.00%	00	00	0.00	00
Total	1833	0.00%	00	00	0.00	0.00

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Property Valuer	00	00	0,00%	00	00
Quantity Survey	00	06	0,00%	00	00
Architects	00	01	0,00%	00	00
Artisans	00	107	0,00%	00	00
Horticulturist	00	06	0,00%	00	00
Engineers	00	07	0,00%	00	00
Construction Project Managers	00	99	0,00%	00	00
Works Inspectors	00	37	0,00%	00	00
Total	00	263	0,00%	00	00

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 and 31 March 2023

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						
Band B	00	01	0,00%	00	00	00
Band C	00	01	0,00%	00	00	00
Band D	00	26	0,00%	00	00	00
Total	00	28	0,00%	00	00	00

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 2022 and 31 March 2023

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 912)	0	0	0	0	0	0
Contract (level 1316)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major occupation	01 April 20YY		31 March 20ZZ		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	0	0	0	0	0
	0	0	0	0	0	0

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 2022 to 31 December 2022

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)
Lower Skills (Level 1-2)	401	93	40	2.80	10.00	228.00
Skilled (levels 3-5)	7240	96.30	732	51.20	10.00	6012
Highly skilled production (levels 6-8)	3778	89.10	411	28.70	9.00	6440
Highly skilled supervision (levels 9 -12)	1502	85.70	174	12.20	9.00	4420
Top and Senior management (levels 13-16)	172	95	20	1.40	9.00	767
Total	13093	100	1377	100	9.50	17867

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

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)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	222	100	6	50	37	191
Highly skilled production (Levels 6-8)	140	100	4	33.30	35	263
Highly skilled supervision (Levels 9-12)	18	100	2	16.70	9	80
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	380	100	12	100	31.66	534

Table 3.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	1003	46	22
Skilled (Levels 3-5)	31304.56	1103	28
Highly skilled production (Levels 6-8)	17381.08	588	30
Highly skilled supervision (Levels 9-12)	7118	261	27
Senior management (Levels 13-16)	723	2148	28
Total	40148.56	4146	9.68

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

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
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	61.25	12	55	77
Highly skilled production (Levels 6-8)	22	6	4	90
Highly skilled supervision (Levels 9-12)	6	2	3	106
Senior management (Levels 13-16)	0	0	0	127
Total	89.25	20	4	84.00

Table 3.10.5 Leave payouts for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/23 due to non-utilisation of leave for the previous cycle	815	29	62495
Capped leave payouts on termination of service for 2022/23	20191	187	107973
Current leave payout on termination of service for 2022/23	6139	213	28822
Total	27145	429	

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
Employees who work far from their homes are likely to start having relationships closer to where they are working leading to multiple sexual partners	<ul style="list-style-type: none"> • Information sessions on HIV & AIDS, STI, and TB are conducted • Information sessions on correct use of Condoms conducted • Condoms are distributed

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Mr. Nwedamutswu RC Director: Employee Health & Wellness, Special Programmes and Labour Relations
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		Head Office: 05 Vhembe District: 01 Mopani District: 00 Waterberg District: 00 Sekhukhune District: 01 Capricorn District: 01 Budget: R00.00
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		Proactive programmes e.g. Information sessions on: <ul style="list-style-type: none"> • Stress Management • Personal Financial Management • Prevention of chronic diseases, Facilitation of Screening for: <ul style="list-style-type: none"> • Blood Pressure, • Blood Sugar, • Cholesterol, • HIV, • TB, • Body Mass Index, • Eye Screening • Healthy Eating Behaviour, Psychosocial services: <ul style="list-style-type: none"> • Counselling for troubled employees e.g stressed employees • Bereavement, • Conflict management in the work place or domestic. PROACTIVE PROGRAMMES <ul style="list-style-type: none"> • Fitness and recreation

Question	Yes	No	Details, if yes
			<p>(soccer, volley ball, tennis, aerobics, traditional dances and choir)</p> <ul style="list-style-type: none"> • Substance and alcohol abuse information sessions • Workplace bullying and sexual harassment • Financial management • Occupational mental health <p>THERAPEUTIC SERVICES</p> <ul style="list-style-type: none"> • Employees receive Counselling services internally and externally when necessary • Capacity building in Employee Health and wellness Framework for supervisors and managers • Approved The HIV, STI and TB Management Policy to be popularized
<p>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.</p>		X	<p>The department has a reviewed structure. We are in the process of resuscitating the committee in line with the new structure.</p>
<p>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.</p>	X		<ul style="list-style-type: none"> • The HIV, STI and TB Management Policy has been reviewed, consulted and approved recently by the Executive Authority • Employment Equity • Recruitment Policy

Question	Yes	No	Details, if yes
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		Information sessions on: <ul style="list-style-type: none"> rights of employees who are HIV-positive employees or those perceived to be HIV positive are conducted protect them Stigma and discrimination for people who are infected and affected by HIV Gender-based violence The department has an approved policy that indicate there should be no discrimination on employees who are HIV-positive or those perceived to be HIV positive.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		<ul style="list-style-type: none"> Partners like: GEMS. Annova Health Institute, Department of Health are invited to do screening for Non-communicable diseases and test HCT
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Annual Performance Plan and Individual Performance Instruments have indicators and targets which are used to measure achievements of monitor impact of health promotion programme.

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

Subject matter	Date
None	None

Total number of Collective agreements	None
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Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	24	45%
Final written warning	18	33%
Suspended without pay	9	16%
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	2	3%
Case withdrawn	0	0
Total	53	

Total number of Disciplinary hearings finalised	None
--	-------------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
Negligence	14	7,42
Gross dishonesty	1	0,53
Damage to state vehicle	1	0,53
Absenteeism	1	0,53
Dishonesty	1	0,53
Contravention of the preferential procurement	15	7,95
Non-compliance to PMDS	11	5,83
Irregular expenditure	7	3,71
Gross negligence	2	1,06
Total	53	

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	78	95
Number of grievances not resolved	4	4.87
Total number of grievances lodged	82	

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of Total
Number of disputes upheld	3	37.5
Number of disputes dismissed	5	62.5
Total number of disputes lodged	8	

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

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 2022 and 31 March 2023

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

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 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	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	6	01	14	0	15
	Male	17	01	19	0	20
Professionals	Female	109	0	4	0	4
	Male	85	0	2	0	2
Technicians and associate professionals	Female	121	02	27	0	29
	Male	124	01	30	0	31
Clerks	Female	143	05	20	0	25
	Male	76	0	11	0	11
Service and sales workers	Female	31	0	5	0	5
	Male	42	0	3	0	3
Skilled agriculture and fishery workers	Female	-	0	0	0	0
	Male	-	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Craft and related trades workers	Female	91	0	8	0	8
	Male	291	0	31	0	31
Plant and machine operators and assemblers	Female	11	0	6	0	6
	Male	137	0	56	0	56
Elementary occupations	Female	315	0	50	0	50
	Male	530	0	76	0	76
Sub Total	Female	827	08	140	0	148
	Male	1302	02	222	0	224
Total		2129	10	362	0	372

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	01	38	0	39
	Male	17	01	46	0	47
Professionals	Female	109	0	13	0	13
	Male	85	0	07	0	07
Technicians and associate professionals	Female	121	02	22	0	24
	Male	124	01	23	01	25
Clerks	Female	143	05	21	0	26
	Male	76	0	06	0	06
Service and sales workers	Female	31	0	04	0	04
	Male	42	0	03	0	03
	Female	-	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Male	-	0	0	0	0
Craft and related trades workers	Female	91	0	08	0	08
	Male	291	0	17	0	17
Plant and machine operators and assemblers	Female	11	0	09	0	09
	Male	137	0	86	0	86
Elementary occupations	Female	315	0	44	0	44
	Male	530	0	60	0	60
Sub Total	Female	827	08	159	0	167
	Male	1302	02	248	01	251
Total		2129	10	407	01	418

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 2022 and 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	21	1,108
Temporary Total Disablement	1	0,05
Permanent Disablement	0	0
Fatal	1	0,05
Total	23	8.23

3.15. Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2022 and 31 March 2023

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**



IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2021/2022	2022/2023
	R'000	R'000
Opening balance	2 106 646	2 298 182
Add: Irregular expenditure confirmed	191 536	35 822
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	2 298 182	2 334 004

Reconciling notes

Description	2021/2022	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	0	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	0
Irregular expenditure for the current year	0	35 822
Total	0	35 822

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

Description ¹	2021/2022	2022/2023
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	1	1
Total²	0	0

c) Details of current and previous year irregular expenditure condoned

Description	2021/2022	2022/2023
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

The department made a request but no approval has been received Provincial Treasury

¹ Group similar items

² Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

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

Description	2021/2022	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) Details of current and previous year irregular expenditure recovered

Description	2021/2022	2022/2023
	R'000	R'000
Irregular expenditure recovered	0	0
Total	0	0

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

Description	2021/2022	2022/2023
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
N/A
Total

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

Description	2021/2022	2022/2023
	R'000	R'000
N/A		
Total		

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

Disciplinary steps taken
8 members of BEC who caused unwanted and irregular expenditure were issued with written warnings
Disciplinary hearing conducted waiting for outcome
Criminal case step taken and the case is with the Harks

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2021/2022	2022/2023
	R'000	R'000
Opening balance	9 198	3 758
Add: Fruitless and wasteful expenditure confirmed	57	190
Less: Fruitless and wasteful expenditure written off	(99)	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Closing balance	9 156	3 948

The department has written off the fruitless and wasteful expenditure of R5,558 466,21 that relates to Human resources cases.

Reconciling notes

Description	2021/2022	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	0	0
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	0	0
Fruitless and wasteful expenditure for the current year	0	0
Total	0	0

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

Description ³	2021/2022	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total⁴	0	0

³ Group similar items

⁴ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

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

Description	2021/2022	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	0
Total	0	0

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

Description	2021/2022	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	R5 558	R99
Total	R5 558	R99

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

Disciplinary steps taken
N/A

Total

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2021/2022	2022/2023
	R'000	R'000
Opening balance	18 573	18 573
Add: unauthorised expenditure confirmed		
Less: unauthorised expenditure approved with funding		
Less: unauthorised expenditure approved without funding	0	1 438
Less: unauthorised expenditure recoverable		
Less: unauthorised not recovered and written off ⁵		
Closing balance	18 573	17 135

⁵ This amount may only be written off against available savings

Reconciling notes

Description	2021/2022	2022/2023
	R'000	R'000
Unauthorised expenditure that was under assessment in 2022/23	0	0
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	0	17 135
Unauthorised expenditure for the current year	0	0
Total	0	17 135

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

Description ⁶	2021/2022	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total⁷	0	0

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

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

Material losses through criminal conduct	2021/2022	2022/2023
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	0	0

b) Details of other material losses

Nature of other material losses	2021/2022	2022/2023
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
N/A		
Total		

⁶ Group similar items

⁷ Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Other material losses recovered

Nature of losses	2021/2022	2022/2023
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
N/A		
Total		

d) Other material losses written off

Nature of losses	2021/2022	2022/2023
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
N/A		
Total		

1. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	2021/2022	2022/2023
	R'000	R'000
Valid invoices received		3 843 904
Invoices paid within 30 days or agreed period		3 831 311
Invoices paid after 30 days or agreed period		12 593
Invoices older than 30 days or agreed period (unpaid and without dispute)	NIL	NIL
Invoices older than 30 days or agreed period (unpaid and in dispute)	NIL	NIL

2. 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
N/A				
Total				

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
				R'000	R'000	R'000
N/A						
Total						

PART F: **FINANCIAL INFORMATION**



13. REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to Limpopo Provincial Legislature on vote no. 9: Department of Public works, roads and infrastructure

Qualified opinion

1. I have audited the financial statements of the Department of Public Works, Roads and Infrastructure set out on pages 151 to 278, which comprise the appropriation statement, statement of financial position as at 31 March 2023, 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, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Public works, Roads and Infrastructure as at 31 March 2023 and financial performance and cash flows for the year then ended in accordance with the Modified cash standards (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (DoRA).

Basis for qualified opinion

Accrued departmental revenue

3. I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as accrued departmental revenue as the department does not have an adequate system of internal control for recording accrued rental transactions. I could not confirm whether all accrued departmental revenue was recorded by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to accrued departmental revenue stated at R117 743 000 in note 29 to the financial statements.
4. In addition, the department did not implement adequate internal controls for billing tenants as flat rates were not charged in accordance with the approved rental tariffs. Consequently, accrued departmental revenue is understated by R42 206 565 in note 29 to the financial statements.

Irregular expenditure

5. The irregular expenditure incurred in the current financial year and related information on irregular expenditure was not included in the notes to the financial statements, as required by section 40(3)(b)(i) of the PFMA. Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. I was unable to determine the full extent of the irregular expenditure that was incurred during the financial year as it was impracticable to do so.

Context for opinion

6. 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.
7. 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.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Litigations and claims

10. With reference to note 24 to the financial statements, the department is the defendant in numerous claims relating to potholes and other claims. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Other matters

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

National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework.

12. On 23 December 2022 National Treasury issued *Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23* in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 30 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the department. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.

I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Unaudited supplementary schedules

13. The supplementary information set out on pages 278 to 337 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS, the requirements of the PFMA and DoRA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. 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

16. 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.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

18. 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 selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Infrastructure operations	53 - 64	To manage provincial government and facilities, manage infrastructure and maintenance for Health, Education and provincial departments.
Expanded Public Works Programme	65-66	To manage creation of work opportunities
Road infrastructure	67 - 73	To manage roads infrastructure management in the Province.

20.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.

21.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
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and 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 what was 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
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

23. The material findings on the performance information of the selected programmes are as follows:

Infrastructure operations

Number of planned maintenance projects completed

24. The target set for this indicator was zero. The reason provided was that the indicator was erroneously captured as the budget allocation was uncertain. However, there was no evidence to support the reason provided.

Number of properties disposed of

25. The indicator was included in the approved annual performance plan and strategic plan but not clearly defined during planning processes. It was also not determined how the related targets will be measured and what evidence will be needed to support the achievements. Consequently, the information might be less useful for measuring performance.

26. In addition, an achievement of nine was reported against a target of three. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported.

Expanded Public Works Programme

27. I did not identify any material findings on the reported performance information of Expanded Public Works Programme.

Road infrastructure Various indicators

28. The indicators were included in the approved annual performance plan and strategic plan but not clearly defined during the planning processes. It was also not determined how the related targets will be measured and what evidence will be needed to support the achievements. Consequently, the information might be less useful for measuring performance.

Indicator	Target
Number of work opportunities created	5 000
Number of youth (18-35) employed	2 750

Number of women employed	2 750
Number of persons with disabilities employed	100

Number of square metres of blacktop patching

29. An achievement of 318 371.3 was reported against a target of 180 000. I could not determine if the reported achievement was correct, as adequate supporting evidence could not be provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target was achieved.

Other matters

30. I draw attention to the matters below.

Achievement of planned targets

31. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements. This information should be considered in the context of the material findings on the reported performance information.

32. The department plays a key role in delivering services to the citizens. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
Infrastructure operations <i>Targets achieved: 64% Budget spent: 95.5%</i>		
Number of accommodation units provided	12	1
Number of Health construction projects completed	5	2
Number of Education construction projects completed	6	5
Number of transport construction projects completed	1	0

Key service delivery indicators not achieved	Planned target	Reported achievement
Number of Agricultural construction projects completed	1	0
Expanded Public Works Programme <i>Targets achieved: 75% Budget spent: 93.4%</i>		
Number of Beneficiary Empowerment Interventions	2	1
Roads infrastructure <i>Targets achieved: 72% Budget spent: 93.7%</i>		
Number of kilometres of gravel roads upgraded to surfaced roads	40	8.48
Number of kilometres of gravel roads bladed	60 000	45 270.70
Number of contractors participating in the National Contractor Development Programme (NCDP)	20	0
Number of consolidated infrastructure plans developed	1	0
Number of persons with disabilities employed	100	94

33. Reasons for the underachievement of targets are included in the annual performance report on pages 50 to 72.

Material misstatements

34. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of infrastructure operations, expanded public works programme and road infrastructure. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

35. 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.
36. 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.
37. 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.
38. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance and annual reports

39. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records as required by section 40(1)(b) of the PFMA.

Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Revenue management

40. Appropriate processes were not implemented to provide for the identification, collection, recording and reconciliation of revenue, as required by treasury regulation 7.2.1.
41. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.
42. All reasonable steps were not taken to recover debts before writing them off, as required by treasury regulation 11.4.1.
43. Bad debt was written off contrary to the requirements of the department's write-off policy, as required by treasury regulation 11.4.2.

Expenditure management

44. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. As reported in the basis for qualified opinion, the value of the full extent of irregular expenditure as disclosed in note 30 to the financial statements could not be quantified. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with the preferential procurement regulations.

Asset management

45. Proper control systems were not in place to ensure the safeguarding of assets, as required by treasury regulation 10.1.1(a).

Strategic planning and performance management

46. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).
47. Procedures for the facilitation of effective performance monitoring, evaluation and corrective action through quarterly reports were not established, as required by treasury regulation 5.3.1.

Consequence management

48. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

Procurement and contract management

49. Some of the tenders which failed to achieve the minimum qualifying score for functionality criteria were not disqualified as unacceptable in accordance with 2017 preferential procurement regulation 5(6). This non-compliance was identified in the procurement processes for the routine maintenance projects.
50. Procurement by other means provided in the SCM policy of the department did not cover at least the minimum requirements as required by PFMA instruction note 3 of 2021-22 paragraphs 4.3 and 4.4.
51. Some of the contracts were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding, in contravention of the 2017 Preferential Procurement Regulation 4(1) and 4(2).

Other information in the annual report

52. 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.
53. 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.
54. 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.
55. The other information I obtained prior to the date of this auditor's report are the accounting officer's report and irregular, fruitless and wasteful expenditure, unauthorized expenditure and material losses, and the audit committee and other outstanding reports are expected to be made available to us after 31 July 2023.
56. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
57. When I do receive and read the audit committee and other outstanding reports, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

58. 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.
59. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
60. The accounting officer and management did not perform adequate reviews on the financial and performance reporting and compliance with laws and regulations.

61. Consequence management was not implemented to deter non-performance and promote clean administration. The control environment remains concerning.
62. The basic accounting principles of daily and monthly accounting and reconciling of transactions were not adequately implemented and monitored by management.
63. The accounting officer did not review the financial statements and the annual performance report for accuracy and completeness.
64. Internal controls for monitoring compliance with laws and regulations were ineffective as they do not detect and prevent instances of non-compliance with applicable laws and regulations.

Material irregularities

65. 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

Routine road maintenance contract awarded to bidder that did not score the highest points

66. The department awarded a three-year contract to the amount of R40 791 448 in September 2018 for the supply of household based routine road maintenance to a bidder that did not score the highest points, in contravention of section 2(1)(f) of the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA). The noncompliance resulted in a material financial loss of R1 624 230. The accounting officer was notified of the material irregularity (MI) on 4 March 2021 and invited to make a written submission on the actions taken to address the matter.
67. The accounting officer requested the Special Investigating Unit (SIU) to perform a forensic investigation into the identified MI on 3 June 2021. The SIU concluded its investigation in January 2022. Following the SIU report the accounting officer instituted an internal investigation on 8 April 2022 which was concluded on 07 June 2022.
68. The accounting officer instituted disciplinary actions based on the outcome of the internal investigation. The disciplinary hearings started in September 2022 and were still underway at the date of this report.
69. The irregularity was also reported to the Directory for Priority Crime Investigation on 6 June 2022 in line with section 34 of the Prevention and Combating of Corrupt Activities Act 12 of 2004.
70. I will follow up on the actions during my next audit.

Auditor-General

Polokwane

01 August 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

The cover page features a vibrant green-to-yellow gradient background with diagonal lines. Scattered throughout are white geometric shapes: circles of various sizes, 'x' marks, and thin white lines. The title 'ANNUAL FINANCIAL STATEMENTS' is centered in a bold, white, sans-serif font with a black drop shadow.

ANNUAL FINANCIAL STATEMENTS

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per programme

2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	441 639	(38)	21 000	462 601	461 938	663	99,9%	328 739	328 256
2. Infrastructure Operations	985 049	-	(6 000)	979 049	935 331	43 718	95,5%	1 128 330	1 009 127
3. EPWP	67 829	-	(222)	67 607	63 175	4 432	93,4%	66 091	62 696
4. Roads Infrastructure	2 930 756	-	(14 778)	2 915 978	2 820 711	95 267	96,7%	2 912 762	2 809 657
Subtotal	4 425 273	(38)	-	4 425 235	4 281 155	1 44 080	96,7%	4 435 922	4 209 736
Statutory Appropriation	2 037	38	-	2 075	2 075	-	100%	1 978	1 978
President and Deputy President salary									
Members' remuneration	2 037	38	-	2 075	2 075	-	100%	1 978	1 978
TOTAL	4 427 310	-	-	4 427 310	4 283 230	1 44 080	96,7%	4 437 900	4 211 714

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

	2022/23				2021/22	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	580 125				41 094	
NRF Receipts	-				-	
Aid assistance	-				2 587	
Actual amounts per statement of financial performance (total revenue)	5 007 435				4 481 581	
ADD						
Aid assistance	-					3 315
Prior year unauthorised expenditure approved without funding		1 438				
Actual amounts per statement of financial performance (total expenditure)		4 284 668				4 215 029

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per economic classification									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 793 268	815	(5 222)	1 788 861	1 682 997	105 864	94,1%	2 140 360	1 993 990
Compensation of employees	892 203	(9 579)	(5 000)	877 624	861 762	15 862	98,2%	977 071	935 198
Goods and services	901 065	10 206	(222)	911 049	821 125	89 924	90,1%	1 163 232	1 058 735
Interest and rent on land	-	188	-	188	110	78	58,5%	57	57
Transfers and subsidies	2 303 074	11 185	5 222	2 319 481	2 319 205	276	100,0%	2 131 675	2 131 971
Provinces and municipalities	191 937	2 037	222	194 196	193 981	215	99,9%	304 082	303 778
Departmental agencies and accounts	2 092 658	-	-	2 092 658	2 092 658	-	100,0%	1 786 771	1 786 771
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	18 479	9 148	5 000	32 627	32 566	61	99,8%	40 822	41 422
Payments for capital assets	330 941	(12 000)	-	318 941	281 003	37 938	88,1%	164 640	84 528
Buildings and other fixed structures	308 037	-	-	308 037	270 359	37 678	87,8%	147 348	67 236
Machinery and equipment	22 904	(12 000)	-	10 904	10 644	260	97,6%	17 292	17 292
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	27	-	-	27	25	2	92,6%	1 225	1 225
Total	4 427 310	-	-	4 427 310	4 283 230	144 080	96,7%	4 437 900	4 211 714

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Statutory appropriation per economic classification									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	2 037	38	-	2 075	2 075	-	100,0%	1 978	1 978
Compensation of employees	2 037	38	-	2 075	2 075	-	100,0%	1 978	1 978
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Non-profit institutions				-		-	-	-	
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment									
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets				-		-	-	-	
Total	2 037	38	-	2 075	2 075	-	100,0%	1 978	1 978

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 1: ADMINISTRATION									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. OFFICE OF THE MEC	5 065	437	-	5 502	5 385	117	97,9%	4 181	4 030
2. HEAD OF DEPARTMENT	14 820	(4 473)	-	10 347	10 152	195	98,1%	13 320	13 300
3. CORPORATE SUPPPORT	421 754	3 998	21 000	446 752	446 401	351	99,9%	311 238	310 926
Total for sub programmes	441 639	(38)	21 000	462 601	461 938	663	99,9%	328 739	328 256
Economic classification									
Current payments	417 628	11 962	16 000	445 590	445 317	273	99,9%	301 542	301 058
Compensation of employees	241 854	(38)	16 000	257 816	257 612	204	99,9%	247 522	247 272
Goods and services	175 774	12 000	-	187 774	187 705	69	100,0%	54 020	53 786
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 436	-	5 000	10 436	10 189	247	97,6%	10 074	10 075

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Provinces and municipalities	547	-	-	547	334	213	61,1%	625	627
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 889	-	5 000	9 889	9 855	34	99,7%	9 449	9 448
Payments for capital assets	18 573	(12 000)	-	6 573	6 430	143	97,8%	17 095	17 095
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	18 573	(12 000)	-	6 573	6 430	143	97,8%	17 095	17 095
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Payments for financial assets	2	-	-	2	2	-	100,0%	28	28
Total	441 639	(38)	21 000	462 601	461 938	663	99,9%	328 739	328 256

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 2: INFRASTRUCTURE OPERATIONS									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Property & Facilities Management	586 916	(11 166)	(6 000)	569 750	559 082	10 668	98,1%	1 016 570	909 846
2. Health Infrastructure Management	165 527	(36 952)	-	128 575	91 956	36 619	71,5%	-	-
3. Education Infrastructure Management	70 250	(63 927)	-	6 323	5 447	876	86,1%	84 762	75 027
4. Provincial Departments Infrastructure Management	135 523	128 524	-	264 047	268 518	(4 471)	101,7%	26 998	24 254
5. District Coordination And Departmental Operations	26 833	(16 479)	-	10 354	10 328	26	99,7%	-	-
Total for sub programmes	985 049	-	(6 000)	979 049	935 331	43 718	95,5%	1 128 330	1 009 127
Economic classification									
Current payments	479 357	(6 550)	(6 000)	466 807	460 771	6 036	98,7%	662 421	623 034
Compensation of employees	363 772	(4 944)	(6 000)	352 828	348 743	4 085	98,8%	423 947	398 067

Specimen AFS National and Provincial Departments for the year ended 31 March 2023

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Goods and services	115 585	(1 794)	-	113 791	111 918	1 873	98,4%	238 417	224 910
Interest and rent on land	-	188	-	188	110	78	58,5%	57	57
Transfers and subsidies	197 500	6 550	-	204 050	204 048	2	100,0%	317 458	317 754
Provinces and municipalities	190 000	2 037	-	192 037	192 035	2	100,0%	301 863	301 558
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7 500	4 513	-	12 013	12 013	-	100,0%	15 595	16 196
Payments for capital assets	308 168	-	-	308 168	270 488	37 680	87,8%	147 545	67 433
Buildings and other fixed structures	308 037	-	-	308 037	270 359	37 678	87,8%	147 348	67 236
Machinery and equipment	131	-	-	131	129	2	98,5%	197	197
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	24	-	-	24	24	-	100,0%	906	906
Total	985 049	-	(6 000)	979 049	935 331	43 718	95,5%	1 128 330	1 009 127

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

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APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 3: EPWP									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Expanded Public Works Programme	67 829	-	(222)	67 607	63 175	4 432	93,4%	66 091	62 696
	67 829	-	(222)	67 607	63 175	4 432	93,4%	66 091	62 696
Economic classification									
Current payments	67 828	(1 635)	(222)	65 971	61 539	4 432	93,3%	65 946	62 552
Compensation of employees	36 703	(1 635)	-	35 068	30 821	4 247	87,9%	30 972	27 995
Salaries and wages	33 985	(1 635)	-	32 350	28 285	4 065	87,4%	28 549	25 605
Social contributions	2 718	-	-	2 718	2 536	182	93,3%	2 423	2 390
Goods and services	31 125	-	(222)	30 903	30 718	185	99,4%	34 974	34 557
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	720	678
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Catering: Departmental activities	188	-	-	188	188	-	100,0%	33	18
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	16 248	-	(222)	16 026	16 014	12	99,9%	20 812	20 452
Agency and support / outsourced services	9 801	-	-	9 801	9 801	-	100,0%	11 227	11 227
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-
Consumable supplies	2 237	-	-	2 237	2 191	46	97,9%	969	969	
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Travel and subsistence	2 056	-	-	2 056	1 930	126	93,9%	850	850
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	595	-	-	595	594	1	99,8%	363	363
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Transfers and subsidies	-	1 635	-	1 635	1 635	-	100,0%	139	138
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	1 635	-	1 635	1 635	-	100,0%	139	138
Social benefits	-	1 635	-	1 635	1 635	-	100,0%	139	138
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	1	-	-	1	1	-	100,0%	6	6
Total	67 829	-	(222)	67 607	63 175	4 432	93,4%	66 091	62 696

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 4: ROADS INFRASTRUCTURE									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ROADS INFRASTRUCTURE	2 930 756	-	(14 778)	2 915 978	2 820 711	95 267	96,7%	2 912 762	2 809 657
	2 930 756	-	(14 778)	2 915 978	2 820 711	95 267	96,7%	2 912 762	2 809 657
Economic classification									
Current payments	826 418	(3 000)	(15 000)	808 418	713 295	95 123	88,2%	1 108 473	1 005 368
Compensation of employees	247 837	(3 000)	(15 000)	229 837	222 511	7 326	96,8%	272 652	259 886
Salaries and wages	200 465	(3 000)	(5 791)	191 674	185 685	5 989	96,9%	229 917	217 771
Social contributions	47 372	-	(9 209)	38 163	36 826	1 337	96,5%	42 735	42 115
Goods and services	578 581	-	-	578 581	490 784	87 797	84,8%	835 821	745 482
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	400	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning services	96 209	-	-	96 209	91 598	4 611	95,2%	95 631	95 631
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	229 114	-	-	229 114	228 633	481	99,8%	449 181	417 951
Agency and support / outsourced services	73 023	-	-	73 023	-	73 023	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	90 586	-	-	90 586	93 885	(3 299)	103,6%	101 669	97 544
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Inventory: Fuel, oil and gas	22 250	-	-	22 250	22 249	1	100,0%	26 154	12 851
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	39 707	-	-	39 707	34 838	4 869	87,7%	61 430	42 759
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	9 393	-	-	9 393	9 316	77	99,2%	23 180	9 953
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	7	7
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-

Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	9 925	(16)	-	9 909	9 876	33	99,7%	8 089	8 021
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	16	-	16	16	-	100%	200	200
Venues and facilities	374	-	-	374	373	1	99,7%	293	293
Rental and hiring	8 000	-	-	8 000	-	8 000	-	69 587	60 272
Interest and rent on land	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 100 138	3 000	222	2 103 360	2 103 333	27	100,0%	1 804 004	1 804 004
Provinces and municipalities	1 390	-	222	1 612	1 612	-	100,0%	1 594	1 593
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	1 390	-	222	1 612	1 612	-	100,0%	1 594	1 593
Municipal bank accounts	1 390	-	222	1 612	-	-	100,0%	1 594	1 593
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2 092 658	-	-	2 092 658	2 092 658	-	100,0%	1 786 771	1 786 771
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	2 092 658	-	-	2 092 658	2 092 658	-	100,0%	1 786 771	1 786 771
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 090	3000	-	9 090	9 063	27	99,7%	15 639	15 640
Social benefits	6 090	3000	-	9 090	9 063	27	99,7%	15 639	15 640
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	4 200	-	-	4 200	4 085	115	97,3%	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 200	-	-	4 200	4 085	115	97,3%	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 200	-	-	4 200	4 085	115	97,3%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	(2)	2		285	285
Total	2 930 756	-	(14 778)	2 915 978	2 820 711	95 267	96, 7%	2 912 762	2 809 657

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023

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, and Annexure 1A-H of the Annual Financial Statements.

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

Detail of these transactions can be viewed in the note on Annual Appropriation to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions 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

Programmes	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	464 676	464 013	663	0%
Infrastructure Operations	979 049	935 331	43 718	4%
EPWP	67 607	63 175	4 432	7%
Road Infrastructure	2 915 978	2 820 711	95 267	3%
	4 427 310	4 283 230	144 080	3%

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Economic classification	R'000	R'000	R'000	%
Current payments				
Compensation of employees	879 699	863 837	15 862	2%
Goods and services	911 049	821 125	89 924	10%
Interest and rent on land	188	110	78	41%
Transfers and subsidies				
Provinces and municipalities	194 196	193 981	215	0%
Departmental agencies and accounts	2 092 658	2 092 658	0	0%
Higher education institutions				
Public corporations and private enterprises				
Foreign governments and international organisations				
Non-profit institutions				
Households	32 627	32 566	61	0%
Payments for capital assets				
Buildings and other fixed structures	308 037	270 359	37 678	12%
Machinery and equipment	10 904	10 644	260	2%

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023

Heritage assets				
Specialised military assets				
Biological assets				
Land and subsoil assets				
Intangible assets				
Payments for financial assets	27	25	2	7%
Total	4 427 310	4 283 230	144 080	3%

The department reported 323 service terminations during the reporting period, non-implementation of the 1.5% pay progression for employees of SMS salary level as anticipated. Delays in implementing the approved 2022/23 recruitment plan (295 posts) which is inclusive of the approved 2021/22 recruitment plan (50 posts). Non-implementation of the Construction of 5 steel bridges projects which are still at the planning and design stage, 2 households' routine roads maintenance project for greater Letaba and Elias Motsoaledi municipalities and 1 Fog spray & road marking project for Capricorn District could not be completed due to weather condition. Delays by service providers in delivering fuel and roads materials in Sekhukhune and Waterberg respectively. The department could not finalise the payment processes for the Maphutha Malatjie Hospital Project which was transferred to the department from department of Health during March 2023 for further implementation and finalisation of the project.

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
PROVINCIAL ROADS MAINTANANCE	1 308 689	1 217 632	91 057	7%
EPWP INTERGRATED GRANT	12 311	12 304	7	0%
Total	1 321 000	1 229 936	91 064	7%

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	4 425 235	4 435 922
Statutory appropriation	2	2 075	1 978
Departmental revenue	3	580 125	41 094
NRF Receipts		-	-
Aid assistance		-	2 587
TOTAL REVENUE		5 007 435	4 481 581
EXPENDITURE			
Current expenditure			
Compensation of employees	5	861 764	935 198
Goods and services	6	821 124	1 058 734
Interest and rent on land	7	110	57
Aid assistance	4	-	3 315
		1 682 998	1 997 304
Transfers and subsidies			
Transfers and subsidies	9	2 319 205	2 131 972
Aid assistance	4	-	-
		2 319 205	2 131 972
Expenditure for capital assets			
Tangible assets	10	281 002	84 528
Intangible assets	10	-	-
		281 002	84 528
Unauthorised expenditure approved without funding		1 438	-
Payments for financial assets	8	25	1 225
TOTAL EXPENDITURE		4 284 668	4 215 029
SURPLUS/(DEFICIT) FOR THE YEAR		722 767	266 552
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		142 642	226 186
Annual appropriation		51 576	135 845
Statutory appropriation		-	-
Conditional grants		91 064	90 341
Departmental revenue and NRF receipts	18	580 125	41 094
Aid assistance	4	-	-728
SURPLUS/(DEFICIT) FOR THE YEAR		722 767	266 552

STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		167 880	233 893
Cash and cash equivalents	11	164 463	230 642
Other financial assets	12	-	-
Prepayments and advances	13	-	-
Receivables	14	3 417	3 251
Loans	16	-	-
Aid assistance prepayments	4	-	-
Aid assistance receivable	4	-	-
Non-current assets		697	154
Investments	15	-	-
Prepayments and advances	13	-	-
Receivables	14	697	154
Loans	16	-	-
Other financial assets	12	-	-
TOTAL ASSETS		168 577	234 047
LIABILITIES			
Current liabilities		182 961	250 578
Voted funds to be surrendered to the Revenue Fund	17	161 213	244 756
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	18	15 373	3 223
Bank overdraft	19	-	-
Payables	20	5 298	1 522
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	1 077	1 077
Non-current liabilities			
Payables	21		
TOTAL LIABILITIES		182 961	250 578
NET ASSETS		-14 384	-16 531
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		2 751	2 042
Retained funds		-	-
Revaluation reserves		-	-
Unauthorised expenditure		-17 135	-18 573
TOTAL		-14 384	-16 531

STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2023

NET ASSETS	Note	2022/23 R'000	2021/22 R'000
Capitalisation reserves			
Opening balance		-	-
Transfers		-	-
Movement in equity		-	-
Movement in operational funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		2 042	2 141
Transfers:		709	-99
Irrecoverable amounts written off	8.3	-	-
Debts revised		-6	-13
Debts recovered (included in departmental revenue)		-171	-407
Debts raised		886	321
Closing balance		2 751	2 042
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
Revaluation reserve			
Opening balance		-	-
Revaluation adjustment (Human Settlements departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
Unauthorised expenditure			
Opening balance		-18 573	-18 573
Unauthorised expenditure - current year		-	-
Relating to overspending of the vote or main division within the vote		-	-
Incurred not in accordance with the purpose of the vote or main division		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and derecognised		1 438	-
Current		1 438	-
Capital		-	-
Transfers and subsidies		-	-
Less: Amounts recoverable		-	-
Less: Amounts written off		-	-
Closing Balance		-17 135	-18 573
TOTAL		-14 384	-16 531

CASH FLOW STATEMENT
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		4 991 289	4 472 165
Annual appropriation funds received	1.1	4 425 235	4 435 922
Statutory appropriation funds received	2	2 075	1 978
Departmental revenue received	3	563 955	31 654
Interest received	3.3	24	24
NRF receipts		-	-
Aid assistance received	4	-	2 587
Net (increase)/decrease in net working capital		3 610	-501
Surrendered to Revenue Fund		-794 160	-630 332
Surrendered to RDP Fund/Donor		-	-
Current payments		-1 684 326	-1 997 247
Interest paid	7	-110	-57
Payments for financial assets		-25	-1 225
Transfers and subsidies paid		-2 319 205	-2 131 972
Net cash flow available from operating activities	22	197 073	-289 169
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	10	-281 002	-84 528
Proceeds from sale of capital assets	3.4	16 146	9 416
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	14	-543	-74
Net cash flow available from investing activities		-265 399	-75 186
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		2 147	-99
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		2 147	-99
Net increase/(decrease) in cash and cash equivalents		-66 179	-364 454
Cash and cash equivalents at beginning of period		230 642	595 096
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	23	164 463	230 642

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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 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 financial statements have been prepared in accordance with the Modified Cash Standard.
2.	Going concern The financial statements have been 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.	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6.	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7.	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>Appropriated funds are measured at the amounts receivable.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Departmental revenue is measured at the cash amount received.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p>
	<p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <p>It is probable that the economic benefits or service potential associated with the transaction will flow to the department; and <input type="checkbox"/> the amount of revenue can be measured reliably.</p> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

8.	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

8.4.2	Finance leases <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none">• cost, being the fair value of the asset; or• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9.	Aid assistance
9.1	Aid assistance received <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>ACARA Funds are recognised when receivable and measured at the amounts receivable.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	Aid assistance paid <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10.	Cash and cash equivalents <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11.	Prepayments and advances <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><i><Indicate when prepayments and advances are expensed and under what circumstances></i></p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

12.	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.
13.	Investments Investments are recognised in the statement of financial position at cost.
14.	Financial assets
14.1	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.
14.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15.	Payables Payables recognised in the statement of financial position are recognised at cost.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

16.	Capital assets
16.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the 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 financial statements.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

16.3	Intangible capital assets <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	Project costs: Work-in-progress <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>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.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17.	Provisions and contingents
17.1	Provisions <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	Contingent liabilities <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18.	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of</p> <ul style="list-style-type: none"> • 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 incurred in the current year.
19.	<p>Fruitless and wasteful expenditure</p> <p>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 derecognised when settled or subsequently written-off as irrecoverable.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of.</p> <ul style="list-style-type: none"> • 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

20.	Irregular expenditure <p>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.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none">• 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.
21.	Changes in accounting estimates and errors <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22.	Events after the reporting date <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

23.	Principal-Agent arrangements <p>The department has entered into contracts with IDT/DBSA whereby the two entities implement the department's own projects. The entities contract with various suppliers/contractors to deliver infrastructure projects for the department. The department pays a management fee per invoice for the current financial year reporting. The Department has principal agent arrangement with Office of the Premier to do implementation of apprenticeship program and experiential learning.</p> <p>The department is the custodian of immovable assets in the province. The department has entered into service level agreements with the various user clients departments to deliver infrastructure projects on their behalf. Majority of the projects are for the Departments of Education and Health and include construction projects on Hospitals, schools, clinics and other build projects.</p> <p>The department has in turn contracted DBSA/IDT to deliver some of projects of the user departments due to capacity constraints. DBSA/IDT act as implementing agents and will source contractors and render project management services. The user departments incur management fees and all related expenses in terms of this arrangement. This arrangement has no financial impact on the department. The department's revenues, expenditures, assets and liabilities are not affected by these arrangements. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24.	Departures from the MCS requirements <p>The Department has not departed from any requirement of MCS</p>
25.	Capitalisation reserve <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26.	Recoverable revenue <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

27.	<p>Related party transactions</p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p> <ol style="list-style-type: none"> 1. ROADS AGENCY LIMPOPO (RAL) is the entity of the Department responsible for the planning, designing, upgrading and maintaining, own and control the usage of roads and their reserves. 2. TREASURY-The Provincial Treasury renders a shared Internal Audit and Audit Committee services at no charge to the Department. 3. Provincial Departments-The Department is a related party to all Provincial departments within the Limpopo Province in executing its mandate of the provision and management government building.
	<ol style="list-style-type: none"> 4. The Department is related party to all provincial departments within Limpopo province in executing its mandate of provision and management of building infrastructure. 5. The Department of Health is collecting house rental on behalf of DPWRI and pay it over directly to Provincial Treasury 6. The department has the following related party that are not does not fall under chapter 15 of MSC however are hereby disclosed as per Treasury Regulations 21.2 Acceptance of gifts, donations and sponsorships to the state.21.2.1 The accounting officer may approve the acceptance of any gift, donation or sponsorship to the state, whether such gifts, donations or sponsorships are in cash or kind. The department has related party in kind to the following municipalities in the province who receives office accommodation with no costs; 1.Mopani District Municipality at Giyani Government Complex, 2. Collins Chabane Local Municipality, 3. Vhembe District Municipality.
28.	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

29.	Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30.	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.
31.	Transfer of functions Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
32.	Mergers Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

PART B: EXPLANATORY NOTES

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:

Programmes	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	462 601	462 601	-	328 739	328 739	-
INFRASTRUCTURE OPERATIONS	979 049	979 049	-	1 128 330	1 128 330	-
EPWP	67 607	67 607	-	66 091	66 091	-
ROADS INFRASTRUCTURE	2 915 978	2 915 978	-	2 912 762	2 912 762	-
Total	4 425 235	4 425 235	-	4 435 922	4 435 922	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

1.2. Conditional grants

	Note	2022/23 R'000	2021/2022 R'000
Total grants received	45	1 321 000	1 882 209
Provincial grants included in total grants received		1 321 000	1 882 209

During 2022/23 the Provincial Roads Maintenance Grant decreased from R'1 870 186 to R'1 308 689.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

2. Statutory Appropriation

	Note	2022/23 R'000	2021/22 R'000
President and Deputy President salaries			
Members' remuneration		2 075	1 978
Debt service costs			
Total		2 075	1 978
Actual Statutory Appropriation received		2 075	1 978

The department has implemented Government gazette-Determination of salaries and allowances of the Deputy president, ministers and deputy ministers of 2021/22 in June 2022. The adjustment of the remuneration for public office bearers has increased statutory to R'2037 with effect from 01 April 2021. The arrear payments for 1 April 2021 to 31 March 2022 was paid in 2022/23 financial year

3. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	28 255	27 884
Fines, penalties and forfeits	3.2	-	-
Interest, dividends and rent on land	3.3	24	24
Sales of capital assets	3.4	16 146	9 416
Transactions in financial assets and liabilities	3.5	18 452	3 770
Transfer received	3.6	517 248	-
Total revenue collected		580 125	41 094
Less: Own revenue included in appropriation	18	-	-
Total		580 125	41 094

The department held an auction sale during March 2023 for disposal of assets collected revenue amounting to R'16 146. R1339' is amount of 2021/22 RAL accrued revenue, paid during first quarter of 2022/23 financial year. R517 248 it's a transfer received from RAL during 2nd quarter of 2022/23 financial year as part of 2021/22 financial year unspent funds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

3.1. Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department		28 255	27 884
Sales by market establishment		25 789	25 009
Administrative fees		-	-
Other sales		2 466	2 875
Sales of scrap, waste and other used current goods		-	-
Total	3	28 255	27 884

3.2. Fines, penalties and forfeits

	Note	2022/23 R'000	2021/22 R'000
Fines		-	-
Penalties		-	-
Forfeits		-	-
Total	3	-	-

3.3. Interest, dividends and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest		24	24
Dividends		-	-
Rent on land		-	-
Total	3	24	24

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

3.4. Sales of capital assets

	<i>Note</i>	2022/23 R'000	2021/23 R'000
Tangible capital assets		16 146	9 416
Buildings and other fixed structures		-	50
Machinery and equipment		16 146	9 332
Heritage assets		-	-
Specialised military assets		-	-
Land and subsoil assets		-	34
Biological assets		-	-
Intangible capital assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names and trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total	3	16 146	9 416

3.5. Transactions in financial assets and liabilities

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Other receipts including Recoverable Revenue		18 452	3 770
Gains on GFECRA		-	-
Total	3	18 452	3 770

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

3.6. Transfers received

	Note	2022/23 R'000	2021/22 R'000
Other governmental units		517 248	-
Higher education institutions		-	-
Foreign governments		-	-
International organisations		-	-
Public corporations and private enterprises		-	-
Households and non-profit institutions		-	-
Total	3	517 248	-

R'517248 is an amount received during 2nd quarter as unspent funds from RAL and is paid over to revenue fund.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

3.6.1. Donations received in-kind (not included in the main note or sub note)

		2022/23	2021/22
	Note	R'000	R'000
(Treasury Regulation 21.2.4)			
List in-kind donations received	3	-	-
Total		-	-

3.7. Cash received not recognised (not included in the main note) - 2022/23

	Amount received	Amount paid to the revenue fund	Balance
Name of entity	R'000	R'000	R'000
		-	
Total	-	-	-

Cash received not recognised (not included in the main note) - 2021/22

	Amount received	Amount paid to the revenue fund	Balance
Name of entity	R'000	R'000	R'000
		-	-
Total	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

4. Aid assistance

	2022/23	2021/22
<i>Note</i>	R'000	R'000
Opening balance	1 077	1 982
Prior period error	-	-177
As restated	1 077	1 805
Transferred from statement of financial performance	-	-728
Transfers to or from retained funds		-
Paid during the year		-
Closing balance	1 077	1 077

R1077 is the balance of money received from Belgium for skills development and the amount will be utilised in the 2023-2024 financial year

4.1. Analysis of balance by source

	2022/23	2021/22
<i>Note</i>	R'000	R'000
Aid assistance from RDP		-
Aid assistance from other sources	1 077	1 077
CARA Funds		-
Closing balance	1 077	1 077

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

4.2. Analysis of balance

		2022/23	2021/22
	<i>Note</i>	R'000	R'000
Aid assistance receivable			-
Aid assistance prepayments (not expensed)			-
Aid assistance unutilised		1 077	1 077
Aid assistance repayable			-
Closing balance	4	1 077	1 077
Aid assistance not requested/not received			

4.2.1. Aid assistance prepayments (expensed) – 2022/23

	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
Capital assets	-	-	-	-	-
Other	-	-	-	-	-
Closing Balance	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Aid assistance prepayments (expensed) - 2021/22

	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
Capital assets	-	-	-	-	-
Other	-	-	-	-	-
Closing Balance	-	-	-	-	-

4.3. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to <i>[affecting the opening balance]</i>		-
Relating to 2021/22		-
Total prior period errors		-

4.4. Aid assistance expenditure per economic classification

	Note	2022/23 R'000	2021/22 R'000
Current		-	3 315
Capital	10	-	-
Transfers and subsidies		-	-
Total aid assistance expenditure		-	3 315

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

4.5. Donations received in kind (not included in the main note)

	2022/23	2021/22
	<i>Note</i>	
	R'000	R'000
(Treasury Regulation 21.2.4)		
<i>List in-kind donations received</i>		
Total		-

5. Compensation of employees

5.1. Salaries and Wages

	2022/23	2021/22
	<i>Note</i>	
	R'000	R'000
Basic salary	562 789	610 353
Performance award	165	4 435
Service based	1 515	4 723
Compensative/circumstantial	1 455	943
Periodic payments	-	-
Other non-pensionable allowances	168 893	176 678
Total	734 817	797 132

During 2022/23 FY the department implemented DPSA notice no. 01 of 2019 on reduction in the percentage allocation of remuneration budgets for the payment of performance bonuses for all categories of employees and maximum percentage became zero from 2021/22 financial year hence no performance awards for 2022/23 FY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

5.2. Social contributions

	2022/23	2021/22
	<i>Note</i>	
	R'000	R'000
Employer contributions		
Pension	68 991	77 889
Medical	55 153	57 862
UIF	630	-
Bargaining council	202	251
Official unions and associations	-	-
Insurance	1 971	2 064
Total	126 947	138 066
Total compensation of employees	861 764	935 198
Average number of employees	1 894	2 155

For financial year 2022/23 the department recorded 1894 average number of employees which is made up of 1827 permanent employees and 67 contract employees as per headcount report as at 31 March 2023. The decrease is caused by number of service terminations from natural deaths, retirements, resignations and the contracts that ended in February 2023 and March 2023 under Infrastructure Operations program. For financial year 2021/22 the average number of employees was 2155 and was made up of 2064 permanent employees and 91 contract employees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

6. Goods and services

	Note	2022/23 R'000	2021/22 R'000
Administrative fees		-	-
Advertising		301	1 326
Minor assets	6.1	-	80
Bursaries (employees)		121	124
Catering		387	34
Communication		8 908	9 537
Computer services	6.2	29 986	20 090
Consultants: Business and advisory services		25	147
Infrastructure and planning services		91 598	95 631
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		3 204	408
Contractors		251 454	442 186
Agency and support / outsourced services		49 183	49 270
Entertainment		-	-
Audit cost - external	6.3	15 343	9 004
Fleet services		106 153	106 082
Inventories	6.4	60 643	63 090
Consumables	6.5	14 294	15 358
Housing		-	-
Operating leases		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Property payments	6.6	160 209	164 150
Rental and hiring		-	60 272
Transport provided as part of the departmental activities		-	-
Travel and subsistence	6.7	26 331	20 070
Venues and facilities		1 484	1 221
Training and development		1 483	379
Other operating expenditure	6.8	17	275
Total		821 124	1 058 734

Consultants: business and advisory services is amount paid to the chairperson of Risk Management Committee for R'25 paid 1st quarter of the financial year. The department has not yet appointed the independent chairperson of Risk Management Committee hence the material variance on comparatives. The department has spent more on advertising in prior year due to advertising of vacancies when implementing the new organisational structure. Item for Rental and Hiring did not have budget in 2022/23. Contractors expenditure decreased because of the delay in implementation of household road routine maintenance projects, contractors were appointed in August 2022 and payments started in October 2022. Computer services expenditure increased due to payment of accruals of SITA computer services. Legal services expenditure increased due to payment of interdepartmental claim of Department of Transport for refund of legal claims relating to roads. Travel and subsistence expenditure increased due to revised austerity measures on total kilometres threshold of 2000 and during 2022/23 the country did not have any lockdown that prohibited travelling. Training and development expenditure is aligned to budget allocated and therefore differences in expenditure is reflection of budget allocated year to year. Item of Other operating expenditure decreased due to non-payment of resettlement cost during 2022/23 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

6.1. Minor assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		-	80
Buildings and other fixed structures		-	-
Machinery and equipment		-	80
Heritage assets		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible capital assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names and trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total	6	-	80

There was no minor assets expenditure during 2022/23 financial year

6.2. Computer services

	Note	2022/23 R'000	2021/22 R'000
SITA computer services		29 986	20 037
External computer service providers		-	53
Total	6	29 986	20 090

SITA computer services increased due to 2021/22 accruals paid in 2022/23.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

6.3. Audit cost - external

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Regularity audits		15 343	9 004
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total	6	15 343	9 004

The department paid R'15 343 to the office of Auditor General for the service rendered during regulatory audit.

6.4. Inventories

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Clothing material and accessories		-	-
Farming supplies		-	-
Food and food supplies		-	-
Fuel, oil and gas		22 249	12 851
Learning, teaching and support material		-	-
Materials and supplies		38 394	50 239
Medical supplies		-	-
Medicine		-	-
Medsas inventory interface		-	-
Other supplies	6.4.1	-	-
Total	6	60 643	63 090

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

6.4.1. Other supplies

	Note	2022/23 R'000	2021/22 R'000
Ammunition and security supplies		-	-
Assets for distribution		-	-
Machinery and equipment		-	-
School furniture		-	-
Sports and recreation		-	-
Library material		-	-
Other assets for distribution		-	-
Other		-	-
Total	6.4	-	-

Increase in fuel and oil as a result of load shedding challenge in the country. Fuel price increase due to Russia and Ukraine war.

6.5. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		12 457	13 707
Uniform and clothing		11 507	11 015
Household supplies		950	1 931
Building material and supplies		-	-
Communication accessories		-	-
IT consumables		-	611
Other consumables		-	150
Stationery, printing and office supplies		1 837	1 651
Total	6	14 294	15 358

Decrease in household supplies expenditure due to less costs of Covid-19 deep cleaning. No IT and other consumables expenditure incurred in 2022/23 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

6.6. Property payments

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Municipal services		52 277	57 153
Property management fees		-	-
Property maintenance and repairs		789	-
Other		107 143	106 997
Total	6	160 209	164 150

Expenditure on Other is for payments made for Security services.

6.7. Travel and subsistence

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Local		26 331	20 070
Foreign		-	-
Total	6	26 331	20 070

6.8. Other operating expenditure

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		14	14
Resettlement costs		-	75
Other		3	186
Total	6	17	275

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

6.9. Remuneration of members of a commission or committee of inquiry (*Included in Consultants: Business and advisory services*)

(Treasury Regulation 20.2.4)	Note	2022/23	2022/23
Name of Commission / Committee of Inquiry	6	R'000	R'000
Risk Management Committee			-
Independent Chairperson for Risk Management Committee		25	147
Total		25	147

Total amount of R24 952 is payment made to the chairperson of Risk Management Committee for the 2 Risk Committee meeting held with payment of R12 476 for each seating. For Audit committee the department is utilising shared services, the audit committee has got 4 members and costs are paid by provincial treasury. Department has finalised appointment of the independent Risk Management chairperson with effect from 1 June 2023.

7. Interest and rent on land

	Note	2022/23	2021/22
		R'000	R'000
Interest paid		110	57
Rent on land		-	-
Total		110	57

The department has paid R'108 to municipalities and ESKOM for interest charges on overdue accounts for Water and Lights from 1 April 2022 to 31 March 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

8. Payments for financial assets

	Note	2022/23 R'000	2021/22 R'000
Material losses through criminal conduct		8	-
Theft	8.4	8	-
Other material losses	8.1	-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
Other material losses written off	8.2	-	-
Debts written off	8.3	17	1 225
Forex losses	8.5	-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		25	1 225

Debt written off during the year for irrecoverable debts of the deceased amounts to R17' and R8' is for debts write off for the long outstanding transactions on suspense accounts without supporting documents of officials transferred from Department of Transport during reconfiguration of the two departments.

8.1. Other material losses

Nature of other material losses	Note	2022/23 R'000	2021/22 R'000
<i>(Group major categories, but list material items)</i>		-	-
Total	8	-	-

Information on any criminal or disciplinary steps taken as a result of such losses is included in the annual report under PFMA Compliance Report.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

8.2. Other material losses written off

Nature of losses	Note	2022/23 R'000	2021/22 R'000
<i>(Group major categories, but list material items)</i>			
Total	8	<u>-</u>	<u>-</u>

8.3. Debts written off

Nature of debts written off	Note	2022/23 R'000	2021/22 R'000
<i>Group major categories, but list material items</i>			
Irregular expenditure written off			
Total		<u>-</u>	<u>-</u>
Recoverable revenue written off			-
Total		<u>-</u>	<u>-</u>
Other debt written off			
Salary overpayment for the deceased employees		17	1 225
Total		<u>17</u>	<u>1 225</u>
Total debt written off	8	<u><u>17</u></u>	<u><u>1 225</u></u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

8.4. Details of theft

Nature of theft	Note	2022/23	2021/22
		R'000	R'000
<i>Theft and losses</i>		8	-
Total	8	<u>8</u>	<u>-</u>

8.5. Forex losses

Nature of losses	Note	2022/23	2021/22
		R'000	R'000
<i>Group major categories, but list material items</i>		-	-
Total	8	<u>-</u>	<u>-</u>

9. Transfers and subsidies

	Note	2022/23	2021/22
		R'000	R'000
Provinces and municipalities	46,47	193 982	303 779
Departmental agencies and accounts	Annex 1B	2 092 658	1 786 771
Higher education institutions	Annex 1C	-	-
Foreign governments and international organisations	Annex 1E	-	-
Public corporations and private enterprises	Annex 1D	-	-
Non-profit institutions	Annex 1F	-	-
Households	Annex 1G	32 565	41 422
Total		<u>2 319 205</u>	<u>2 131 972</u>

"The department has made payment of outstanding payables for Polokwane Mankweng hospital R'40 000 end March 2023 and closed off Makhudutha maga municipality account reported in 2021/22 financial year end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

9.1. Donations made in kind (not included in the main note)

	<i>Note</i>	2022/23 R'000	2021/22 R'000
<i>List in-kind donations made</i>	<i>Annex 1J</i>		
Total		-	-

10. Expenditure for capital assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tangible capital assets		281 002	84 528
Buildings and other fixed structures	39	270 358	67 236
Heritage assets	37,39	-	-
Machinery and equipment	37	10 644	17 292
Specialised military assets	37	-	-
Land and subsoil assets	39	-	-
Biological assets	37	-	-
Intangible capital assets		-	-
Software	38	-	-
Mastheads and publishing titles	38	-	-
Patents, licences, copyright, brand names and trademarks	38	-	-
Recipes, formulae, prototypes, designs, models	38	-	-
Services and operating rights	38	-	-
Total		281 002	84 528
The following amounts have been included as project costs in Expenditure for capital assets			
Compensation of employees			-
Goods and services			-
Total			-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

10.1. Analysis of funds utilised to acquire capital assets - 2022/23

Name of entity	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible capital assets	281 002	-	281 002
Buildings and other fixed structures	270 358		270 358
Heritage assets			-
Machinery and equipment	10 644		10 644
Specialised military assets			-
Land and subsoil assets			-
Biological assets			-
Intangible capital assets	-	-	-
Software			-
Mastheads and publishing titles			-
Patents, licences, copyright, brand names and trademarks			-
Recipes, formulae, prototypes, designs, models			-
Services and operating rights			-
Total	281 002	-	281 002

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

10.2. Analysis of funds utilised to acquire capital assets – 2021/22

Name of entity	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible capital assets	84 528	-	84 528
Buildings and other fixed structures	67 236	-	67 236
Machinery and equipment	17 292	-	17 292
Heritage assets			
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible capital assets	-	-	-
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names and trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	84 528	-	84 528

10.3. Finance lease expenditure included in Expenditure for capital assets

	2022/23 R'000	2021/22 R'000
Tangible capital assets		
Buildings and other fixed structures	54 559	44 743
Machinery and equipment	3 061	8 668
Heritage assets		-
Specialised military assets		-
Land and subsoil assets		-
Biological assets		-
Total	57 620	53 411

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

11. Cash and cash equivalents

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		164 463	230 642
Cash receipts		-	-
Disbursements		-	-
Cash on hand		-	-
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		164 463	230 642

Indicate the amount of significant cash and cash equivalent balances held by the department that are not available for use.

Indicate any amounts of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities; and the amount and nature of restricted cash balances.

12. Other financial assets

	Note	2022/23 R'000	2021/22 R'000
Current			
Local			-
Total		-	-
Foreign			-
Total		-	-
Total Current other financial assets		-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Non-current	Note	2022/23 R'000	2021/22 R'000
Local			-
Total		-	-
Foreign			
Total		-	-
Total Non-current other financial assets		-	-

13. Prepayments and advances

	Note	2022/23 R'000	2021/22 R'000
Staff advances		-	-
Travel and subsistence		-	-
Prepayments (Not expensed)	13.2	-	-
Advances paid (Not expensed)	13.1	-	-
SOCPEN advances		-	-
Total		-	-

Analysis of Total Prepayments and advances

Current Prepayments and advances			-
Non-current Prepayments and advances			-
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

13.1. Advances paid (Not expensed)

		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
National departments	-					-
Provincial departments	-					-
Public entities	-					-
Other entities	-					-
Total	13	-	-	-	-	-

		Amount as at 1 April 2021	Less: Amount expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2022
<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	-	-
Provincial departments		-	-	-	-	-
Public entities		-	-	-	-	-
Other entities		-	-	-	-	-
Total	13	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

13.2. Prepayments (Not expensed)

	Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 2023
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Goods and services	-				-
Interest and rent on land	-				-
Transfers and subsidies	-				-
Capital assets	-				-
Other	-				-
Total	-	-	-	-	-

	Amount as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 2022
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-		-
Interest and rent on land	-	-	-		-
Transfers and subsidies	-	-	-		-
Capital assets	-	-	-		-
Other	-	-	-		-
Total	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

13.3. Prepayments (Expensed)

	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Listed by economic classification					
Goods and services	-				-
Interest and rent on land	-				-
Transfers and subsidies	-				-
Capital assets	-				-
Other	-				-
Total	-	-	-	-	-

	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 20
	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
Capital assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

13.4. Advances paid (Expensed)

	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
National departments	30				30
Provincial departments	-				-
Public entities	-				-
Other entities	-				-
Total	30	-	-	-	30

	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Advances paid (Expensed)					
National departments	1 675	-4 206	-	2 561	30
Provincial departments	-	-	-	-	-
Public entities	-	-	-	-	-
Other entities	-	-	-	-	-
Total	1 675	-4 206	-	2 561	30

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

14. Receivables

	Note	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	14.1			-	-	-	-
Trade receivables	14.2			-	-	-	-
Recoverable expenditure	14.3	45		45	488	-	488
Staff debt	14.4	3 241	697	3 938	2 762	154	2 916
Other receivables	14.5	131		131	1	-	1
Total		3 417	697	4 114	3 251	154	3 405

14.1. Claims recoverable

	Note	2022/23 R'000	2021/22 R'000
National departments			-
Provincial departments			-
Foreign governments			-
Public entities			-
Private enterprises			-
Higher education institutions			-
Households and non-profit institutions			-
Local governments			-
Total	14	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

14.2. Trade receivables

	Note	2022/23 R'000	2021/22 R'000
<i>(Group major categories, but list material items)</i>			
Total	14	-	-

14.3. Recoverable expenditure

	Note	2022/23 R'000	2021/22 R'000
<i>(Group major categories, but list material items)</i>			
Sal: Deduction Acc		-	-
Sal: Reversal Control Acc		36	484
Sal: Tax Acc		9	4
Total	14	45	488

14.4. Staff debt

	Note	2022/23 R'000	2021/22 R'000
<i>(Group major categories, but list material items)</i>			
Debt account – Current		3 241	2 762
Debt account – Non Current		697	154
Total	14	3 938	2 916

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

14.5. Other receivables

	<i>Note</i>	2022/23 R'000	2021/22 R'000
<i>(Group major categories, but list material items)</i>			
Statutory Appropriation receivables			-
Unauthorised expenditure			-
Irregular expenditure			-
Fruitless and wasteful expenditure			-
Sal: Pension Fund		3	1
Sal: Income Tax		123	
Sal: Medical Aid		5	
Total	14	131	1

14.6. Impairment of receivables

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Estimate of impairment of receivables		3 799	2 831
Total		3 799	2 831

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

15. Investments

Non-current	<i>Note</i>	2022/23 R'000	2021/22 R'000
Shares and other equity			-
<i>(List investments at cost)</i>			-
Total		-	-
Securities other than shares	<i>Annex2A</i>		-
<i>(List investments at cost)</i>			-
Total			-
Total non-current investments			-

Analysis of non-current investments	<i>Note</i>	2022/23 R'000	2021/22 R'000
Opening balance		-	-
Additions in cash			-
Disposals for cash			-
Non-cash movements			-
Closing balance		-	-

15.1. Impairment of investments

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Estimate of impairment of investments			-
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

16. Loans

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Public corporations		-	-
Higher education institutions		-	-
Foreign governments		-	-
Private enterprises		-	-
Non-profit institutions		-	-
Staff loans		-	-
Total		-	-
		2022/23 R'000	2021/22 R'000
Analysis of balance	<i>Note</i>		
Opening balance		-	-
New issues			-
Repayments			-
Write-offs			-
Closing balance		-	-

16.1. Impairment of loans

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Estimate of impairment of loans			-
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

17. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Opening balance		244 756	608 244
Prior period error	17.2		
As restated		244 756	608 244
Transferred from statement of financial performance (as restated)		142 642	226 186
Add: Unauthorised expenditure for the current year			
Voted funds not requested/not received	1.1		-
Transferred to retained revenue to defray excess expenditure (<i>Parliament/Legislatures</i>)	17.1	-	-
Conditional grants surrendered by the provincial department	17.3		-
Paid during the year		-226 185	-589 674
Closing balance		161 213	244 756

17.1. Voted funds / (Excess expenditure) transferred to retained funds (*Parliament / Legislatures ONLY*)

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Opening balance			-
Transfer from statement of financial performance			-
Transfer from Departmental Revenue to defray excess expenditure	18		-
Closing balance	17	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

17.2. Prior period error

Nature of prior period error	Note	2021/22 R'000
	17	-
<hr/>		
Relating to 2021/22		-
		-
Total		-

17.3. Reconciliation on unspent conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total conditional grants received	1.2	1 321 000	1 882 209
Total conditional grants spent		-1 229 936	-1 791 868
Unspent conditional grants to be surrendered		91 064	90 341
Less: Paid to the Provincial Revenue Fund by Provincial department			-90 341
Approved for rollover			-27 790
Not approved for rollover			-62 551
Add: Received from provincial revenue fund by national department	17		-
Due by the Provincial Revenue Fund		91 064	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

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

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Opening balance		3 223	2 787
Prior period error			
As restated	18.1	3 223	2 787
Transferred from statement of financial performance (as restated)		580 125	41 094
Own revenue included in appropriation		-	-
Transfer from aid assistance	4		-
Transferred to voted funds to defray excess expenditure (Parliament/Legislatures)	17.1		-
Paid during the year		-567 975	-40 658
Closing balance		15 373	3 223

18.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
	18	
Relating to 2021/22		-
Total		-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

19. Bank overdraft

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account			-
Fund requisition account			-
Overdraft with commercial banks (Local)			-
Overdraft with commercial banks (Foreign)			-
Total		<u>-</u>	<u>-</u>

20. Payables - current

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Amounts owing to other entities			-
Advances received	20.1		-
Clearing accounts	20.2		-
Other payables	20.3	5 298	1 522
Total		<u>5 298</u>	<u>1 522</u>

20.1. Advances received

	<i>Note</i>	2022/23 R'000	2021/22 R'000
National departments	<i>Annex8B</i>	-	-
Provincial departments	<i>Annex8B</i>	-	-
Public entities	<i>Annex8B</i>	-	-
Other institutions	<i>Annex8B</i>	-	-
Total	20	<u>-</u>	<u>-</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

20.2. Clearing accounts

Description	Note	2022/23 R'000	2021/22 R'000
<i>(Identify major categories, but list material amounts)</i>			
Total	20	-	-

20.3. Other payables

Description	Note	2022/23 R'000	2021/22 R'000
<i>(Identify major categories, but list material amounts)</i>			
Rental Deposit		1 304	1 170
Sal: Garnishee order		4	-
Sal: GEHS Refund control acc		83	175
Payble:adv:P/Dept:LP Adv acc		3 907	177
Total	20	5 298	1 522

21. Payables - non-current

Description	Note	2022/23				2021/22
		One to two years	Two to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Amounts owing to other entities					-	-
Advances received	21.1				-	-
Other payables	21.2				-	-
Total		-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

21.1. Advances received

	Note	2022/23 R'000	2021/22 R'000
National departments	Annex8B	-	-
Provincial departments	Annex8B	-	-
Public entities	Annex8B	-	-
Other institutions	Annex8B	-	-
Total	21	-	-

21.2. Other payables

Description	Note	2022/23 R'000	2021/22 R'000
<i>(Identify major categories, but list material amounts)</i>			
Total	21	-	-

22. Net cash flow available from operating activities

	Note	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		722 767	266 552
Add back non-cash/cash movements not deemed operating activities		-525 694	-555 721
(Increase)/decrease in receivables		-166	455
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables - current		3 776	-956
Proceeds from sale of capital assets		-16 146	-9 416
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		281 002	84 528
Surrender to Revenue Fund		-794 160	-630 332
Surrenders to RDP Fund/Donors		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generating by operating activities		197 073	-289 169

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

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

	2022/23	2021/22
	Note	R'000
	R'000	R'000
Consolidated Paymaster General account	164 463	230 642
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	-	-
Cash on hand	-	-
Cash with commercial banks (Local)	-	-
Cash with commercial banks (Foreign)	-	-
Total	164 463	230 642

Bank account balance as at 31 March 2023 is R164 541' and less outstanding payments of R77 800' which gives us balance of R164 463' under Paymaster General Account.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

24. Contingent liabilities and contingent assets

24.1. Contingent liabilities

Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Motor vehicle guarantees	Employees	Annex 3A		-
Housing loan guarantees	Employees	Annex 3A	43	43
Other guarantees		Annex 3A		-
Claims against the department		Annex 3B	51 292	276 973
Intergovernmental payables		Annex 5	5 472	-
Environmental rehabilitation liability		Annex 3B		-
Other		Annex 3B		-
Total			56 807	277 016

Claim against the department is made up of claims against the department from Potholes claims delictual claims. The department developed standard operating procedure for the management and disclosure of contingent liabilities. Department has removed finalised cases, the claims that does not meet definition of contingent liability which resulted in decrease on the claims against the state balance. Such cases will only be recorded under the Contingent register of Legal services and not for the purpose of disclosure in the AFS. The following reduction per category after review claims against the department that does not have summons R'195852 removed, potholes claim resolved R'42619.

Interdepartmental payables of R'114 is unconfirmed balance for the Department of Health -Limpopo and there is a possibility of reimbursement once the human resource units of both departments confirm the balance to be paid for the duration of secondment of the affected official. Department received interdepartmental claim -Department of Transport and Community Safety

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

amounting to R'5 358 for security services and other expenditures of cost centres and workshops paid by DTCS during the provincial reconfiguration which took place 2014/15 financial year. An amount of R80 is claim of refund on arbitration award for former MEC Support staff that was seconded to the Department from Dept. of Agriculture and Rural Development.

Where the disclosure requirements of the Standards are not done due to impracticalities and or the sensitivity of the information, disclose this fact with reasons.

24.2. Contingent assets

Nature of contingent asset	Note	2022/23	2021/22
		R'000	R'000
Claims by the Department		-	764
Total		-	764

During 2022-23 financial year there is a decrease of R764 for the resolved cases of claims by the Department which are prescribed, cancelled, settled or removed. The decrease in the balance comprised of R73 for staff debts which is removed, R687 for damage arising from failure to repair collapsed building and R4 for collision between state vehicle along road R37 in Tubatse.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

25. Capital commitments

	Note	2022/23 R'000	2021/22 R'000
Buildings and other fixed structures		38 301	27 073
Heritage assets			-
Machinery and equipment			-
Specialised military assets			-
Land and subsoil assets			-
Biological assets			-
Intangible assets			-
Total		38 301	27 073

Vote 7 (Health) requested Treasury to move the Maphutha Malatjie Hospital New OPD building project to Vote 9 (DPWRI) at the end of February 2023. Provincial Treasury agreed to the request and moved the allocation as requested to DPWRI in March 2023. Considering that March month was the last month of the 22/23 financial year DPWRI could not be able to spend all the transferred R73 056 and could only be able to spend R37 578 and left a balance of R35 477 reported as commitment. Balance for 40 Paul Kruger building is R'2823

Where the disclosure requirements of the Standards are not done due to impracticalities and or the sensitivity of the information, disclose this fact with reasons.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

26. Accruals and payables not recognised

26.1. Accruals

Listed by economic classification	<i>Note</i>	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		11 099	-	11 099	15 755
Interest and rent on land				-	-
Transfers and subsidies				-	-
Capital assets				-	-
Other				-	-
Total		11 099	-	11 099	15 755

Listed by programme level	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Programme 1		4 319	2 172
Programme 2		6 595	12 049
Programme 3		127	33
Programme 4		58	1 501
Total		11 099	15 755

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

26.2. Payables not recognised

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		9 648	32	9 680	16 423
Interest and rent on land		17 314		17 314	-
Transfers and subsidies		78 905		78 905	125 392
Capital assets				-	369
Other				-	2 444
Total		105 867	32	105 899	144 628

Listed by programme level	Note	2022/23	2021/22
		R'000	R'000
Programme 1		3 066	6 263
Programme 2		102 221	133 253
Programme 3		3	
Programme 4		609	5 112
Total		105 899	144 628

<i>Included in the above totals are the following:</i>	Note	R'000	R'000
Confirmed balances with other departments	Annex5	4 696	17
Confirmed balances with other government entities	Annex5	-	-
Total		4 696	17

Amount of 'R45 is reported under Note 27 -Employee benefits as the claim relates to compensation of employees and all employees benefits accruals and payables must be disclosed under employee benefits. R1208 in the amount owed by the department to the Department of Justice and Constitutional development for legal fees. R'3363 is the amount owed to Limpopo Department of Education for refund on payment of municipal services paid on behalf of the department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

27. Employee benefits

	2022/23	2021/22
Note	R'000	R'000
Leave entitlement	44 397	51 286
Service bonus	22 851	24 259
Performance awards	-	-
Capped leave	108 456	125 500
Other	9 054	1 784
Total	184 758	202 829

Item Other includes long service awards paid on a monthly basis to qualifying officials. There are current negative leave days of 244.44 amounting to R322. There is also leave days of 73 amounting to R116 for leaves taken for March but captured in Persal in April. Amount of R45 is included in other as it is interdepartmental accruals and payables claims relating to compensation of employees from Department of Health Limpopo. As per MCS Chapter 9 paragraph 47 "A department shall disclose the value of each major class of accruals and/or payables not recognised for employees in a note on employee benefits as at the reporting date."

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

28. Lease commitments

28.1. Operating leases

2022/23	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year					-
Later than 1 year and not later than 5 years					-
Later than 5 years					-
Total lease commitments	-	-	-	-	-

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

Provide a general description of the material leasing arrangement.

Provide a general discussion on any assets that are sub-leased (if any), indicating the nature of the asset and the lessee (occupant/user of the asset).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
Rental earned on sub-leased assets	3		-
Total		-	-

Provide an indication as to whether a reduction in the lease payments was granted in lieu of actual cash from the sale of the asset in a sale and leaseback arrangement.

28.2. Finance leases **

2022/23	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	57 124	10 107	67 231
Later than 1 year and not later than 5 years	-	-	350 551	32 725	383 276
Later than 5 years			49 885	-	49 885
Total lease commitments	-	-	457 560	42 832	500 392

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	51 229	11 390	62 619
Later than 1 year and not later than 5 years	-	-	324 585	29 881	354 466
Later than 5 years	-	-	131 179	-	131 179
Total lease commitments	-	-	506 993	41 271	548 264

** This note excludes leases relating to public private partnerships as they are separately disclosed in the note on *Public Private Partnerships*.

The Department renewed the lease of head office building (43 church street Polokwane) for a period of 9 years 11 months from 01 December 2019 to 30 October 2029. The renewed rental contract amount per month is currently R '4 158 and has escalated on the 1 December 2022 at a rate of 8% per annum on monthly rental amount. The Department has the option to purchase the property at any time during the duration of the lease. The department has leased 107 machines TC/LP 01/2019 on a monthly rental of R '170, included in the finance lease of R'3 061 is an amount of R87 for Konica Minolta resulting from accruals for 2021-22 financial year and the balance of R'2 973 is the current expenditure for finance lease.

The Department has entered into various operating leases for an average period of 3 years, renewable on expiry with the escalation of 5% per annum. A number of these leases have expired within the financial year and will be renewed per special lease dispensation. The lessees will be liable for the arrears on finalization of the offers. The Department also has future operating leases on parking and house rental houses for one month. The Department is participating on transversal contract RT15-2021: Supply and delivery of mobile communication services for the period 01 April 2021 to 31 March 2026.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
Rental earned on sub-leased assets	3	-	-
Total		-	-

Provide a description of renewal or purchase options as well as escalation clauses (if any) per lease agreement.

Describe any restrictions imposed by on the department through any lease agreement (such as restrictions relating to enhancements, repairs & maintenance, sub-leasing and disposal)

Provide an indication as to whether a reduction in the lease payments was granted in lieu of actual cash from the sale of the asset in a sale and leaseback arrangement.

28.3. Operating lease future revenue

2022/23	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year			2 797		2 797
Later than 1 year and not later than 5 years			39		39
Later than 5 years					-
Total operating lease revenue receivable			2 836		2 836

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	4 476	-	4 476
Later than 1 year and not later than 5 years	-	-	327	-	327
Later than 5 years	-	-	-	-	-
Total operating lease revenue receivable	-	-	4 803	-	4 803

Leases of office buildings and house rentals accommodation. There is an operating future lease revenue projection for 1 month amounting to R'1964 for month to month lease contract.

29. Accrued departmental revenue

	2022/23	2021/22
<i>Note</i>	R'000	R'000
Tax revenue		-
Sales of goods and services other than capital assets		-
Fines, penalties and forfeits		-
Interest, dividends and rent on land		-
Sales of capital assets		-
Transactions in financial assets and liabilities		-
Transfers received		-
Other	117 743	118 368
Total	117 743	118 368

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Included in the opening balance there is amount of RAL R'1339 for 2021/22 accrued revenue, that was received in the current year and is now included in the revenue hence we less it under amounts received. The Accrued Departmental revenue comprise of Accrued Rentals from tenants. The department has received an advance payments amounting to R286 which is credit against the billing monthly.

29.1. Analysis of accrued departmental revenue

	2022/23	2021/22
Note	R'000	R'000
Opening balance	118 368	105 630
Less: amounts received	19 416	16 970
Less: services received in lieu of cash		-
Add: amounts recorded	29 936	27 264
Less: amounts written off/reversed as irrecoverable	11 145	-
Less: amounts transferred to receivables for recovery		-
Other (<i>Specify</i>)		2 444
Closing balance	117 743	118 368

Included in the opening balance there is RAL amount of R'1339 for 2021/22 accrued revenue, that was received in the current year and is now included in the revenue hence we less it under amounts received. The Accrued Departmental revenue comprise of Accrued Rentals from tenants. The department has received advance payments amounting to R2 648' which is credit against the billing monthly. Amount of -R2 444' under amount received is for prior year credit balance which is already included in the opening balance.

29.2. Accrued departmental revenue written off

	2022/23	2021/22
Nature of losses	R'000	R'000
Irrecoverable Rental Debts	11 145	-
Total	11 145	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

29.3. Impairment of accrued departmental revenue

	2022/23	2021/22
Note	R'000	R'000
Estimate of impairment of accrued departmental revenue	107 367	108 055
Total	107 367	108 055

30. Unauthorised, Irregular and Fruitless and wasteful expenditure

	2022/23	2021/22
Note	R'000	R'000
Unauthorised expenditure - current year	-	-
Irregular expenditure - current year	35 822	191 536
Fruitless and wasteful expenditure - current year	190	217
Total	36 012	191 753

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report. There is a prior period error to adjust fruitless and wasteful expenditure of R'160 for 2021/22 financial year misstatement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

31. Related party transactions

Revenue received	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tax revenue			-
Sales of goods and services other than capital assets			-
Fines, penalties and forfeits			-
Interest, dividends and rent on land			-
Sales of capital assets			-
Transactions in financial assets and liabilities			-
Transfers received			-
Total		-	-

Payments made	<i>Note</i>	2022/23 R'000	2021/22 R'000
Compensation of employees			-
Goods and services			-
Interest and rent on land			-
Expenditure for capital assets			-
Payments for financial assets			-
Transfers and subsidies			-
Total		-	-

Year end balances arising from revenue/payments	<i>Note</i>	2022/23 R'000	2021/22 R'000
Receivables from related parties			-
Payables to related parties			-
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Loans to/from related parties			
Non-interest bearing loans to/(from)			-
Interest bearing loans to/(from)			-
Total		-	-
<hr/>			
	<i>Note</i>	2022/23 R'000	2021/22 R'000
Other			
Guarantees issued/received			-
<i>List other contingent liabilities between the department and related party</i>			-
Total		-	-
<hr/>			
	<i>Note</i>	2022/23 R'000	2021/22 R'000
In-kind goods and services provided/received			
<i>List in goods and services between the department and related party</i>			
Audit Committee		649	603
Internal Audit		3 223	5 626
Health Department – Rental Collection		46 687	40 139
Total		50 559	46 368

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

1. Road Agency Limpopo (RAL) is the entity of the Department responsible for the planning, designing, upgrading and maintaining, own and control the usage of roads and their reserves.
2. Limpopo Treasury- renders a shared Internal Audit and Audit Committee services at no charge to the Department.
3. Provincial Departments-The Department is a related party to all Provincial departments within the Limpopo Province in executing its constitutional mandate for provision and management all provincial government buildings.
4. All provincial departments- Department is related party to all provincial department as they all fall within same portfolio.
5. Limpopo Department of Health - Limpopo Department of Health collected rental revenue amounting to R40 139' on behalf of the department and pay it over directly to Treasury.
6. Limpopo Office of the Premier - The department is an implementing agent to Office of the Premier for Merseta funded projects.

The department has the following related party that are not does not fall under chapter 15 of MSC however are hereby disclosed as per Treasury Regulations 21.2 Acceptance of gifts, donations and sponsorships to the state.21.2.1 The accounting officer may approve the acceptance of any gift, donation or sponsorship to the state, whether such gifts, donations or sponsorships are in cash or kind. The department has related party in kind to the following municipalities in the province who receives office accommodation with no costs; 1.Mopani District Municipality at Giyani Government Complex, 2. Collins Chabane Local Municipality, 3. Vhembe District Municipality.

32. Key management personnel

	2022/23	2021/22
	R'000	R'000
Political office bearers (<i>provide detail below</i>)	2 098	2 000
Officials:		
Level 15 - 16	1 876	1 781
Level 14 including CFO	1 529	10 709
Level 12 - 13	16 625	6 457
Family members of key management personnel	1 201	1 097
Total	23 329	22 044

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	2022/23	2021/22
Key management personnel	R'000	R'000
(Parliament/Legislatures)		
Speaker to Parliament/Legislature		-
Deputy Speaker		-
Secretary to Parliament/Legislature		-
Deputy Secretary		-
Chief Financial Officer		-
Legal advisor		-
Other		-
Total	-	-

KMP report differs with the BAS report with an amount of R24' which is surcharge NT of R2 paid in April for medical aid refund of the member and NP Cash disallowance of R22 paid in May 2022 for salary overpayment in February 2022. Key management personnel consists of 2 employee on Political office bearers (MEC), 1 employee on salary level 16 (HOD), (2 Chief directors) , 7 officials were appointed/delegated on Chief Directors posts), 5 employees (District Directors) on salary level 12-13, 2 employees on OSD, 2 family member who is the spouse of the Key Personnel management

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

33. Public private partnership

	Note	2022/23 R'000	2021/22 R'000
Concession fee received		-	-
Base fee received		-	-
Variable fee received		-	-
Other fees received (<i>Specify</i>)		-	-
Unitary fee paid			-
Fixed component		-	-
Indexed component			-
Analysis of indexed component			-
Compensation of employees		-	-
Goods and services (excluding lease payments)		-	-
Operating leases		-	-
Interest		-	-
Capital / (Liabilities)			-
Tangible rights		-	-
Intangible rights		-	-
Property		-	-
Plant and equipment		-	-
Loans		-	-
Other			-
Prepayments and advances		-	-
Pre-production obligations		-	-
Other obligations		-	-

Any guarantees issued by the department are disclosed in Note 24.1.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Provide a summary of the significant terms of the agreement, along with the parties to the agreement, and the date of commencement thereof

34. Impairment (other than receivables, accrued departmental revenue, loans and investments)

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Total		-	-

35. Provisions

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Total		-	-

35.1. Reconciliation of movement in provisions - 2022/23

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance				-
Increase in provision				-
Settlement of provision				-
Unused amount reversed				-
Reimbursement expected from third party				-
Change in provision due to change in estimation of inputs				-
Closing balance	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Reconciliation of movement in provisions - 2021/22

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-
Increase in provision	-	-	-	-
Settlement of provision	-	-	-	-
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	-	-	-	-

Provide a brief description of the nature of each obligation and the expected timing of any resulting outflows of economic benefits or service potential.

Provide a description of the uncertainties/estimates applied for each provision. Where necessary, provide information on the major assumptions made concerning future events.

Where the disclosure requirements of the Standards are not done due to the sensitivity of the information, disclose this fact with reasons.

36. Non-adjusting events after reporting date

	2022/23
Nature of the event	R'000
<i>Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made</i>	-
Total	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

37. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				Closing balance
	Opening balance	Value adjustments	Additions	Disposals	
	R'000	R'000	R'000	R'000	
HERITAGE ASSETS	-		-	-	-
Heritage assets	-				-
MACHINERY AND EQUIPMENT	827 497		7 583	58 822	776 258
Transport assets	200 866		2 547	14 762	188 651
Computer equipment	54 195		782	3 933	51 044
Furniture and office equipment	38 822		40	1 419	37 443
Other machinery and equipment	533 615		4 214	38 708	499 121
SPECIALISED MILITARY ASSETS	-		-	-	-
Specialised military assets	-				-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-				-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	827 497	-	7 583	58 822	776 258

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

Included in the total of R 7 583 for additions is made up of R2 547 for transport, R782 for computer equipment, R40 for office equipment and R 4 214 for other machinery. The total of R 58 822 for disposal consist of R42 for transfers to Department of Social Development, R995 for write offs and R57 785 for assets sold in auction. The additions on the AFS differs with the expenditure for the capital assets because the expenditure includes finance leases costs amounting to R3 061"which does not form part of the asset register.

Movable Tangible Capital Assets under investigation

	Number	Value
Note		R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:		
Heritage assets		
Machinery and equipment	255	11 714
Specialised military assets		
Biological assets		
Total	255	11 714

255 assets to the value of R 11 714 are under investigation, breakdown (5+35+215=255): 5 Assets with the value of R4 244 were stolen and reported to SAPS, 345 assets to the value of R2 265 are assets transferred from the Department of Transport and Community Safety and not verified by two Departments and still under investigation with a possible write off. And 215 assets to the value of R 5 205 are reported as unverified during first 2022/2023 assets verification.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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37.1. MOVEMENT FOR 2021/22

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

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-		-	-	-
MACHINERY AND EQUIPMENT	876 213	-261	8 427	56 882	827 497
Transport assets	221 460	-5 449	-	15 145	200 866
Computer equipment	60 691	1 300	5 961	13 757	54 195
Furniture and office equipment	42 106	-709	-	2 575	38 822
Other machinery and equipment	551 957	4 597	2 466	25 405	533 615
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-		-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-		-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	876 213	-261	8 427	56 882	827 497

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

37.1.1. Prior period error

Nature of prior period error	<i>Note</i>	2021/22 R'000
Relating to 2016/17 <i>[affecting the opening balance]</i>		-261
Two vehicles with double barcode (old hand written barcode and metal barcode) both barcodes were active in the Asset Register. The old bar codes were replaced by new bar codes in 2016/2017 financial year but not written off.		-261
Relating to 2021/22		-
Total prior period errors		-261

Amount of R 261 for two vehicles that had two barcodes. Two vehicles with double barcodes (old hand written barcode and metal barcodes) both barcodes were active on the Asset Register. The old barcodes were replaced by new barcodes in 2016/2017 financial year but not written off.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

37.2. Minor assets

**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2023**

		2022/23					
		Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	34 975	-	34 975
Value adjustments							
Additions							
Disposals					2 309		2 309
Total	Minor	-	-	-	32 666	-	32 666
assets							

		Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets					4 340		4 340
Number of minor assets at cost					16 947		16 947
Total	-	-	-	-	21 287	-	21 287
number of							
minor							
assets							

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Minor capital assets under investigation

	Number	Value
<i>Note</i>		R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:		
Specialised military assets		
Intangible assets		
Heritage assets		
Machinery and equipment	807	1 316
Biological assets		

Total number of 807 assets to value of R 1 316 are under investigation, 807 comprises of 1 assets to the value of R 1.00 that are stolen assets, 20 assets to the value of R 15 were transferred from Department of Transport and Community Safety and 786 to the value of R 1 301 that are assets reported unverified during first assets verification of 2022/2023. Minor assets disposal include R18 for write off and R 2291 for auction

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Minor Assets

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	39 235	-	39 235
Prior period error	-	-	-	-	-	-
Additions	-	-	-	26	-	26
Disposals	-	-	-	4 286	-	4 286
Total Minor assets	-	-	-	34 975	-	34 975

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				4 584		4 584
Number of minor assets at cost				18 157		18 157
Total number of minor assets				22 741		22 741

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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37.2.1. Prior period error

	<i>Note</i>	2021/22
Nature of prior period error		R'000
Relating to <i>[affecting the opening balance]</i>		-
		<div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Relating to 2021/22		-
		<div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Total prior period errors		-

37.3. Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off				995		995
Total movable assets written off				995		995

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off				9 731		9 731
Total movable assets written off				9 731		9 731

Written off of R995 consists of R 179 assets that were lost and reported to SAPS, R 16 for caravans that were burnt by fire, R 800 for vehicle that was in an accident and written off

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

37.4. Movable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
<i>Note</i>	R'000	R'000	R'000	R'000
Heritage assets	-	-	-	-
Machinery and equipment	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Total	-	-	-	-

Payables not recognised relating to Capital WIP

<i>Note</i>	2022/23 R'000	2021/22 R'000
	+	

Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress

Total

-	-
---	---

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Heritage assets					
Machinery and equipment					
Specialised military assets					
Biological assets					
Total	-	-	-	-	-

Annex7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

38. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	-			-
MASTHEADS AND PUBLISHING TITLES	-			-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-			-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-			-
SERVICES AND OPERATING RIGHTS	-			-
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Intangible Capital Assets under investigation

	Number	Value
	<i>Note</i>	R'000
Included in the above total of the intangible capital assets per the asset register that are under investigation:		
Software		
Mastheads and publishing titles		
Patents, licences, copyright, brand names, trademarks		
Recipes, formulae, prototypes, designs, models		
Services and operating rights		

Provide reasons why assets are under investigation and actions being taken to resolve the matters.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

38.1. MOVEMENT FOR 2021/22

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

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

38.1.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to <i>[affecting the opening balance]</i>		-
		-
Relating to 2021/22		-
		-
Total prior period errors		-

38.2. Intangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Note	Opening balance 1 April 2022 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2023 R'000
Intangible assets	<i>Annex 7</i>	-	-	-	-
Total		-	-	-	-

Payables not recognised relating to Capital WIP

	Note	2022/23 R'000	2021/22 R'000
<i>Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress</i>			-
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Intangible assets	-	-	-	-	-
Total	-	-	-	-	-

39. Immovable Tangible Capital Assets

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR
THE YEAR ENDED 31 MARCH 2023**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5 852 062	212 187	530	6 063 719
Dwellings	678 198	-	530	677 668
Non-residential buildings	5 169 486	212 187		5 381 673
Other fixed structures	4 378	-		4 378
HERITAGE ASSETS	360 458	-	4 798	355 660
Heritage assets	360 458	-	4 798	355 660
LAND AND SUBSOIL ASSETS	481 465	9	3 026	478 448
Land	481 465	9	3 026	478 448
Mineral and similar non-regenerative resources	-			-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	6 693 985	212 196	8 354	6 897 827

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

The additions on the AFS differs with the expenditure for the capital assets because the expenditure includes finance leases costs which does not form part of the asset register. Finance lease building expenditure for current year amounts to R'54 559. And value adjustments on non-residential R5282 is disclosed under additions due to change of template that does not provide column of value adjustment.

Immovable Tangible Capital Assets under investigation

	Number	Value
	<i>Note</i>	R'000
Included in the above total of the immovable tangible capital assets per the asset register that are under investigation:		
Buildings and other fixed structures		
Heritage assets		
Land and subsoil assets		
Total	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

39.1. MOVEMENT FOR 2021/22

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

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5 830 002	-760	47 530	24 710	5 852 062
Dwellings	686 978		930	9 710	678 198
Non-residential buildings	5 138 646	-760	46 600	15 000	5 169 486
Other fixed structures	4 378		-	-	4 378
HERITAGE ASSETS	370 950	-	-	10 492	360 458
Heritage assets	370 950		-	10 492	360 458
LAND AND SUBSOIL ASSETS	486 773	760	-	6 068	481 465
Land	486 773	760	-	6 068	481 465
Mineral and similar non- regenerative resources	-		-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	6 687 725		47 530	41 270	6 693 985

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

39.1.1. Prior period error

Nature of prior period error	<i>Note</i>	2021/22 R'000
<hr/>		
Relating to 2021/22 [<i>affecting the opening balance</i>]		
Prior year error - Land		760
Prior year error - Non- residential buildings		-760
Value Adjustment - Prior year error		
Relating to 2021/22		
Total prior period errors		-
<hr/>		

Change of assets classification identified during verification from Non -Residential to Land amounting to R760.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

39.2. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
Note <i>Annex7</i>	R'000	R'000	R'000	R'000
Heritage assets	-	-	-	-
Buildings and other fixed structures	15 076	56 439	-	71 515
Land and subsoil assets	-	-	-	-
Total	15 076	56 439	-	71 515

Vote 7 (Health) requested Treasury to move the Maphutha Malatjie Hospital New OPD building project to Vote 9 (DPWRI) at the end of February 2023. Provincial Treasury agreed to the request and moved the allocation as requested to DPWRI in March 2023. Considering that March month was the last month of the 22/23 financial year DPWRI could not be able to spend all the transferred R'73 056 and could only be able to spend R'37 578 and left a balance of R35 477 reported as commitment. Balance for 40 Paul Kruger building is R'2823. Total amount paid for the project by DOH amounts to R'478 942 of which R'365 637 for Contractors and R'113 305 Professional Service Providers.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Payables not recognised relating to Capital WIP **2022/23** **2021/22**

Note **R'000** **R'000**

Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress

-

Total

- -

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Heritage assets	-	-	-	-	-
Buildings and other fixed structures	19 028	-3 950	19 277	19 279	15 076
Land and subsoil assets	-	-	-	-	-
Total	19 028	-3 950	19 277	19 279	15 076

Annex7

The prior period error resulted from the projects that were completed during 2021/22 financial year and decommissioning of the lifts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

39.3. Immovable tangible capital assets written off

IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off				
Total Immovable capital assets written off	-	-	-	-

IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off				
Total immovable capital assets written off	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

39.4. Immovable capital assets (additional information)

	<i>Note</i>	2022/23	2021/22
		Area	Area
Estimated completion date			
a) Unsurveyed land	<i>Annex9</i>		
b) Properties deemed vested	<i>Annex9</i>		
Land parcels			
Facilities			
Schools		1 981	1 971
Clinics		22	24
Hospitals		2	4
Office buildings		2	3
Dwellings		-	-
Storage facilities		-	-
Other		2	38
c) Facilities on unsurveyed land	<i>Annex9</i>		
Schools	<i>Duration of use</i>	2 194	-
Clinics		771	-
Hospitals		52	-
Office buildings		605	-
Dwellings		9	-
Storage facilities		1	-
Other		2 641	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

d) Facilities on right to use land	Duration of use	Annex9		
Schools			-	2 181
Clinics			-	77
Hospitals			-	52
Office buildings			-	607
Dwellings			-	-
Storage facilities			-	1
Other			-	2 402

e) Agreement of custodianship

Annex9

Land parcels

Facilities

Schools	-	-
Clinics	-	-
Hospitals	-	-
Office buildings	-	-
Dwellings	-	-
Storage facilities	-	-
Other	-	-

40. Principal-agent arrangements

40.1. Department acting as the principal

	2022/23	2021/22
	R'000	R'000
<i>Note</i>		
<hr/>		
<i>Include a list of the entities acting as agents for the department, the fee paid as compensation to the agent and any other transactions undertaken</i>		
Development Bank of South Africa	1 962	1 827
Total	1 962	1 827
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

The department has entered into contracts with IDT/DBSA whereby the two entities implement the department's own projects. The entities contract with various suppliers/contractors to deliver infrastructure projects for the department. The department pays a management fee of R1 962' for the current financial year reporting. The Department has principal agent arrangement with Office of the Premier to do implementation of apprenticeship program and experiential learning.

The department is the custodian of immovable assets in the province. The department has entered into service level agreements with the various user departments to deliver infrastructure projects on their behalf. Majority of the projects are for the Departments of Education and Health and include construction projects on Hospitals, schools, clinics and other build projects

The department has in turn contracted DBSA/IDT to deliver some of projects of the user departments due to capacity constraints. DBSA/IDT act as implementing agents and will source contractors and render project management services. Management fees and all related expenses in terms of these arrangement are incurred by the user departments. This arrangement has no financial impact on the department. The department's revenues, expenditures, assets and liabilities are not affected by these arrangements. For the current financial year the Department has no projects running with IDT

For each of the individual principal-agent arrangements include a discussion of the resource or cost implications for the principal if the principal-agent arrangement is terminated.

For each of the individual principal-agent arrangements include a discussion of the resources (including assets and liabilities) that are under the custodianship of the agent and whether or not those resources have been recognised or recorded by the agent.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

40.2. Department acting as the agent

40.2.1. Revenue received for agency activities

	2022/23	2021/22
Note	R'000	R'000
<i>Include a list of the entities for which the department acts as an agent and the amounts received for these agency duties</i>		
Total	-	-

For each of the individual principal-agent arrangements of the department, provide a description of the nature, circumstances, significant judgment applied, significant terms and conditions, any significant risks and benefits relating to the arrangements with the agents for each of the individual agent relationships of the department, provide a description of the nature, circumstances and terms relating to the arrangements with the principal.

In instances where the department has numerous principal-agent arrangements that are similar in nature, circumstances and terms, these can be grouped to provide a summary of the description of the nature, circumstances and terms relating to the similar arrangements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

40.2.2. Reconciliation of funds and disbursements – 2022/23

Category of revenue or expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Total	-	-

Reconciliation of funds and disbursements - 2021/22

Category of revenue or expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Total	-	-

Provide a narrative description and explanation of assets held or liabilities incurred on behalf of the principal and shown in the department's own financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

40.2.3. Reconciliation of carrying amount of receivables and payables – 2022/23

Receivables

	Opening balance	Revenue principal is entitled to	Less: Write offs / settlements / waivers	Cash received on behalf of principal	Closing balance
Name of principal entity	R'000	R'000	R'000	R'000	R'000
Total	-	-	-	-	-

Payables

	Opening balance	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance
Name of principal entity	R'000	R'000	R'000	R'000
Total	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Reconciliation of carrying amount of receivables and payables - 2021/22

	Opening balance	Revenue principal is entitled to	Less: Write offs / settlements / waivers	Cash received on behalf of principal	Closing balance
Name of principal entity	R'000	R'000	R'000	R'000	R'000
Total	-	-	-	-	-

Payables

	Opening balance	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance
Name of principal entity	R'000	R'000	R'000	R'000
Total	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

41. Changes in accounting estimates

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances

Value derived using the original estimate R'000	Value derived using the amended estimate R'000	R-value impact of change in estimate R'000
--	---	---

Accounting estimate change 1: Provide a description of the change in estimate

Line item 1 affected by the change
Line item 2 affected by the change
Line item 3 affected by the change
Line item 4 affected by the change
Line item 5 affected by the change

--

Provide a description of the estimated impact on future periods.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Value derived using the original estimate R'000	Value derived using the amended estimate R'000	R-value impact of change in estimate R'000
--	---	--

Accounting estimate change 2: Provide a description of the change in estimate

- Line item 1 affected by the change
- Line item 2 affected by the change
- Line item 3 affected by the change
- Line item 4 affected by the change
- Line item 5 affected by the change

Provide a description of the estimated impact on future periods.

Value derived using the original estimate R'000	Value derived using the amended estimate R'000	R-value impact of change in estimate R'000
--	---	--

Accounting estimate change 3: Provide a description of the change in estimate

- Line item 1 affected by the change
- Line item 2 affected by the change
- Line item 3 affected by the change
- Line item 4 affected by the change
- Line item 5 affected by the change

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Provide a description of the estimated impact on future periods.

42. Prior period errors

42.1. Correction of prior period errors

		2021/22			
		Amount bef error correction	Prior period error	Restated	
Note		R'000	R'000	R'000	
<i>Revenue: (E.g. Annual Appropriation, Departmental revenue, Aid assistance, etc.)</i>					
	Aid Assistance	4	1 254	-177	1 077
	Rental Revenue - Dept of health	31	-	40 139	40 139
	Net effect		1 254	39 962	41 216

R'40 139 amount of rent collected by Dept. of Health in FY 2021/22 paid over directly to Provincial Treasury which was previously reported as a narration under Note 3. The R'177 was wrongly classified as Aid Assistance and moved to Payble Adv:P/Dept LP ADV Acc CL

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	2021/22		
	Amount bef error correction	Prior period error	Restated
	R'000	R'000	R'000
<i>Note</i>			
<i>Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)</i>			
Line item 1 affected by the change			
Line item 2 affected by the change			
Line item 3 affected by the change			
Net effect			

Provide a description of the nature of the prior period error as well as why the correction was required.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

		2021/22		
		Amount bef error correction	Prior period error	Restated
Note		R'000	R'000	R'000
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
	Movable Tangible Assets written off - Machinery and Equipment	827 758	-261	827 497
	Net effect	827 758	-261	827 497

Assets written off-Amount of R 261 for two vehicles that had two barcodes. Two vehicles with double barcodes (old hand written barcode and metal barcodes) both barcodes were active on the Asset Register. The old barcodes were replaced by new barcodes in 2016/2017 financial year but not written off. Change of assets classification identified during verification from Non -Residential to Land amounting to R'760. And value adjustments on non-residential of R'52 827

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

		2021/22			
		Amount bef error correction	Prior period error	Restated	
Note		R'000	R'000	R'000	
Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)					
	Payables: Merceta Fund	21	-	177	177
	Aid Assistance Unutilised	4	1 254	-177	1 077
	Net effect		1 254	-	1 254

*Merceta funds misclassified as Aid Assistance and was taken to PAYBLE: ADV: P/DEPT: LP
ADV ACC: CL R177 cause is not included in the budget*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

		2021/22			
		Amount bef error correction	Prior period error	Restated	
Note		R'000	R'000	R'000	
Other: (E.g. Unauthorised expenditure, Irregular expenditure, Fruitless and wasteful expenditure, etc.)					
	Current Assets - Unauthorised Expenditure	11	18 573	-18 573	-
	Net Assets - Unauthorised Expenditure	Stat of Chg in NA	-	18 573	18 573
	Fruitless and wasteful expenditure	30	57	160	217
	Inventory	43	58 244	-1 190	57 054
	Work in progress	39	33 221	-18 145	15 076
	Immovable Assets (From non-residential to Land)	39	-	-760	-760
	Immovable Assets (Land)	39	-	760	760
	Net effect		110 095	-19 175	90 920

The Unauthorised expenditure has been reallocated from current assets to Net Assets due to Change in Accounting Treatment. There is a prior period error to adjust fruitless and wasteful expenditure of R'160 for 2021/22 financial year misstatement. Adjustment of prior year on inventory as a result of correcting weighted average price on materials. Work in Progress opening balance restated with amount of R14195' which comprises of completed projects in 2021/22, removal of lifts maintenance and the R2379' unsupported amount included 2021/22 opening balance. Change in immovable assets classification identified during verification from non-residential to land amounting to R760

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

43. Inventories

43.1. Inventories for the year ended 31 March 2023

	FUEL	MATERIAL	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	6 874	51 370			58 244
Add/(Less): Adjustments to prior year balances	-	-1 190			-1 190
Add: Additions/Purchases - Cash	22 249	38 393			60 642
Add: Additions/Purchases - Non-cash	-	-			-
(Less): Disposals	-	-10 088			-10 088
(Less): Issues	-22 532	-41 260			-63 792
Add/(Less): Received current, not paid (Paid current year, received)	124	722			846
Add/(Less): Adjustments	-305	-2 449			-2 754
Closing balance	6 410	35 498	-	-	41 908

The Department recorded a shortage of fuel to an amount of R1 094 from Capricorn, Mopani, Sekhukhune and Vhembe Districts,

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Inventories for the year ended 31 March 2022

	FUEL	MATERIALS	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	11 236	54 668	-	-	65 904
Add/(Less): Adjustments to prior year balances	-1 583	-2 687	-	-	-4 270
Add: Additions/Purchases - Cash	12 851	50 239	-	-	63 090
Add: Additions/Purchases - Non-cash	-	-	-	-	-
(Less): Disposals	-	-605	-	-	-605
(Less): Issues	-15 630	-50 245	-	-	-65 875
Add/(Less): Received current, not paid (Paid current year, received)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	6 874	51 370	-	-	58 244

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

43.2. Land parcels held for human settlement

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Opening balance			-
Add/(Less): Adjustments to prior year balances			-
Add: Additions/Purchases – Cash			-
Add: Additions - Non-cash			-
(Less): Disposals			-
(Less): Issues			-
Add/(Less): Received current, not paid (Paid current year, received prior year)			-
Add/(Less): Adjustments			-
Closing balance	<i>Annex6</i>	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

43.3. Inventories Work-in-progress

Work-in-progress for the year ended 31 March 2023

	Opening balance	Additions during the year	(Ready for use / Suspended)	Closing balance
	R'000	R'000	R'000	R'000
Clearing				-
Infrastructure				-
Structure of houses				-
Adjustments				-
Total	-	-	-	-

Accruals/Payables not recognised relating to Inventories WIP

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Certificates/Invoices received not paid		-	-
Clearing		-	-
Infrastructure		-	-
Structure of houses		-	-
Total	<i>Annex6</i>	-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

43.4. Houses ready for use

	Quantity	2022/23	Quantity	2021/22
		R'000		R'000
Opening balance				-
Add/(Less): Adjustment to prior year balances				-
Add: Ready for use in current year				-
Less: Issued to beneficiaries				-
Add/(Less): Adjustments				-
Closing balance	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

44. Transfer of functions and mergers

44.1. Transfer of functions

Provide a brief description of the functions transferred or acquired and the reason for undertaking the transaction or event.

44.1.1. Statement of Financial Position

	Balance before transfer date	Functions (transferred) / received	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
		Dept name (Specify)	Dept name (Specify)	Dept name (Specify)	
<i>Note</i>	R'000	R'000	R'000	R'000	R'000

ASSETS

Current Assets

Cash and cash equivalents
Other financial assets
Prepayments and advances
Receivables
Loans
Aid assistance prepayments

--	--	--	--	--	--

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Aid assistance receivable

- - -

Non-Current Assets

Investments

Receivables

Loans

Other financial assets

TOTAL ASSETS

- - -

LIABILITIES

Current liabilities

- - -

Voted funds to be surrendered to the

Revenue Fund

Departmental revenue and NRF

Receipts to be surrendered to the

Revenue Fund

Bank Overdraft

Payables

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Aid assistance repayable			
Aid assistance unutilised			
Non-Current liabilities	-	-	-
Payables			
TOTAL LIABILITIES	-	-	-
NET ASSETS	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

44.1.2. Notes

	Balance before transfer date	Functions (transferred) / received	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
		Dept name (Specify)	Dept name (Specify)	Dept name (Specify)	
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Contingent liabilities					-
Contingent assets					-
Accruals					-
Payables not recognised					-
Employee benefits					-
Lease commitments - Operating leases					-
Lease commitments - Finance leases					-
Lease commitments - Operating lease revenue					-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Accrued departmental revenue	-
Impairment	-
Provisions	-
Movable tangible capital assets	
Immovable tangible capital assets	-
Intangible capital assets	-

Provide a reference to the proclamation or declaration giving effect to the transfer of functions

Indicate whether there was an agreement drawn up, and provide a description of roles, responsibilities and accountability arrangements.

Disclose the revenue and expenditure attributable to the transfer of functions subsequent to the transfer.

Where the accounting for the transfer of functions is incomplete, include information as required by paragraph .40

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

44.2. Mergers

Provide a brief description of the merger and the reason for undertaking the transaction or event.

44.2.1. Statement of Financial Position

	Balance before merger date	Balance before merger date	Balance before merger date	Balance before merger date	Balance after transfer date
	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combined Dept (Specify)
Note	R'000	R'000	R'000	R'000	R'000

ASSETS

Current Assets

- Cash and cash equivalents
- Other financial assets
- Prepayments and advances
- Receivables

--	--	--	--	--	--

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Loans			
Aid assistance prepayments			
Aid assistance receivable			
	-	-	-
Non-Current Assets			
Investments			
Receivables			
Loans			
Other financial assets			
	-	-	-
TOTAL ASSETS	-	-	-
LIABILITIES			
Current liabilities	-	-	-
Voted funds to be surrendered to the Revenue Fund			
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Bank Overdraft			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Payables			
Aid assistance repayable			
Aid assistance unutilised			
Non-Current liabilities	-	-	-
Payables			
TOTAL LIABILITIES	-	-	-
NET ASSETS	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

44.2.2. Notes

	Balance before merger date	Balance before merger date	Balance before merger date	Balance before merger date	Balance after transfer date
	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combined Dept (Specify)
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Contingent liabilities					-
Contingent assets					-
Accruals					-
Payables not recognised					-
Employee benefits					-
Lease commitments - Operating leases					-
Lease commitments - Finance leases					-
Lease commitments - Operating lease revenue					-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Accrued departmental revenue	-
Impairment	-
Provisions	-
Movable tangible capital assets	-
Immovable tangible capital assets	-
Intangible capital assets	-

Provide a reference to the proclamation or declaration giving effect to the merger along with the merger date.

Indicate whether there was an agreement drawn up, and provide a description of roles, responsibilities and accountability arrangements.

Combining departments: For each asset transferred and liability derecognised/removed, the carrying amount of the assets transferred and the liabilities derecognised/removed.

Where the accounting for the merger is incomplete, include information as required by paragraph .39.

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

45. Statement of conditional grants received

Name of grant	2022/23								2021/22		
	GRANT ALLOCATION		SPENT								
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjustm ents	Other Adjustm ents	Total Available	Amount received by department	Amount spent by department	Under- / (Oversp ending)	% of available funds spent by departm ent	Division of Revenue Act / Provincial grants	Amount spent by department
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
PROVINCIAL ROADS MAINTANACE	1 308 689				1 308 689	1 308 689	1 217 632	91 057	93%	1 870 186	1 779 847
EPWP INTERGRATED GRANT	12 311				12 311	12 311	12 304	7	100%	12 023	12 021
TOTAL	1 321 000	-	-	-	1 321 000	1 321 000	1 229 936	91 064		1 882 209	1 791 868

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

46. Statement of conditional grants paid to the provinces

Name of Province / Grant	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				Division of Revenue Act / Provincial grants	Actual transfers
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province	-	-	-	-	-	-	-	-	-	-	-	-	-
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
Summary by grant													
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

1. **[Grant**

name]

Eastern Cape
Free State
Gauteng
Kwazulu-Natal
Limpopo
Mpumalanga
Northern Cape
North West
Western Cape

TOTAL

-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

2. **[Grant**

name]

Eastern Cape
Free State
Gauteng
Kwazulu-Natal
Limpopo
Mpumalanga
Northern Cape
North West
Western Cape

TOTAL

-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

3. [Grant name]	
Eastern Cape	
Free State	
Gauteng	
Kwazulu-Natal	
Limpopo	
Mpumalanga	
Northern Cape	
North West	
Western Cape	
TOTAL	- - - - - - - - - - -

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

47. Statement of conditional grants and other transfers paid to municipalities

Name of municipality	2022/23						2021/22		
	GRANT ALLOCATION				TRANSFER		DORA and other transfers	Actual transfer	
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld			Reallocations by National Treasury / National Department
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
CAPRICORN DISTRICT	127 889			127 889	127 762			119 022	119 222
MOPANI DISTRICT	18 601			18 601	18 689			28 081	27 120
SEKHUKHUNE DISTRICT	24 521			24 521	24 420			141 567	137 561
WATERBERG DISTRICT	12 801				12 767			13 984	13 980
VHEMBE DISTRICT	10 247			10 247	10 344			6 694	5 854
PD: Vehicle Licences								-	42
TOTAL	194 059	-	-	181 258	193 982	-		309 348	303 779

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

48. Broad Based Black Economic Empowerment performance

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

49. COVID 19 Response expenditure

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Compensation of employees		-	-
Goods and services		-	12 491
Transfers and subsidies		-	-
Expenditure for capital assets		-	-
Other		-	-
Total	<i>Annex11</i>	-	12 491

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

Vote 09

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				DORA and other transfers	Actual transfers
	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
CAPRICORN DISTRICT	127 889			127 889	127 762							119 022	119 222
MOPANI DISTRICT	18 601			18 601	18 689							28 081	27 120
SEKHUKHUNE DISTRICT	24 521			24 521	24 420							141 567	137 561
WATERBURG DISTRICT	12 801			12 801	12 767							13 984	13 980
VHEMBE DISTRICT	10 247			10 247	10 344							6 694	5 854
PD: Vehicle Licences												-	42
TOTAL	194 059			194 059	193 982							309 348	303 779

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Account	2022/23					2021/22		
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROV DA: LP ROADS AGENCY	2 092 658			2 092 658	2 092 658	100%	1 786 771	1 786 771
TOTAL	2 092 658	-	-	2 092 658	2 092 658		1 786 771	1 786 771

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

Higher Education Institution	2022/23							2021/22	
	TRANSFER ALLOCATION				TRANSFER			Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	Amount not transferred	% of available funds transferred		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
TOTAL	-	-	-	-	-	-	-	-	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

Name of public corporation / private enterprise	2022/23								2021/22	
	GRANT ALLOCATION				EXPENDITURE				Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of Available funds transferred	Capital	Current		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations										
Transfers	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	
Subsidies										
Total	-	-	-	-	-	-	-	-	-	
Private Enterprises										
Transfers	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	
Subsidies										
Total	-	-	-	-	-	-	-	-	-	
TOTAL	-	-	-	-	-	-	-	-	-	

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

Foreign government / International organisation	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Total	-	-	-	-	-	-	-	-
Subsidies								
Total	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Non-profit institutions								
Transfers								
Total	-	-	-	-	-	-	-	-
Subsidies								
Total	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23					2021/22		
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
INJURY ON DUTY	3 764			3 764	3 763	100%	1 222	607
LEAVE GRATUITY	27 695			27 695	27 640	100%	23 005	38 132
BURSARIES (NON EMPLOYEES)	813			813	806	99%	3 047	2 506
CLAIMS AGAINST THE STATE	356			356	356	100%	459	177
Total	32 628			32 628	32 565		27 733	41 422
Subsidies								
Total	32 628			32 628	32 565		27 733	41 422
TOTAL	32 628			32 628	32 565		27 733	41 422

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Received in cash			
Subtotal			
Received in kind			
Subtotal			
TOTAL		-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1I

STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on / by 31 March	Closing balance
		R'000	R'000	R'000	R'000	R'000
Received in cash						
Subtotal		-	-	-	-	-
Received in kind						
Subtotal		-	-	-	-	-
TOTAL		-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2022/23	2021/22
<i>(Group major categories but list material items including name of organisation)</i>	R'000	R'000
Made in kind		
TOTAL	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1K

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr	May	Jun			Sept	Oct		Dec	Jan	Feb	Mar	Total
	2022	2022	2022	July 2022	Aug 2022	2022	2022	Nov 2022	2022	2023	2023	2023	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
EPWP	-	229	408	450	5 341	2 044	1 100	1 654	522	563	-	(7)	12 304
Prov Roads Maint	2 375	16 047	13 861	393 840	221 056	182 110	80 479	71 233	45 486	36 021	75 892	79 232	1 217 632
TOTAL	2 375	16 276	14 269	394 290	226 397	184 154	81 579	72 887	46 008	36 584	75 892	79 225	1 229 936

ANNEXURE 1L

STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND MUNICIPALITIES

Name of Grant	GRANT ALLOCATION				SPENT
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Amount
	R'000	R'000	R'000	R'000	R'000
TOTAL	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 2022/23	% Held 2021/22	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaranteed Yes/No
				R'000		R'000		R'000		R'000		
				2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
National /												
Provincial												
Public entity												
Subtotal		-	-	-	-	-	-	-	-	-	-	-
Other												
Subtotal		-	-	-	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of entity	Nature of business	Cost of investments		Net Asset value of investments		Amounts owing to entities		Amounts owing by entities	
		R'000		R'000		R'000		R'000	
		2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Controlled entities									
Subtotal									
-									
Non-controlled entities									
Associates									
Subtotal									
-									
Joint Ventures									
Subtotal									
-									
Other non-controlled entities									
Subtotal									
-									
TOTAL									
-									

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2022	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2023	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2023
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
	Subtotal						-		
	Housing								
RISIMA HOUSING FINANCE CORP			43				43		
	Subtotal						-		
	Other								
	Subtotal						-		
	TOTAL	-	43	-	-	-	43	-	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

ANNEXURE 3A (Continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 - FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2022	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2023	Revaluation due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2023
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
	Subtotal	-	-	-	-	-	-	-	-
	Housing								
	Subtotal	-	-	-	-	-	-	-	-
	Other								
	Subtotal	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening	Liabilities	Liabilities	Liabilities	Closing
	balance	incurred	cancelled	recoverable	balance
	1 April	during	/ reduced	(Provide	31 March
	2022	the year	during	details	2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Legal claims against the Department	195 852	15 629	195 852		15 629
Claims for pothole damages	74 820	-	39 158		35 663
Subtotal	270 672	15 629	235 010	-	51 292
Environmental liability					

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 3B (continued)

Nature of liabilities recoverable	Details of liability and recoverability	Opening balance 1 April 2022	Movement during the year	Closing balance 31 March 2023
		R'000	R'000	R'000
TOTAL		-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2023	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Subtotal	-	-	-	-	-	-		
Other Government Entities								
Subtotal	-	-	-	-	-	-		
TOTAL	-	-	-	-	-	-		

* For the Cash in transit columns - Please note the following:

- Provincial departments must only reflect receipts from departments within their province
- National departments must only reflect receipts from other national departments.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 5**INTERGOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		
DEPARTMENTS								
Current								
Department of Health	45		114		159		-	
Limpopo Department of Transport and Community Safety			5 358		5 358			
Department of Justice and Constitutional Development	1 208				1 208			
Department of Education Limpopo	3 363				3 363			
Department of Agriculture	80				80			
Subtotal	4 696	-	5 472	-	10 168		-	
Non-current								
Subtotal								
Total Departments	4 696	-	5 472	-	10 168		-	
OTHER GOVERNMENT ENTITIES								
Current								
Subtotal	-	-	-	-	-	-	-	-

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Specimen AFS National and Provincial Departments for the year ended 31 March 2023

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Non-current									
Subtotal	-	-	-	-	-	-	-	-	-
Total Other Government	-	-	-	-	-	-	-	-	-
Entities									
TOTAL INTERGOVERNMENT	4 696	-	5 472	-	10 168	-	-	-	-
PAYABLES									

* For the Cash in transit columns - Please note the following:

- Provincial departments must only reflect payments to departments within their province
- National departments must only reflect payments to other national departments

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 6
INVENTORIES

			Insert major category of inventory	Insert major category of inventory	
	FUEL	MATERIAL			Total
Inventories for the year ended 31 March 2023	R'000	R'000	R'000	R'000	R'000
Opening balance	6 874	51 370	-	-	58 244
Add/(Less: Adjustments to prior year balances	-	(1 190)			(1 190)
Add: Additions/Purchases - Cash	22 249	38 393			60 642
Add: Additions - Non-cash	-	-			-
(Less): Disposals	-	(10 088)			(10 088)
(Less): Issues	(22 532)	(41 260)			(63 792)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	124	722			846
Add/(Less): Adjustments	(305)	(2 449)			(2 754)
Closing balance	6 410	35 498	-	-	41 908

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
Inventories for the year ended 31 March 2022	R'000	R'000	R'000	R'000	R'000
Opening balance	11 236	54 668			65 904
Add/(Less: Adjustments to prior year balances	(1 583)	(2 687)			(4 270)
Add: Additions/Purchases - Cash	12 851	50 239			63 090
Add: Additions - Non-cash					-
(Less): Disposals		(605)			(605)
(Less): Issues	(15 630)	(50 245)			(65 875)
Add/(Less): Received current, not paid; (Paid current year, received prior year)					-
Add/(Less): Adjustments					-
Closing balance	6 874	51 370	-	-	58 244

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2023

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets				
MACHINERY AND EQUIPMENT	-	-	-	-
Transport assets				
Computer equipment				
Furniture and office equipment				
Other machinery and equipment				
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets				
BIOLOGICAL ASSETS	-	-	-	-
Biological assets				
BUILDINGS AND OTHER FIXED STRUCTURES	33 221	56 439	-	89 660
Dwellings				
Non-residential buildings	33 221	56 439	-	89 660
Other fixed structures				

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

LAND AND SUBSOIL ASSETS	-	-	-	-
Land				
Mineral and similar non-regenerative resources				
SOFTWARE	-	-	-	-
Software				
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
Mastheads and publishing titles				
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
Patents, licences, copyright, brand names, trademarks				
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
Recipes, formulae, prototypes, designs, models				
SERVICES AND OPERATING RIGHTS	-	-	-	-
Services and operating rights				
TOTAL	33 221	56 439	-	89 660

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Movement in capital work in progress for the year ended 31 March 2022

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance				
	R'000	R'000	R'000	R'000	R'000				
HERITAGE ASSETS	-	-	-	-	-				
Heritage assets									
MACHINERY AND EQUIPMENT	-	-	-	-	-				
Transport assets									
Computer equipment									
Furniture and office equipment									
Other machinery and equipment									
SPECIALISED MILITARY ASSETS	-	-	-	-	-				
Specialised military assets									
BIOLOGICAL ASSETS	-	-	-	-	-				
Biological assets									
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-				
Dwellings									
Non-residential buildings						-	-	-	-
Other fixed structures						-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land					
Mineral and similar non-regenerative resources					
SOFTWARE	-	-	-	-	-
Software					
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
Mastheads and publishing titles					
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
Patents, licences, copyright, brand names, trademarks					
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
Recipes, formulae, prototypes, designs, models					
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
Services and operating rights					
TOTAL	-	-	-	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 8A

INTERENTITY ADVANCES PAID (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Subtotal	-	-	-	-	-	-
PROVINCIAL DEPARTMENTS						
Subtotal	-	-	-	-	-	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

PUBLIC ENTITIES

Subtotal

- - - - -

OTHER ENTITIES

Subtotal

- - - - -

TOTAL

- - - - -

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 8B

INTERENTITY ADVANCES RECEIVED (Note 20 AND Note 21)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						-
Current						-
Subtotal	-	-	-	-	-	-
Non-current						
Subtotal	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

PROVINCIAL DEPARTMENTS

Current

Subtotal

- - - - -

Non-current

Subtotal

- - - - -

PUBLIC ENTITIES

Current

Subtotal

- - - - -

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Non-current

Subtotal

- - - - -

OTHER ENTITIES

Current

Subtotal

- - - - -

Non-current

- - - - -

Subtotal

TOTAL

- - - - -

Current

Non-current

--

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

ANNEXURE 9

ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

The detail for note 39.4 may be included in this annexure.

Wording to suit their specific circumstances to comply with Chapter 11 on *Capital Assets: Appendix A* can be inserted here.

In addition to the detail for note 39.4 the department should address the information regarding:

- 1. Surveyed but unregistered land parcels and*
- 2. Contingent assets.*

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 10

DEPARTMENT OF HUMAN SETTLEMENTS HOUSING RELATED EXPENDITURE
CLASSIFICATION

	2022/23	2021/22
	R'000	R'000
Note		
Inventories		
<i>List the items for correct expenditure</i>		
Subtotal	-	-
Expenditure for capital assets		
<i>List the items for correct expenditure</i>		
Subtotal	-	-
Transfers and subsidies		
<i>List the items for correct expenditure</i>		
Subtotal	-	-
TOTAL	-	-

(PROVINCIAL DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE)

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Capital commitments

	2022/23	2021/22
	R'000	R'000
Note		
Buildings and other fixed structures		
Heritage assets		
Machinery and equipment		
Specialised military assets		
Land and subsoil assets		
Biological assets		
Intangible assets		
Total	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 11**COVID 19 RESPONSE EXPENDITURE**

Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and services	-	-	-	-	-	12 491
<i>List all applicable SCOA level 4 items</i>						
Contrctr: casual labourers						7 379
Cons supp: medical suppliers						676
Cons supp:uni/prot clth & clothes						534
Cons hous supp:wash/ cleandetergent						1 128
Transfers and subsidies						
<i>List all applicable SCOA level 4 items</i>	-	-	-	-	-	-
Expenditure for capital assets						
<i>List all applicable SCOA level 4 items</i>	-	-	-	-	-	-
Other expenditure not listed above						
<i>List all applicable SCOA level 4 items</i>						
TOTAL COVID 19 RESPONSE EXPENDITURE						12 491



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF PUBLIC WORKS

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