



# LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF PUBLIC WORKS ROADS AND INFRASTRUCTURE**

**PROVINCE OF LIMPOPO**

**VOTE NO. 09**

**ANNUAL REPORT**

**2016/2017 FINANCIAL YEAR**

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# PART A: GENERAL INFORMATION



## 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
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

### 3. FOREWORD BY THE MINISTER/MEC

Photo of Minister/MEC



Name: Hon. Azwindini Jeremiah Dinga Ndou

Title: MEC Public Works, Roads and Infrastructure

#### FOREWORD

The National Development Plan Vision informs us that by 2030, the South African public servants have to be skilled, professional and accountable to the people. It further states that the public service has to be efficient, effective and are an essential part of a capable and developmental state. State institutions are well-run and effectively coordinated, run by professionals who are committed to the public good and capable of delivering consistently high-quality services, while prioritizing economic growth and reduced poverty and inequality.

The department has committed through the process of ensuring that outcome 4 in tandem with the infrastructure development and growing of skills of emerging contractors meet objectives of a transformative agenda we pursuing within the construction industry and building a

state capacity to deliver infrastructure mandate through the enhancement of industry professionals. These are basics that give a character to our mandate and in line with the goals prescribed within the National Development Plan and our Provincial Policy objectives.

The picture-perfect design of the 2016/17 Financial Year, can be characterized by addressing a series of challenges that engulfed us, especially with the not so perfect and desirable senior management structure to administer our approach to achieve better and coordinated results for both our clients and to satisfy our set targets, that of clearing audit hotspots and other key performance areas.

This picture-perfect design was not favorable for us, told for by a longer period to clear leadership challenges we were faced with until, towards the end of the Financial Year, when the Provincial Exco, brought upon to the department an Accounting Officer.

The task ahead besides satisfying our property and land management, road infrastructure development and maintenance and coordination of the Expanded Public Works Programme mandate, was also working on resolving seventeen identified priorities areas that can help in giving the department a clean bill of health. These areas, amongst others include;

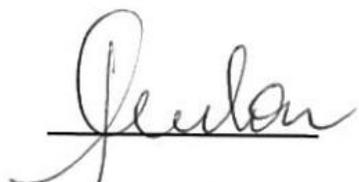
- Refreshing of the departmental brand
- Supply chain management
- Sustain intervention projects and gains beyond the application of the Section 100 (1) (b)
- Maintain compliance and apply internal controls
- Fill strategic and priority funded vacant posts
- Drive the expenditure of the Expanded Public Works Programme incentive grant and massively increase work
- Reduce the provincial lease portfolio and stop the (month to month) extensions of leases
- Clear all key audit findings
- Stabilize district management and enhance coordination

These identified priority areas, especially the Expanded Public Works Programme, have to be set and put on a microscope as we approach the landing strip at the 2019 airfields. The performance indicator of the province and local governments on EPWP should be kept on a

close look out and watch, hence we need the red, amber and green flags in hand to advise if we should pedal faster, within the prescribed laws and policies, farther and harder or we on track for a better life for all.

With all these said and done, with the greater good of the department being tangible and has visible outcomes which are in line with the transformative agenda articulated through the socio-economic prescripts of the radical economic transformation, allow me then, to present the 2016/17 Annual Report.

*Re a šoma*



**Mr. AJD Ndou**

**Member of the Executive Council**

**Department of Public Works, Roads and Infrastructure**

#### **4. DEPUTY MINISTER STATEMENT (if applicable)**

N/A

## 5. REPORT OF THE ACCOUNTING OFFICER

Photo of Accounting Officer



Name: Obakeng Eden Mongale

Title: Accounting Officer

Overview of the operations of the Department:

The strategic objectives of the Department are located in a quest for realisation of departmental mandates of meeting government's socio-economic objectives as articulated in the Limpopo Development Plan, within the context of the 2014-2019 MTSF outcomes. The Department is a custodian of public interest in the delivery of public works, roads and infrastructure development and the protection of the National and Provincial built heritage.

In line with the National Development Plan, the Department strived to translate national policy objectives into provincial policy programmes of action in realisation of job creation, human resource development, poverty alleviation, address inequality, unemployment and foster social cohesion, support for SMME's , cooperatives and emerging contractors and the NGO sector.

Alternative methods of construction would be promoted to emphasise labour intensity in projects for unemployed people of working

age, strive for community participation and beneficiaries of projects, employment equity promotion, implement green buildings policy and meet government targets, empower historically disadvantaged persons, promoting opportunities for women and people with disabilities, environmental protection, energy conservation, better access to buildings and roads for people with disabilities, allow increased access by residents of the province to increased access to the South African natural and built environment, ensure rapid and dependable delivery of service and infrastructure, especially in underserved areas and increased quality and standards in underdeveloped areas through appropriate levels of service delivery and equity. The relationship between the Department and other tiers of government improved based on the spirit of cooperative governance, good intergovernmental relations and constant liaison and cooperation in development planning and service delivery.

The Department through the refreshing policy perspective has set itself a critical programme of transformation and strategic culture change and total overhaul of its appearance as custodians of public interest of the mandate. The transformation of relationship among ourselves is key to success and non-negotiable as our collective wisdom is key.

Our resolve to ensure good governance, righteousness and accountability still stand firm with a position of Zero tolerance to fraud and corruption. Having resolved on integrity management and answerability, public reckoning and full accountability and transparency, then our resolve to Batho Pele is first in our hearts and minds as we enter premises of our employment and service delivery as servant leaders in our areas of authority (our emphasis). Above all we will all commit to exercise character-based leadership in those areas as we espouse our values and principles outlined hereunder;

- Public Services as a right- Public services will be rendered as a right to society.
- Accountability – The principle of feedback to users shall be upheld to answer back to the public on our actions
- Community Participation- People affected shall have access to and be represented or be part of the decision making process and empowerment of service users is absolutely central to our processes.
- Equality – all affected persons shall have equal opportunity to benefit from our services
- Decentralised service delivery- Planning, prioritisation and implementation shall be done at a local level as far as possible allowing balanced resource allocation.
- Consultation – The needs of all people or residents shall be represented, planned for in line with our democratic and constitutional order.
- Accessibility and Transparency- All services shall be accessible to all in terms of proximity, language and elimination of adverse bureaucratic processes.

- Communication- The inhibition to clarify society on how we perform and what our intentions are to deliver services would be corrected through a communication strategy or system to address this area.

Our mandates include the portfolio management of public works which involves Immovable Asset Management, Lease Management, Facilities Management and Buildings Management and the administration of land for use by the provincial government, the second portfolio is the oversight of the Roads Agency Limpopo Soc Ltd and the Roads Maintenance Portfolio, the third portfolio is to oversee the coordination and implementation of the Expanded Public Works Programme while the administration function focuses on generic public service functions responsible for policy, strategy, governance, finance, accountability, risk and corporate governance, monitoring and evaluation , ICT governance and policy, government communication and corporate support.

Given the history of the Department's audit outcomes and opinions of being qualified, disclaimer and Section 100 (1) (b) Intervention, the Executive Authority and the entire leadership of the Department are championing a strategic culture change in the management of the portfolio and deliver on the mandate albeit the intervention proposed recovery plan, which by and large covered the functional problem areas identified during the diagnostic stages and recommendations thereof.

The transformation envisaged in this project is to turnaround all facets of the Department and integrate the intervention projects and other service delivery, administrative and governance measures in the running of a public service department as per the PSA, the PFMA, Treasury Regulations, Public Service Regulations , and ancillary legislations( Skills development Act, etc.).

## FINANCIAL OVERVIEW

- Departmental receipts

Departmental receipts	2015/2016			2016/2017		
	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	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	<b>R44 347</b>	<b>R35 809</b>	<b>(R8 538)</b>	<b>R32 285</b>	<b>R30 521</b>	<b>(R1 764)</b>
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	<b>R338</b>	<b>R503</b>	<b>R166</b>	<b>R1 287</b>	<b>R1 293</b>	<b>R6</b>
Sale of capital assets	<b>R200</b>	<b>R200</b>	<b>R0,00</b>	<b>R4 000</b>	<b>R0,00</b>	<b>(R4 000)</b>
Financial transactions in assets and liabilities	<b>R119,948</b>	<b>R120,358</b>	<b>R410</b>	<b>R155 638</b>	<b>R155 865</b>	<b>R227</b>
Total	<b>R164,833</b>	<b>R156,871</b>	<b>(R7,968)</b>	<b>R193 210</b>	<b>R187 679</b>	<b>(R5 531)</b>

## Budget Management

### Budget Allocation.

The Department was initially appropriated 2016/17 budget amounting to R 2 901.3 billion in order for it to respond to its mandate and later adjusted to R3 101.8 billion.

Summary of Departmental 2016/17 Annual Expenditure per programme

Programme Name	2015/2016			2016/2017		
	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
<b>Administration</b>	320, 264	304, 132	16, 132	334,571	327,194	7,377
<b>Public Works</b>	697, 655	700, 854	(3, 199)	794,039	748,786	45,253
<b>EPWP</b>	39, 534	38, 158	1, 376	42,985	39,871	3,114
<b>Roads and Infrastructure</b>	1, 699, 483	1, 642, 199	57, 284	1,930,240	1,872,927	57,313
<b>Total</b>	<b>2, 756, 936</b>	<b>2, 685, 343</b>	<b>71, 593</b>	<b>3,101,835</b>	<b>2,988,778</b>	<b>113,057</b>

## **Departmental Priorities vs. Budget.**

**Programme 1: Administration** - The Programme serves as a support function for other programmes. It provides leadership, support services and overall management of the Department. The programme was allocated 11.2 percent of the overall budget allocation.

**Programme 2: Infrastructure Operations** – Is responsible for facilitating and coordinating the provisioning of provincial government building infrastructures and the management thereof. The Programme was allocated 26.2 percent of the main budget.

**Programme 3: EPWP** - Exists for the coordination and implementation of Expanded Public Works Programs and has been allocated 1.4 percent of the main budget.

**Programme 4: Roads Infrastructure** – The Programme is responsible to promote accessibility and safe affordable movement of human resource, goods and services through the delivery and maintenance of roads infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth. The Programme was allocated a lion's share of 61.2 percent of the total budget.

## **Roll-overs**

The Department was granted approval for the roll-over amounting to R74 984 million. The funds were utilised to finalise the accrual payments made for the protective clothing amounting to R 255 000.00 thousand, R1.279 million for office furniture, R3 796 million for the refurbishment of the government complex, R25 029 million for the LCDP contractors for the side walk projects and R44 625 million for the roads projects commitments for the entity (Roads Agency of Limpopo).

## Debt Management

### Debt age recovery and age analysis

DEBT TYPE / CATEGORY	Outstanding as at 1 APRIL 2016	Accumu- lated during the year	Recovered during the year	Debt written off during the year	Outstanding as at 31 March 2017	2016/17 budgeted amount
e.g.	R,000	R,000	R,000	R,000	R,000	R,000
<b>Arrears on Government Property</b>	R 9,654.82		R -	R 9,654.82	R -	
Arrears on house rental	R 21,190.00	R 20,536.57	R 41,726.57	R -	R -0.00	
Breach of contract	R 478,636.46	R 177,932.63	R 142,171.60	R 7,900.00	R 506,497.49	
Garnishee	R 29,811.10	R 28,090.88	R 5,700.00	R 32,369.20	R 19,832.78	
GG Accident	R 53,157.76	R 84,634.21	R 62,618.90		R 75,173.07	
Inter-Departmental	R 140,289.80	R 59,491.63	R 171,970.72	R -	R 27,810.71	
Leave without pay	R 296,575.61	R 208,585.50	R 253,314.13	R 177,499.00	R 74,347.98	
Misuse of cash	R 3,840.00	R -	R 3,840.00	R -	R -	
Overpayment of Acting Allowance	R 3,237.58	R 6,083.77	R 6,457.35	R -	R 2,864.00	
Performance bonus	R 2,673.81	R -	R 0.01	R 2,673.80	R -0.00	
Salary Overpayments	R 1,179,069.04	R 450,180.39	R 402,959.97	R 569,090.54	R 657,198.92	
Suppliers	R 1,400.65	R -	R 500.00	R -	R 900.65	
Tax Debt	R 123,292.33	R 110,054.31	R 99,805.24	R 120,576.26	R 12,965.14	
Tool debt	R 16,025.58	R 13,748.27	R 3,573.87	R 15,427.76	R 10,772.22	
<b>Total</b>	<b>R 2,358,854.54</b>	<b>R 1,159,338.16</b>	<b>R 1,194,638.36</b>	<b>R 935,191.38</b>	<b>R 1,388,362.96</b>	

### Challenges towards recovery of outstanding debts

- \* The department has a challenge regarding supporting documents for  $\pm$  50% of the debts. These are debts that emanated as far back as 1999.
- \* Clearing of the Suspense accounts: A lot of duplications occurred in previous financial years and money was posted to Revenue in previous Financial Years.

\* No contact details of debtors.

\* Most debtors are deceased and money was not recovered through pension liabilities.

\* Recovery of debts through pension liabilities, result in some debts be unpaid as GEPF only pay for Salary overpayment.

\* Debts referred to Legal services takes long without any response - already more than 3 years without any response.

### Management interventions

Involve GEPF in attempt to get the proof of payment for long outstanding debts

According to the Prescription Act 68 of 1969 Chapter III Section 11 (d) All debts older than three years to be written off.

Debt write-off policy to be implemented for all irrecoverable debts.

### Supply Chain Management

#### Reporting structure and capacity

Supply Chain Management is configured as indicated below:

AS PER APPROVED STRUCTURE	STATUS
1. CFO	Occupied
2. Director SCM	Occupied
2.1 Deputy Director: Demand Management	Occupied
2.1.1 Assistant Directors x 3	Vacant

<b>AS PER APPROVED STRUCTURE</b>	<b>STATUS</b>
2.2 Deputy Director: Acquisition Management	Occupied
2.2.1 Assistant Directors x 2	2 vacant
2.2.2 Admin officers x 5	2 Vacant
2.3 Deputy Director: Bids Evaluation	Vacant
2.3.1 Assistant Directors x 2	Vacant
2.3.2 Admin officers x 8	4 vacant
2.4 Deputy Director: Contract Management	Vacant
2.4.1 Assistant Directors x 2	Occupied
2.4.2 Admin officers x 5	2 Vacant
2.5 Deputy Director: Advisory Services	Deputy Director
2.5.1 Assistant Directors x 3	1 Vacant
2.5.2 Admin officers x 5	3 Vacant

### **DEPARTMENTAL BID COMMITTEES**

- Specification committee members are appointed on a needs basis per requirements in the Procurement Plan by the Head of Department and disbanded after the approval of the specification by Head of Department.
- The Bid Evaluation Committee members are appointed on a needs basis by Head of Department or delegate. The committee disbands after the award or disapproval of the bid.
- The BAC and IBAC members were appointed by the Head of Department and this takes place as per the SCM framework on an annual basis.
- The BAC and IBAC members for financial year 2016/2017 were appointed in April 2016.

## LIST OF AWARDED BIDS

FOL	PROJECT NO.	DESCRIPTION	SUPPLIER	AMOUNT	POINTS SCORED	DATE AWARDED
1	LDPWRI-ROADS/15002	Supply and Delivery of five (05) Wheel Dozers for the Department of Public Works, Roads and Infrastructure	Proline Trading 101 (Pty)Ltd	R42 568 870.00	90	18.03.2016
2	LDPWRI-B/11034	Renovation of Old Clinic and Existing Staff House, Construction of New Clinic,10 Bedroom Staff House,7 Seats Enviroloo Toilet Block, Guard House and Medical Waste, Palisade Fence at Makeepsvlei Clinic :Sekhukhune District.	White Leopard Trading	R25 041 626.20	90	31.03.2016
3	LDPWRI-B/11029	Construction of the Proposed Mamushi Clinic: Capricorn District	Thodi Developers	R25 207 450.06	100	31.03.2016
4	LDPWRI-B/11027	Construction of the Proposed Schoongezicht Clinic: Capricorn District	CLA Joint Venture	R23 807 786.00	90	31.03.2016
5	LDPWRI-B/14042	Completion of works to Linen Buildings,Kitchen,Gateway Clinic,Wards,New Walkways & Demolition of Dilapidated Walkways including Electrictrical,Mechanical installation and associated external works:Maphutha Malatjie Hospital: Mopani District.	Mapitsi JV	R 29 850 000.00	98	31.03.2016

FOL	PROJECT NO.	DESCRIPTION	SUPPLIER	AMOUNT	POINTS SCORED	DATE AWARDED
6	LDPWRI-B/11033	Demolition of Old Clinic, Renovate existing Staff House, Construction Of New Clinic,5 Bedroom Staff House,7 Seats Enviroloo-Toilets Block Guard House and Medical Waste Palisade Fence at Sterkspruit Clinic: Sekhukhune District	Mahlogo wa Pheladi & Zenobia J.V	R21 987 550.20	90	31.03.2016
7	LDPWRI-B/15008	Construction of New office Block at Dzanani Agricultural Services Centre in Vhembe District.	Thodi Developers	R13 875 834.76	100	08.08.2016
8	LDPWRI-B15001	Refurbishment of 44 Parliamentary Houses:Multi Year Project for Period of 30 Months	Gloma Trading/FGN Construction JV	R28 000 000.00	98	10.08.2016
9	LDPWRI-B/15002	Refurbishment of Lebowakgomo Government Complex:Multi Year Project for a Period of 24 Months	Mmopa Civil Construction and Electrical	R20 650 443.00	100	10.08.2016
10	LDPWRI-ROADS/15006	Supply and Delivery of Road Signs for Road Maintenance for a period of three years for Department of Public Works, Roads and Infrastructure.	Nzuza Signs JV	Rate Based Price	100	19.08.2016
11	LDPWRI-ROADS/15007	Supply and Delivery of Concrete Pipes and Box Culverts for Road Maintenance for a	OSZ Tayob Pietersburg Trading	Rate Based Price	94	19.08.2016

FOL	PROJECT NO.	DESCRIPTION	SUPPLIER	AMOUNT	POINTS SCORED	DATE AWARDED
		period of three years for Department of Public Works,Roads and Infrastructure				
12	LDPWRI-ROADS/15005	Supply and Delivery of Road Markings for Road Maintenance for a Period of three years for the Department of Public Works,Roads and Infrastructure	OSZ Tayob Pietersburg Trading	Rate Based Price	94	19.08.2016
13	LDPWRI-P/16001	Supply and Delivery of Household Furniture and Collect old ones from Parliamentary Village to Capricorn District Stores for a period of three years contract for Department of Public Works, Roads & Infrastructure.	Broadsky Trading 386(Pty)0Ltd	Rate Based Price	100	11.10.2016
14	LDPWRI-ROADS/15008	Supply and Delivery of Grader Blades for a Period of three years for the Department of Public Works, Roads and Infrastructure: Waterberg District	Bakwena Industrial Suppliers CC	Rate Based Price	100	23 10.2016
15	LDPWRI-ROADS/15009	Supply and Delivery of Grader Blades for a Period of three years for the Department of Public Works, Roads and Infrastructure: Mopani District	Bakwena Industrial Suppliers CC	Rate Based Price	100	23 10.2016
16	LDPWRI-EPWP/15002	Supply and Delivery of Protective Clothing for Period of three years for the Department of Public Works, Roads and Infrastructure	Phinora Safetyware	Rate Based Price	98	15.11.2016

FOL	PROJECT NO.	DESCRIPTION	SUPPLIER	AMOUNT	POINTS SCORED	DATE AWARDED
17	LDPWRI-B/11028	Construction of the proposed Mothiba Clinic: Capricorn District	Makgowa Building and Projects CC	R28 549 763.96	98	23.11.2016
18	LDPWRI-R/16006	Supply and Delivery of Household Based Routine Road Maintenance Projects for Greater Letaba Municipality in Mopani District	Just Right JV Gvardt	R16 004 021.39	100	01.12.2016
19	LDPWRI-/R16005	Supply and Delivery of Household Based Routine Road Maintenance Projects for Elias Motsoaledi Local Municipality: Sekhukhune District	Maseakhole Constructability and Projects	R14 238 221.58	100	01.12.2016
20	LDPWRI-R/16003	Supply and Delivery of Household Based Routine Road Maintenance Projects for Makhuduthamaga Local Municipality: Sekhukhune District	Zookie Construction Projects	R13 534 060.11	98	01.12.2016
21	LDPWRI-R/16004	Supply and Delivery of Household Based Routine Road Maintenance Projects for Greater Tzaneen Local Municipality: Mopani District	Sandengentla kanipho/Kuye JV	R15 043 848.39	100	01.12.2016
22	LDPWRI-R/1600	Supply and Delivery of Household Based Routine Road Maintenance Projects for Maruleng Local Municipality: Mopani District	Ntshutso /Molokomme JV	R13 709 124.78	99	01.12.2016

FOL	PROJECT NO.	DESCRIPTION	SUPPLIER	AMOUNT	POINTS SCORED	DATE AWARDED
23	LDPWRI-R/16001	Household Based Routine Road Maintenance Projects for Fetakgomo Local Municipality: Sekhukhune District	Lilithalethu Trading 41	R14 905 208.00	95	01.12.2016
24	LDPWRI-B/OEM/16010	Procurement of Original Equipment Manufacturer (OEM) or accredited Agents for Supply, Commissioning and Services of hospital laundry equipment on behalf of Limpopo department of Health for a period of 36 months.	Seedi FastMove JV	Rate Based Price	100	26.01.2017
25	LDPWRI-B/15004	Construction of New OPD,Admissions,Allied Health,A&E,Victim Support,Electrical,Mechanical Installations and Associated External Works at Maphutha Malatjie Hospital:Mopani District	Vharanani JV	353 883 626.51	99	26.01.2017
26	LDPWRI-B/15003	Letaba Contract A5 Demolition of Burnt ward and Rehabilitation of Area-New Parking and Temporary workshop accommodation Renovation and Extension of workshop-signage-Radiology and Casualty Passage-Theatre-CSSD Theatre Passage(temporary CSSD- Repairs to Leaks to Existing fire Waterlines-Platform for coal and Ash Dump-New Fence to Staff Residences-Street and Locl Lighting, New 72 Hour water Storage Tank-New	Makhado Project Management Atshisimane Trading JV	R73 660 946.04	99	26.01.2017

FOL	PROJECT NO.	DESCRIPTION	SUPPLIER	AMOUNT	POINTS SCORED	DATE AWARDED
		Roadways to Staff residence-Storm water management and Landscaping and New Parking(50% Covered)				
27	LDPWRI-B/15005	Construction of New Medical Record and Admission Building at Letaba Hospital in Mopani District	Mpfumelelo Business Enterprises	R48 880 587.78	99	26.01.2017
28	LDPWRI-B/15022	Provision of grass cutting services for a period of three years for Limpopo Province Department of Public Works, Roads and Infrastructure at Thohoyandou and Mopani District	Mafuwane Building Contractor	As per rate based	96	31.03.2017
29	LDPWRI-BM/16013	Renovations of Giyani government complex Chamber hall: Mopani District	Yahweh 1 Construction and Projects	R 5 510 340.25	90	31.03.2017

### Variation orders issued during the quarter

There were no variation orders issued during the financial year

### Contract extensions and financial implications

Security services contracts were extended on a month to month basis. The financial implications are estimated at **R7 647 354.58**

## Deviations in the procurement process

The Department procures goods and services in line with the approved procurement plan.

## Revenue Management

- The overall Departmental revenue adjusted budget for 2016/2017 financial year is R193, 2 million.
- As at 31 March 2017 the Department had an actual collection of R 187, 6 million which translate into 97.1% as against the projected amount of R193, 2 million.
- The Department has under collected by R5, 5 million or 2.9% due to non-payment of rent by some tenants, and some tenants cancelling rental stop orders.

## Summary of Revenue per Economic Classification

REVENUE ITEMS	Adjusted Budget	Projections	Projections as % of budget	Actual collection as at 31 March 2017	Actual collection as % for the 31 March 2017	Estimated total revenue	Over / Under Collection
	R'000	R'000		R'000	R'000	R'000	R'000
<b>Summary of revenue receipts per Economic Classification</b>							
Tax receipts							
Sales of goods and services - non capital assets	32 285	32 285	100.0%	30 521	94.5%	30 521	(1 764)
Transfers received from:							
Fines, penalties and forfeits							
Interest, dividend and rent on land	1 287	1 287	100.0%	1 293	100.5%	1 293	6
Sales of capital assets	4 000	4 000	100.0%	-	0.0%	-	(4 000)
Revenue financial assets	155 638	155 638	100.0%	155 865	100.1%	155 865	227
<b>Total receipts</b>	<b>193 210</b>	<b>193 210</b>	<b>100.0%</b>	<b>187 679</b>	<b>97.1%</b>	<b>187 679</b>	<b>-5 531</b>

## List of free services rendered by the Department

The department is rendering certain free services to the Limpopo Province. Such services include project management, building professional services (Architecture, Quantity Survey etc.), and maintenance of buildings, gardens, bush clearing, electrical and mechanical maintenance, plumbing, building and procurement of building infrastructure services.

### Transfer payments

The Department made transfers to RAL amounting to **R 1 054 935 000.00**

### Donor Funding

The Department did not receive any donor funding in the third quarter.

### Trading entities and public entities

The Department has one public entity, Roads Agency Limpopo.

### Public Private Partnerships (PPP)

The Department does not have PPPs in operation.

### Related Party transactions

There were no related party transactions during the financial year.

## LEGAL MATTERS

Below is a summary of legal matters dealt with by the Department in the year under review:

Type of case	No of cases Handled	No of cases settled	No of default judgements	Overall Status on claims
Claims against the State	129	2	5	All cases pending, Rescission of judgments applied on defaults judgement
Claims on behalf of the State	14	-	-	
Criminal cases	3	-	-	

Contracts	17	-	-	
Legal opinions	8	-	-	
Legislation	0	-	-	
<b>Estimated cost of exposure</b>				<b>R63 286 000.00</b>

## CLEAN AUDIT STRATEGY

### Overview of Clean Audit Strategy

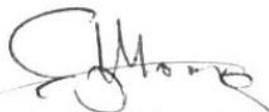
The Department of Public Works, Roads and Infrastructure has developed a draft on clean audit strategy to mitigate and resolve findings from both Auditor General and the Internal Audit, which will be aligned to the Provincial Strategy once it is issued.

The Limpopo Provincial Treasury is developing a Provincial wide Clean Audit Strategy aimed at addressing issues from the Auditor General.

### Auditor General Findings (summary /statistical information 2015/16 FY) action plan progress

Area	No. Findings	No. Resolved	No. Progress In	No. Not Yet Started	% Progress
<b>Asset Management</b>	16	13	3	0	81%
<b>Supply Chain Management</b>	9	9	0	0	100,00%
<b>Compensation of Employees</b>	3	2	1	0	66,00%
<b>Revenue Management</b>	13	10	3	0	77%
<b>Expenditure Management</b>	16	16	0	0	100 %

Area	No. Findings	No. Resolved	No. Progress In	No. Not Yet Started	% Progress
<b>Predetermined Objectives</b>	16	14	2	0	87,5 %
<b>Governance</b>	12	10	2	0	83%
<b>TOTAL</b>	<b>85</b>	<b>74</b>	<b>11</b>	<b>0</b>	<b>87 %</b>



Obakeng Eden Mongale  
Accounting Officer

Department of Public Works, Roads and Infrastructure

Date: 31 May 2017

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

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

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

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

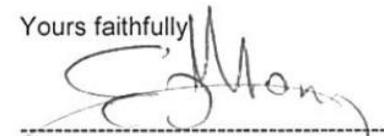
The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury. The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2017.

Yours faithfully



Obakeng Eden Mongale

31/05/2017

Date

## 7. STRATEGIC OVERVIEW

### 7.1. Vision

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

### 7.2. 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.

### 7.3. 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 their energy and time to serve with distinction and offer quality service to the public.

- **Team work**

Official in the department will at all times strive to deliver as a joint and cooperate amongst themselves 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

## 8. LEGISLATIVE AND OTHER MANDATES

### 8.1. Constitutional Mandates

- 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 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 to provide and manage Provincial land and buildings as well as 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.”

## 8.2. 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.

## 8.3. Other General Public Service Legislative mandates and the Regulations

- 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.

#### 8.4. 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

##### Departmental

MEC Budget Policy Speech

Departmental Policies and Frameworks

#### 8.5. Relevant court rulings

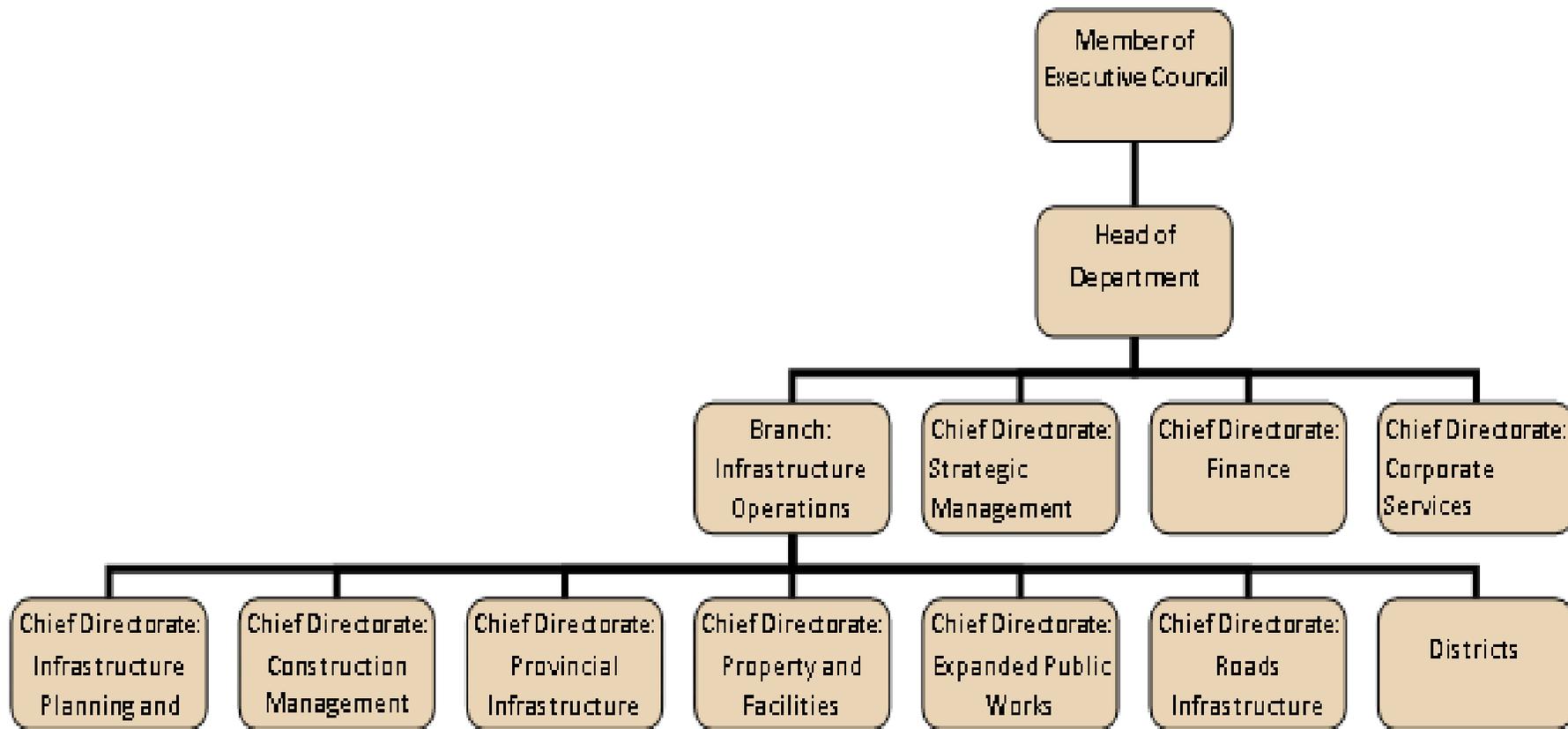
The department did not have any specific court rulings that have a significant impact on operations or service delivery obligations.

#### 8.6. 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

## 9. ORGANISATIONAL STRUCTURE



## 10. ENTITIES REPORTING TO THE MINISTER/MEC

The table below indicates the entities 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. RAL is further governed by the Northern Province Roads Agency Act, Act 7 of 1998 as amended by Act. No.3 of 2001.	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. RAL is further governed by the Northern Province Roads Agency Act, Act 7 of 1998 as amended by Act. No.3 of 2001.

# PART B: PERFORMANCE INFORMATION



**1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES**

Refer to page 182 of the Report of the Auditor General, published as Part E: Financial Information.

**2. OVERVIEW OF DEPARTMENTAL PERFORMANCE**

**2.1 Service Delivery Environment**

The Department contributed significantly in the improvement of the lives of the people in the province in meeting basic needs, access to government services and making opportunities available in the creation and enhancement of their quality of life.

a. Implementation of Infrastructure projects

The Department of Public Works Roads and Infrastructure in Limpopo has been able to support the realisation of the priorities of government through the provision of social infrastructure on behalf of client Departments. The Department is offering technical support in the development of a comprehensive Limpopo integrated Infrastructure Master Plan (LIIMP) which will inform a provincial wide Infrastructure Development Plan and Strategy, while the 15 Year infrastructure plan that is in place will serve as baseline planning tool. The Department facilitated the establishment of the infrastructure strategic planning HUB (ISPH) as part of a strategy to provide specific aim of delivering infrastructure. The Department will further provide alternative contracting capacity to deliver strategies (which are cost effective and are time bound) to ensure seamless project delivery.

b. Coordination of the Implementation of the Expanded Public Works Programme Limpopo Province

The Limpopo Provincial Government is implementing the Expanded Public Works Programme (EPWP) in four sectors, namely, Infrastructure, Environmental and Culture, Social and Non-State. The programme is one of Government's strategic initiatives aimed at addressing the challenges of poverty, unemployment and skills development through the use of regular budgets for procurement of government goods and services.

The Consolidated contribution of the Expanded Public Works Programme is reported as follows:

- Development of Provincial EPWP 5-year business plans for the two phases as part of operational process for the programme, which consolidate plans and set targets for all implementing bodies in the Province aligned to the objectives of the provincial Growth and Development Strategy, the Millennium Development Goals.
- Protocol Agreements were prepared and signed by all government bodies which bind them to achieve their set targets.
- Over R293 million of the Incentive Grant was received by the Province from National Treasury, as additional funding allocated to performing government bodies to upscale employment creation.
- EPWP District Fora, which provide a platform for ownership and active participation of political and administrative heads, have been established in all the five (5) Districts and induction courses conducted for members.
- Annual EPWP Provincial Summits and Kamoso Awards, which recognise and reward excellent performance by government implementing bodies, have been successfully conducted. The Province won a total of 18 National Kamoso Awards in Social Sector (6 Awards), Environment (8 Awards), Infrastructure (3 Award), and Non-state Sector (1 Award) since inception of the Kamoso Awards.
- Through a partnership with the International Labour Organization (ILO), 700 technical staff of implementing agencies, 180 consultants, and 165 small scale contractors was trained in EPWP and Employment Intensive Technology courses. 75 senior officials have benefited from international short courses, seminars, and study tours.

#### c. Progress in Management of the Property and Maintenance portfolio

In terms of the GIAMA planning cycle as directed by the Provincial Treasury Practice Note 5 of 2014, the Department as the custodian of the legislation is expected to assess all the User Asset Management Plans (U-Amps) and develop a Custodian Asset Management Plan (C-Amp). 1243 properties have been vested and registered in the name of the Province. There is a nationwide project led by the Department of Rural Development and Land Reform and National Department of Public Works which aims to fast track the vesting process. The Limpopo Department of Public Works, Roads and Infrastructure has arranged with the Office of the Chief Surveyor-General to assist with surveying of land parcels that are on communal land. Valuation rolls collected from all municipalities in the current financial year were utilised to update the Immovable Asset Register (IAR) to fair value the properties valued at R1. One Thousand two hundred and sixty three (1263) land parcels have been surveyed and registration process is under way.

The capacitation plan that is being implemented is bearing positive results as there are additional professionals that are assisting with conducting conditional assessments and assisting user departments to develop their U-AMPs. The Department continues to maintain the Provincial Immovable Asset Register and reconciliation with Deeds Registry records.

The Department is meeting with all the municipalities with the aim of reconciling accounts and to pay debts owed to municipalities.

#### d. Roads Infrastructure Development

The Department continues to be at the forefront of ensuring that transport infrastructure development and services meet the demands to ensure social development and economic growth. It is only through an efficient, affordable and reliable transport system that the people of Limpopo can participate in activities that bring better economic conditions and facilitate trade and regional integration. The Department acknowledge and recognise that central to its plan is to deliver on the mandate to improve roads infrastructure and road safety.

The total provincial road network is 20 260 km. The paved network has served its life and is ageing. Most of the roads are old and have gone beyond the stages of routine maintenance and ordinary preventative maintenance to heavy rehabilitation. Insufficient maintenance coupled with adverse weather conditions and increased traffic volumes are the main contributors to the increased rate of deterioration of ageing roads. There are about 14 435 km of gravel/dirt roads in the province which constitute about 68% of road network.

With the current budget allocation, the Department will not be able to address the existing backlog to surface the remainder of the road network and also not maintain its current surfaced and gravel network. Road construction cost per km is at an average R8 - R10 million since 2010 including bridges and other factors considered. The Department is only able to deliver and improve on infrastructure mainly due to the Provincial Road Maintenance Grant received. The department is implementing road in conjunction with the RAL and the Development Bank of Southern Africa as part capacity enhance strategy and a measure to fast track delivery of roads infrastructure.

## 2.2 Service Delivery Improvement Plan

### *Main services and standards*

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provision of building Infrastructure	Government Departments.	100% implementation of projects on IPIP	70% of projects to be implemented as per IPIP.	33% of projects Implemented as IPIP
Provision of information on immovable assets through C- AMP	Government Departments.	1 Custodian Asset Register and 13 U-AMP's	1 Custodian Asset Register and 13 U-AMP's	1 Custodian Asset Register (1478 assets updated in

				the IAR) and 13 U-AMP's managed
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*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	PUDF is held on quarterly basis
Professional Capacity Development and Mentoring Initiative (PCDMI)	For professional development as well as mentoring initiative in terms of	PCDMI is held on a monthly basis
District Regional Coordinating Centre	To register all job cards for maintenance issues	RCC's are not effectively working in all five Districts.

*Service delivery information tool*

Current/actual information tools	Desired information tools	Actual achievements
Service Delivery Charter	3 year Service Delivery Charter	3 year Service Delivery Charter developed and distributed to customers and potential customers annually
Service Standards	Service Standards document	Service standards were develop and distributed to customers and potential customers annually.
Citizen	Citizen Report	Citizen's report was prepared and distributed to customers and potential customers annually
PAIA Manuals	PAIA Manuals	PAIA Manuals are available

Service Delivery Improvement Plan	3 year Service Delivery Improvement Plan	3 year Service Delivery Improvement Plan developed and distributed to customers and potential customers annually.
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### Complaints mechanism

Current/actual mechanism	complaints	Desired complaints mechanism	Actual achievements
Presidential Hotline		To address service delivery complaints logged Nationally	100% addressed
Premier Hotline		To address service delivery logged provincially	100% addressed

## 2.3 Organisational environment

The Department operates as a key and strategic partner in infrastructure delivery for the provincial administration in line with GIAMA and the Public Finance Management Act,

The Property and Facilities Management function of the department as outlined in the organisational structure assumes the overall custodianship of land development in the Province, prior to the construction and design functions. The rationale being, before any infrastructure is developed there should be an inquiry with the custodian of land to verify as to whether land is available and a land availability agreement entered into to ensure that land is properly vested. If the land is not vested or is not on the asset register, all the necessary processes would need to be undertaken. Therefore the process of infrastructure development would need to be revised so that all future infrastructure development is appropriately recorded and the asset register updated accordingly to avoid the current situation wherein the department is unable to account for all of its immovable assets. The capacity of the Property and Facilities Management function is being reviewed and developed as part of the turnaround strategy.

The second issue would be the compilation of Infrastructure Project Implementation Plans (IPIP) in which projects would be classified as to whether they are simple, medium sized or complex and be designed in a manner that would deal with capacity complexities of the Department, wherein simple projects would be categorised as 100% EPWP, medium sized projects would carry a mix as to whether they would be implemented in-house and complex projects would then be designed for implementation by qualified and experienced private sector service providers.

The process would then flow back to Property Development which will facilitate a process of determining the maintenance requirements of the asset in terms of handover of documentation and forward the requirement for maintenance to the Building Maintenance function. In the event where it is decided that the said asset needs to be disposed, the process would be executed by the Property Management function.

The introduction of Service Delivery Agreements for each Infrastructure Project Implementation Plan would facilitate a process in which service delivery would not be compromised or neglected. The Departmental Service Delivery Model will speak directly to this new strategic direction to deliver on the Government Immovable Assets Register and fully giving effect to the implementation of GIAMA and management of the Provincial Road Network through operations of the Roads Agency Limpopo.

The following measures have been approved as part of the MEC Turnaround Plan and Section 100(1) (a) Recovery Plan and reporting to the IMC. As a result, they are incorporated into the Operational Plan and the Risk Assessment Plan to mitigate on repeated audit findings and matters of emphasis. The department has since been removed from section 100 1 (a) and is on the road to recovery, hence a strategic culture change strategy has been put in place as a sustainability measure to change organisational culture.

- Improved Planning and Design of Infrastructure Projects through the Infrastructure Strategic Planning Hub (ISPH).
- Compliance to laws and regulations.
- Clean Audit
- Strategic Capability to deliver services
- Project management of infrastructure projects
- Improved Management of Asset Register
- Accelerate the vesting process and issuing of item 28 (in) certificate by the Department of Rural Development and Land Affairs
- Improved management of the provincial road network.
- Improved oversight of the Roads Agency Limpopo (RAL)
- Improved Lease Management
- Improved Facilities Management
- Improved Supply Chain Management
- Establishment of an Infrastructure BAC and its support structure as per Construction Procurement Strategy of the IDMS
- Implement austerity and cost saving and containment measures
- Staff debt reduction
- Improved management of rental collection
- Increased revenue collection
- Technical skills to deliver on mandate and capacity building

- Improved contract management
- Organisational redesign and alignment
- Implement energy efficiency measures and greening projects as part of climate change strategies
- Capacity building in the office of the Chief Financial Officer (Alignment of CFO structure to National Treasury framework)
- Patriotism and servant leadership
- Improvement of relations on people's issues and people management
- Improvement in achieving organisational wide performance results
- Improved time management
- Stakeholder Relation Management
- District development (Capacity enhancement to deliver good services)
- Improved IT infrastructure and governance framework implementation
- Effective Risk Management
- Financial support
- Finalise criminal and misconduct cases
- Education and Training of staff
- Organisational culture change
- Improved dialogue between management and general staff
- Improved community participation and stakeholder consultation
- Finalise outstanding legal matters (including claims against the state and litigations)
- Integrity Management
- Improved planning with the people
- Finalise the reconfiguration project milestones as set by the Executive Council.
- Establish a GITO function for implementation of ICT Governance.
- Do comprehensive condition assessment of all infrastructure of buildings and roads.
- Maintenance Strategy Development
- Sound Labour Relations (collective bargaining in the Public Service is centralised at PSBC)
- Combating Fraud and Corruption through a Zero Tolerance Policy and Stance.
- Continuously do organisational development to improve the efficacy of the Department to deliver services.
- Mitigate significant uncertainties against the department.
- Ensuring sound Health, Safety and Welfare of Employees.

## Skills GAP Assessment and corrective actions to close the GAP

A Workplace Skills Plan (WSP) is developed annually and is aimed at implementing training needs that are strategically linked to and or contributing to the objectives of the Department. The training needs are for employees in different units. The plan is submitted to Public Sector Education Training Authority (PSETA) and Construction Education and Training Authority (CETA). These bodies require quarterly reports for purposes of monitoring the WSP.

Parallel to the WSP, the Department established the Professional Capacitation Development and Mentoring Initiative (PCDMI). The objective of this initiative is to bring together Construction Management and Human Resource Development units to collaborate in the capacitation, development and mentoring of professionals within the Department.

PCDMI is working with two (2) private companies (Wilson Bailey Holmes – Ovcon (WBHO) and Stefanutti Stocks) to capacitate and develop professionals.

The agreement with WBHO looks at assisting professionals within the Department to register with professional bodies such as the Engineering Council of South Africa (ECSA), South African Council for Architects (SACA), South African Council for Quantity Surveyors (SACQS) as well as South African Council for Project and Construction Managers Professions (SACPCMP). Thirty professionals will be assisted.

The agreement with Stefanutti Stocks has since been implemented in full and all learners who had been placed in various Stefanutti Stocks sites have since completed their programmes and the initiative has since been concluded end September 2016, however, there are still Artisan learners still placed on site until the end of October 2016. The initiative covered the Artisan Development Programme (Brick layers and Electricals), wherein SS provided practical exposure for learners enrolled on the ADP programme that is funded by the Construction SETA (CETA). PCDMI is also looking at other opportunities to partner with consulting engineering firms especially to assist the department in design experience ahead of professional registration. Currently the department is facilitating the MOU with CBE to assist the department with the registration of project managers and engineers with the professional bodies.

## 2.4 Key policy developments and legislative changes

There were no key policy developments during the period under review.

## 3. STRATEGIC OUTCOME ORIENTED GOALS

### 3.1 Administration

### 3.2 Infrastructure Operations

3.3 Expanded Public Works Programme

3.4 Roads Infrastructure.

#### 4. PERFORMANCE INFORMATION BY PROGRAMME

##### 4.1 Programme 1: Administration

The Programme serves as a support function to Infrastructure Operations and Expanded Public Works Programme and Roads 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 objectives, performance indicators, planned targets and actual achievements**

**Strategic objectives:**

Programme Name					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Improved systems, processes and procedures implementation by end of March 2017	27	31	23	8	Late submission and incorrect invoices by SITA, Refunds from on salaries paid after termination not received. Debt tax not recovered, updating of BAUD

					system in respect of movable assets, under collection of revenue. Challenges with recruitment, internship and meeting Equity targets
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Provide reasons for all deviations

**Performance indicators**

Programme / Sub-programme:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of Quarterly Performance Reports produced in line with the APP	4	4	4	4	4	None	None
Number of Quarterly	-	-	4	4	4	None	None

Communication and Stakeholder Relations Reports produced							
Number of Quarterly Service Delivery Improvement Plan Reports produced	-	-	<b>4</b>	4	4	None	None
Number of strategic information systems projects implemented	-	-	<b>4</b>	4	4	None	None
Number of In Year monthly Monitoring reports produced	-	<b>4</b>	<b>12</b>	12	12	None	None
Number of SCM procurement monthly reports produced	-	-	<b>12</b>	12	12	None	None
Number of human resource	-	<b>4</b>	<b>4</b>	4	4	None	None

management reviews produced							
Number of Workplace Skills Plan reports produced	-	-	<b>4</b>	4	4	None	None
Number of Employee Wellness programmes implemented	-	-	<b>4</b>	4	4	None	None
Number of ICT Systems licensed and managed.	-	-	<b>5</b>	4	4	None	None
Number of ICT infrastructure sites managed	-	-	<b>6</b>	6	6	None	None
Number of SITA Service level Agreements managed	-	-	<b>10</b>	8	7	1	Late submission and incorrect invoices by SITA
Number of Strategic Risk	-	-	<b>1</b>	1	1	None	None

Assessments conducted							
Number of Risk Management Reports produced	-	4	-	4	4	None	None
Number of Fraud Risk Assessments conducted	-	-	1	1	1	None	None
Number of Operational Risk Assessments conducted	-	-	32	32	32	None	None
Number of Quarterly reports on Clean Audit submitted in line with Auditor General's report	4	4	4	4	4	None	None
Percentage reduction of Debt Account	590	-	80%	100%	89%	11%	Refunds from on salaries paid after termination not received. Debt tax not recovered.
Number of verifications	-	-	2	2	2	None	None

conducted on the movable asset register							
Percentage progress on service delivery model review conducted	-	-	<b>75%</b>	100%	100%	None	None
Percentage progress on review of reconfigured department conducted	-	-	<b>100%</b>	100%	100%	None	None
Number of posts filled in line with the Recruitment Plan	-	-	-	20	96	76	The overachievement was due to posts advertised in 2015/16 and only filled in 2016/17
Percentage progress made in the implementation of the BAUD system	-	-	<b>100%</b>	100%	90%	10%	Scanners to upload progress on the BAUD system were not delivered by the service provider on time.
Number of appointments	-	-	<b>33</b>	12	7	5	Posts earmarked for employment

made in line with the Equity Plan of the department for 2016/2017							equity were advertised and appointment not made as at the end of the financial year.
Number of rare skills category employee recruited in the financial year.	-	-	<b>24</b>	20	13	7	Appointable candidates decline appointment due to unattractive salary scales offered.
Number of employees recruited to implement the Immovable Asset Register	-	-	<b>16</b>	10	6	4	Recruitment process finalised however delay caused by SAQA to provide quotations for verification of qualifications had an impact on finalisation of recruitment process.
Number of Occupational Health and Safety Audits conducted	-	-	<b>24</b>	24	24	None	None
Number of Internship	-	-	<b>99</b>	132	250	18	The Department could not advertise

contracts implemented							internship for 2016/17 as planned due to OTP instruction to align internship with financial year.
Number of bursaries awarded for financially needy students for the built environment professions.	-	-	<b>46</b>	43	248	205	New bursaries awarded in the 3 <sup>rd</sup> quarter of the year increased the number of bursars. Some students who had failed requested extension with no financial implication
Percentage progress implemented in the departmental turnaround strategy.	-	-	<b>100%</b>	100%	100%	None	None
Percentage progress in the capacitation of the Property and Facilities Management unit.	-	-	-	100%	50%	50%	Recruitment process finalised however delay caused by SAQA to provide quotations for verification of qualifications. Long lead time in

							the filling of posts due to the process to be followed in terms of Treasury measures on controlling COE
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**Provide reasons for all deviations**

Deviations listed per performance indicator and are varied per performance area of strategic management in respect of ICT, which are based on non-performance of a service provider, on financial performance areas under performance was as a result of objective factors that the department noted and improvement plans put in place. On Human Resource Management, all factors on underperformance were due to the changes in policy and objective factors affecting the job market and employment equity planning.

**Strategy to overcome areas of under performance**

*A service delivery improvement plans for programme 1 has been worked out and incorporated in the 2017/18 performance plan. A turn around strategy is being implemented for all key areas identified.*

Department's should provide the strategies to address under performance.

An HR Plan has been developed and is being implemented.

An IT Plan has been approved for implementation.

A Business Improvement Plan for capacitating office of the CFO has been approved for implementation

**Changes to planned targets**

An updated HR Plan has been developed and is being implemented.

A revised IT Plan has been approved for implementation.

A Business Improvement Plan for capacitating office of the CFO has been approved for implementation and is being updated on quarterly basis in liaison with provincial Treasury.

## Linking performance with budgets

### Sub-programme expenditure

Sub- Programme Name	2015/2016			2016/2017		
	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
	320, 264	301, 132	16, 132	334, 571	327, 194	7, 377
Total	<b>320, 264</b>	<b>301, 132</b>	<b>16, 132</b>	<b>334, 571</b>	<b>327, 194</b>	<b>7, 377</b>

## 4.2 Programme 2: Public Works

### 4.2.1 Property and Facilities Management

The Programme is responsible for the provision and management of provincial government land and buildings. The Programme renders a specialised function related to the management and facilitation in the provision, maintenance and implementation of building and its three sub-programmes.

#### Strategic objectives, performance indicators, planned targets and actual achievements

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.

**Strategic objectives:**

Programme Name					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Improve management of immovable assets utilised for government services delivery		22	9	13	Variances on the 13 targets are listed in detail below per indicator and the summary

**Performance indicators**

Programme / Sub-programme:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of user Asset Management Plan (U-AMP) compiled for Limpopo	-	1	1	1	1	None	None

Department of Public Works, Roads and Infrastructure in terms of GIAMA framework							
Number of custodian asset management plan (C-AMP) compiled for Limpopo Provincial Administration in terms of GIAMA framework	-	1	1	1	1	None	None
Number of applications submitted successfully for vesting to obtain item 28i certificates	-	-	159	40	112	72	The target was over achieved because the Deeds Registry performed beyond the normal trends.
Number of jobs created in all 5 districts as per U-AMP in line with	-	-	294	200	42	158	The renovation and refurbishment projects that were expected

EPWP requirements							to create the jobs were delayed and awarded in the 3 <sup>rd</sup> quarter and 2 were not awarded due to challenges in the procurement and planning processes.
Percentage of construction for 11 Traditional Offices Constructed in 5 Districts	-	<b>90%</b>	<b>52%</b>	100%	82%	18%	3 districts, Waterberg, Capricorn and Sekhukhune had challenges of insufficient skilled workers required for the project further at Sekgopo offices, topography required additional civil works to level the ground and also for Eskom to redirect its transmission cables. At Mokopane the plans were not

							approved in the time by the municipality and also the soil type required the importing of appropriate soil.
Number of immovable assets recorded in the IAR in accordance with the mandatory requirements of National Treasury	-	<b>1178</b>	<b>1192</b>	1223	1478	255	The target was over achieved because of the assistance from the private service provider.
Number of properties maintained as per Departmental U-AMP	-	-	<b>128</b>	86	51	35	The maintenance teams in the district were initially engaged with the construction of Traditional Council Offices and they started with these projects when they

							finished the former.
Number of R293 Townships transferred to municipalities		-	<b>3</b>	3	3	None	The target (CPI) is non-cumulative and it was achieved in the 3 <sup>rd</sup> quarter, however the same number was incorrectly repeated in the quarter which increased actual achievement by 3.
Number of U-AMPS submitted to Provincial Treasury by due date.	-	-	<b>12</b>	1	1	None	Non-cumulative target
Percentage of Provincial Immovable Asset Register updated in terms of GIAMA minimum standard.	-	<b>100%</b>	<b>100%</b>	100%	96%	4%	The reported target is also 96% but due to continuous updating of the IAR, 99% has been achieved.

Percentage progress in provision of accommodation to Provincial Departments as per approved U-AMPS.	-	-	0%	100%	0%	100%	Only 2 departments included the need for additional accommodation in their U-AMPS, and the department was at the procurement stage at year end.
Percentage progress in the implementation of the Lease Review project	-	-	23%	100%	22%	78%	The target is cumulative. All the 68 leases that expired have been on a month-to-month extension in terms of Sec4.2 of the Lease Agreement as at end of financial year, new lease must still be arranged.
Number of Properties disposed in line with the approval	-	-	-	0	0	None	None

of SCOPA Resolution once reviewed.							
Percentage of work Completed on renovation of Government complex for Mopani District	-	-	9%	40%	17%	23%	There was a delay due to tax issues of the joint venture that prevented the first payment.
Percentage of work Completed on renovation of Government complex for Lebowakgomo Legislature	78%	0%	85%	30%	14%	16%	The delay on the project is due to the late award of the project. Contractor took site in October 2016 instead of May/June 2016 as anticipated.
Percentage of work Completed on renovation of Thohoyandou Government complex for Vhembe District (Block D)	100%	-	-	40%	0%	40%	The planning and procurement process were not completed at the end of financial year.
Number of planned	-	-	70	5	3	2	The award of 2 projects was

maintenance projects awarded							delayed due to delay in the planning and procurement processes.
Percentage of work in completion of upgrading of Namakgale offices	-	<b>15%</b>	<b>95%</b>	100%	100%	None	The project is completed and a practical completion certificate was issued in December 2016
Percentage of work completed on renovation of Parliamentary Village houses	-	<b>35%</b>	<b>85%</b>	30%	30%	None	None
Percentage of work completed on renovation of Department of Safety Security and Liaison (DSSL)	-	-	-	100%	100%	None	None
Percentage of the Installation of Access Control, Security at	-	-	-	100%	78%	22%	The project was delayed because there was a need to construct a

Parliamentary Village							control room that complies with the specification from SAPS.
Percentage of Upgrading completed for Mechanical Works at Lebowakgomo Government Complex (Legislature Block)	-	-	-	100%	98%	2%	The project is completed and it is at commission stage
Percentage of work Completed on renovation of Government complex for Mopani District (Chamber Hall)	-	-	-	100%	0%	100%	Project not awarded due to delays in planning.

## Reasons for all deviations

The target for the creation of jobs was not achieved because of delays in the award of projects. 3 projects out of 5 were awarded in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of the financial year.

Percentage of the Provincial IAR updated in terms of GIAMA minimum standards was less than 100% because the updating is a continuous process as properties were registered by the Deeds Office on a daily basis. Some registrations were received in the last 2 weeks of March 2017, and then the IAR had to be updated.

Progress on provision of accommodation to provincial departments as per approved U-Amps was 0%. The reason is that the Department has embarked on a procurement process (bidding) and it was not completed at year end.

The implementation of the Lease Review project required that the department should renew all expired leases. 69 out of 89 leases were on a month-to-month basis utilising Sec 4.2 of the Lease Agreements. Their validity was confirmed by the Provincial Treasury. This represented an achievement of 22% on this indicator.

The project of constructing 11 Traditional Council Offices was delayed as there were not enough skilled workers in Capricorn, Waterberg and Sekhukhune districts. Further, Sekgopo offices required civil works to level the construction site and also for Eskom to divert the transmission lines. At Mokopane, there were delays on the approval of plans by the municipality and also the soil was unsuitable for construction of the offices.

51 out of 86 planned maintenance projects were completed. The delay was caused by the lack of manpower. The Maintenance Teams were initially engaged with the construction of Traditional Council Offices and they could attend to these maintenance projects when they have completed the construction.

17% progress on the renovation of the Government Complex in Mopani was achieved against a target of 40%. The delay was caused by tax compliance challenges of the joint venture that was contracted for the project. No payment could be effected until this was sorted out.

14% progress on the renovation of Lebowakgomo Legislature was achieved against a target of 30%. The delay is due to the project being awarded in October 2016 instead of June 2016.

78% progress against a target of 100% was achieved on the installation of Access Control and Security at the Parliamentary Village. The delay was due to the need to construct a Control Room that complies with specifications from the SAPS

3 out of 5 maintenance projects were awarded. The other 2 were delayed due to delays in the planning and procurement processes. There was 0% progress against a target of 40% on the renovation of Thohoyandou Government Complex due to delays in the procurement process

There was 0% progress on the renovation of Giyani Government Complex (Chamber Hall) due to delays in the planning process

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

The Department plans to increase the number of skilled workers in the Buildings Maintenance unit by hiring personnel that complete the Artisan Development Programme.

On the Lease Review project, the Department is procuring the services of independent property valuers to utilise their findings in negotiations with landlords on leased properties.

The Department will implement the Standard for Infrastructure Procurement and Delivery Management (SIPDM) to fast track the planning and procurement of service providers on capital projects.

### **Changes to planned targets**

*Projects carried over to the next financial year*

### **Linking performance with budgets**

#### **Sub-programme expenditure**

Sub- Programme Name	2015/2016			2016/2017		
	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
	573,928	587, 541	(13, 926)	598, 754	615, 904	(17, 150)
Total	<b>573,928</b>	<b>587, 541</b>	(13, 926)	598, 754	615, 904	(17, 150)

#### **4.2.2. Programme 2: Public Works Planning and Design**

The Sub-Programme Planning and Design is responsible for the planning and design of infrastructure projects and oversee the Infrastructure Strategic Planning Hub. (ISPH)

**Strategic objectives, performance indicators, planned targets and actual achievements**

**Strategic objectives:**

Programme Name					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Improved management of land and building infrastructure	40	35	14	21	Late submission of IPMPs and withdrawal of projects by client departments and the capacitation process which is ongoing in Infrastructure Strategic Planning Hub (ISPH).

**Performance indicators**

Programme / Sub-programme:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of 2016-17 Client	-	9	4	2	2	None	None

Departments Infrastructure Plans (IPMP) compiled in terms of U-AMPs							
Number of Client Departments Infrastructure Programme Management Plans (IPMPs) and U—AMPs submitted and collated into the C-AMP.	-	-	-	8	14	6	Infrastructure Client departments submitted their IPMP's late which had an impact on planning.
Number of 2016-17 Infrastructure Programme Implementation Plan (IPIP) compiled in terms of U-AMPs	-	4	5	8	8	None	None
Number of Client Departments Service Delivery Agreements (SDA) monitored	-	2	0	6	6	None	None

Percentage of interventions coordinated to assist client departments in development of own U-AMPs.	-	-	-	100%	75%	25%	Poor and nonattendance of GIAMA Forums by client departments
Percentage progress made in implementation of the Infrastructure Delivery Management System (IDMS)	-	-	-	100%	100%	None	None
Number of Technical Condition Assessment Completed (per building)	-	<b>13</b>	<b>9</b>	946	1112	166	Client departments submitted more requests for conditional assessments to be conducted than planned by the department.
Number of designs and specifications compiled ready for Tender	-	-	<b>5</b>	21	21	None	None

Percentage progress in the Transformation of the Built Environment in line with National Public Works Strategy on RSA Transformation of the Built Environment Strategy.	-	-	-	20%	20%	None	None
<b>Department of Public Works</b>							
Number of designs and specifications compiled ready for Tender	-	-	-	5	0	5	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned
<b>Department of Health</b>							
Number of designs ready for advert for Thabamopo	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and this resulted in

Linen Bank upgrade							target not met as planned
Number of designs ready for advert for Musina Hospital	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned
Number of designs ready for advert for Maphutha Malatji Resource Centre	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned
Number of designs ready for advert for Lebowakgomo EMS	-	-	-	1	0	1	Client department withdrew the project for 2016/2017
Number of designs ready for advert for Bosele EMS	-	-	-	1	1	None	None
Number of designs ready for	-	-	-	1	1	None	None

advert for Modimolle EMS							
Number of designs ready for advert for Thabamooopo Linen Bank upgrade	-	-	-	-	-	-	-
Number of designs ready for advert for Seshego Hospital mortuary upgrade	-	-	-	1	0	1	Client department withdrew the project for 2016/2017
Number of designs ready for advert for FH Odendaal Hospital Health Support	-	-	-	1	0	1	Client department withdrew the project for 2016/2017
Number of designs ready for advert for Sekororo Hospital new maternity complex, medical gas plant room	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned

Number of ready for advert for Malemati Clinic upgrade	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned
Number of designs ready for advert for Mehale Clinic upgrade	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned
Number of designs ready for advert for Mmamokgasefoka Clinic upgrade	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned
Number of designs ready for advert for Vaalwater EMS	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned
Number of designs ready for	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and

advert for Mookgopong EMS							this resulted in target not met as planned
Number of designs ready for advert for Mmamokgasefoka Clinic upgrade	-	-	-	-	-	-	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned
Number of designs ready for advert for New Nkhensani Hospital off-loading area Pharmacy	-	-	-	1	0	1	Client department withdrew the project for 2016/2017 and this resulted in target not met as planned
Number of Monthly Infrastructure Reporting Model reports produced and submitted to Provincial Treasury through Finance	-	-	-	12	12	None	None
Number of energy efficiency management	-	-	-	13	7	6	Lack of personnel to compile energy

introduced in terms of U' compliant AMPS for Provincial Government Departments							consumption in buildings in order to determine the exact reduction on energy consumption
Number of water efficiency management introduced in terms of compliant U'AMPS in Provincial Government Departments	-	-	-	13	8	5	Clients departments not submitting UAMP, s comprising water efficiency management plans.
Percentage of green building designs developed for construction	-	-	-	100%	25	75%	Clients departments not submitting UAMP, s comprising water efficiency management plans.  service providers could not evaluate and issue out green building performance

							certificates in accordance with the policy
Number of waste management plans introduced in terms of compliant U'AMPS for 1200 government properties	-	-	-	1200	<b>950</b>	250	Clients departments not submitting UAMP, s comprising water efficiency management plans.  service providers could not evaluate and issue out green building performance certificates in accordance with the policy
Number of greening environment introduced for 1200 government properties in terms of Green Building Policy	-	-	-	1200	<b>1200</b>	None	None
Number of Research projects on gas, solar, tri-	-	-	-	5	<b>2</b>	3	Clients departments not submitting UAMP,

generation and co-generation systems researched							s comprising water efficiency management plans.  service providers could not evaluate and issue out green building performance certificates in accordance with the policy
Percentage reduction in expenditure on energy consumption (13 – UAMPS)	-	-	-	5%	<b>4%</b>	1%	Clients departments not submitting UAMP, s comprising water efficiency management plans.  Service providers could not evaluate and issue out green building performance certificates in accordance with the policy.
Percentage reduction in usage	-	-	-	10%	<b>10%</b>	None	None

of energy consumption through proper metering on freehold properties							
Number of implementation of SANS 1544 on 60 major buildings and facilities ( hospitals, government buildings and complexes	-	-	-	60	<b>20</b>	40	<p>Clients departments not submitting UAMP, s comprising water efficiency management plans.</p> <p>Service providers could not evaluate and issue out green building performance certificates in accordance with the policy. Appoint service provider to evaluate and issue out energy performance certificates in accordance with</p>

							energy standard (SANS 1544)
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**Strategy to overcome areas of under performance**

The department ensured that projects that are not included in clients departments' planning documents are excluded from the Annual performance plan and fill vacant posts advertised for Infrastructure Strategic Planning Hub

**Changes to planned targets**

Adjusted the next financial year Infrastructure Project implementation Plans

**Linking performance with budgets**

**Sub-programme expenditure**

Sub- Programme Name	2015/2016			2016/2017		
	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
	21,400	9,860	11,540	98,605	76,971	21,634
<b>Total</b>	<b>21,400</b>	<b>9,860</b>	<b>11,540</b>	98,605	76,971	21,634

Programme 2: Public Works construction

The Sub-Programme is responsible for implementation of provincial capital works infrastructure programme and provision of project management services and coordination of the Provincial infrastructure delivery programme in respect of the EXCO Cluster Plan of Action (POA).

Oversee the implementation of GIAMA Section 13 (d) 1(iii) in the implementation of the Condition Assessment framework.

**Strategic objectives, performance indicators, planned targets and actual achievements**

**Strategic objectives:**

Programme Name					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Improved management of land and building infrastructure		30	12	18	<p>Extended planning period affected the project implementation process. The following activities were affected, i.e. Change of sites by client, compliance with the new Health norms and standards. Delays in the procurement of service provider/contractors.</p> <p>Artisan development programme students abandoned site at trial projects on dissatisfaction on accommodation payments.</p>

					<p>LCDP target could not be achieved because of lack of targeted projects for allocation to the programme.</p> <p>Slow performance by contractors on the heritage project of Lemana College, schools and 1 health project indicated in the individual targets.</p>
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## Performance indicators

Programme / Sub-programme:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
<b>Department of Health</b>							
Percentage of work completed on the Letaba Hospital - Upgrading of Psychiatric ward	-	-	<b>33%</b>	100%	100%	None	None
Percentage of work completed on Construction of New Mortuary at Thabazimbi Hospital	-	-	<b>70%</b>	100%	96%	4%	Slow performance by the contractor to effect finishes.
Percentage of work completed on Clinic Upgrade to standard at	-	-	<b>80%</b>	100%	100%	None	None

Tshikundamalema Clinic							
Percentage of work completed on Clinic Upgrade to standard Humulani Clinic	-	-	75%	100%	100%	None	None
Percentage of work completed on Construction of Health Support at Thabamooopo	-	-	-	20%	0%	20%	Delays in approval of designs to comply with the new health norms and standards.
Percentage of work completed on Construction of Linen building at Letaba	-	-	-	35%	0%	35%	The project put on hold as a result of changes in Health policy, since the Department of Health is no longer building Linen buildings, rather Laundry facilities.
Percentage of work completed on Construction of Medical record and admission block at Letaba	-	-	-	35%	5%	30%	Extended planning period affected the project implementation process. In respect to compliance to the

							new health norms and standards.
Percentage of work completed on Construction of workshop, 48 hours water standby storage and mechanical works at Letaba Hospital	-	-	-	30%	8%	22%	Extended planning period affected the project implementation process. In respect to compliance to the new health norms and standards.
Percentage of work completed on Construction of Linen building at Maphutha Malatji Hospital	-	-	-	50%	70%	20%	The contractor had a positive cash flow and continued implementation, since his financial position was strong.
Percentage of work completed on Construction of a new OPD, Casualty, and X-ray building including external works.	-	-	-	20%	10%	10%	Extended planning period affected the project implementation process. In respect to compliance to the new health norms and standards.

Percentage of work completed on Construction of Schoongezicht Clinic	-	-	-	70%	55%	15%	Project was delayed at procurement stage for validation of the bidding process.
Percentage of work completed on Construction of Mamushi Clinic	-	-	-	70%	27%	43%	Project was delayed at procurement stage for validation of the bidding process.
Percentage of work completed on Construction of Muthiba Clinic	-	-	-	50%	12%	38%	Project was delayed at procurement stage.
Percentage of work completed on Construction of Makapsvlei Clinic	-	-	-	70%	27%	43%	Project was delayed at procurement stage for validation of the bidding process.
Percentage of work completed on Construction of Sterkspruit Clinic	-	-	-	70%	45%	25%	Project was delayed at procurement stage for validation of the bidding process.
Percentage of work completed on Construction of Roedtan Clinic	-	-	-	20%	0%	20%	Land availability, since the municipality has not comment through issue of

							land availability agreement by the new municipality
Percentage of work completed on Construction of Phahameng Clinic	-	-	-	70%	0%	70%	The original site was relocated to a new site
<b>Department of Health</b>							
Percentage renovation of Education Block A & B	-	<b>0%</b>	<b>65%</b>	100%	100%	None	None
Percentage upgrading of Lemana College - Waterberg	-	<b>20%</b>	<b>52%</b>	100%	70%	30%	The Department terminated the contractor due to poor performance.
Percentage of upgrading of Mathew Phosa Secondary School	-	<b>35%</b>	<b>95%</b>	100%	100%	None	None
Percentage of Moleketla upgrading of Primary School	-	<b>35%</b>	<b>72%</b>	100%	100%	None	None
Percentage of upgrading of	-	-	<b>55%</b>	100%	93%	7%	Slow performance by the IDT which is the implementing

Driekop Secondary School							agent of the Department.
Percentage of upgrading of Lesailane Secondary School	-	-	<b>83%</b>	100%	96%	4%	Slow performance by the IDT which is the implementing agent of the Department.
Percentage of upgrading Mphari school	-	-	<b>51%</b>	100%	100%	None	None
<b>Construction Management</b>							
Number of Facilities Inspected for Conditional Assessment as per U-AMP	-	-	<b>994</b>	800	1299	499	Additional requests given to the department by the Infrastructure cluster
Percentage progress in the implementation of the Artisan Development Programme	-	-	<b>100%</b>	100%	30%	70%	The Learners abandoned their placement on the clinics projects because they didn't want to pay for accommodation
Percentage progress in the implementatio	-	-	<b>100%</b>	100%	0%	100%	LCDP target could not be achieved because of lack of targeted projects

n of the Contractor Development Programme.							for allocation to the programme.
Number of jobs created in the implementation of client departments projects.	-	-	<b>1013</b>	860	279	589	Delays in the implementation of projects affected creation of EPWP jobs to this target.
Number of learners on the Artisan Development Programme implementing trial projects	-	-	-	20	64	44	The Department has many learners requiring training
Number of learners on the Contractor Development Programme implementing trial projects	-	-	-	20	1	19	LCDP target could not be achieved because of lack of targeted projects for allocation to the programme.

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

The alignment of the infrastructure delivery with the Standard for Infrastructure Procurement and Delivery Management.

### **Changes to planned targets**

The project put on hold as a result of changes in Health policy, since the Department of Health is no longer building Linen buildings, rather construct Laundry facilities and other infrastructure projects were affected by change by the introduction of new health, norms and standards on facilities.

### **Linking performance with budgets**

#### **Sub-programme expenditure**

Sub-Programme Name	2015/2016			2016/2017		
	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
	103, 327	103, 140	(813)	96, 680	55, 911	40, 769
Total	103, 327	103, 140	(813)	96, 680	55, 911	40, 769

#### **4.3. Programme 3: EPWP**

The purpose of this programme is to co-ordinate the Expanded Public Works Programme in the Province. This involves evaluating business plans, monitoring implementation, facilitating training and reporting progress on all EPWP programmes in the Province.

**Strategic objectives, performance indicators, planned targets and actual achievements**

**Strategic objectives:**

Programme Name					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Coordinated and attained EPWP job creation by March 17		7	6	1	Shorter duration of project impacted negatively on FTE's

**Performance indicators**

Programme / Sub-programme:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
Number of EPWP Work Opportunities created by the Provincial Department of	-	8 746	8 610	6,200	6 328	128	Additional work opportunities created by Road Agency Limpopo

Public Works, Roads & Infrastructure							
Number of full time equivalents (FTE's) created by Provincial Department of Public Works Roads and Infrastructure	-	<b>5 055</b>	<b>397</b>	3,558	1,410	2148	Shorter duration of project impacted negatively on FTE's
Number of Beneficiary Empowerment Interventions on Infrastructure delivery	-	-	<b>4</b>	4	2	2	None
Number of Public Bodies reporting on EPWP targets within the Province. Infrastructure.	-	<b>40</b>	<b>40</b>	40	34	6	None
Number of Interventions implemented to support Public Bodies in the creation of	-	<b>58</b>	<b>28</b>	28	28	None	None

targeted number of work opportunities in the Province. Infrastructure							
Number of Work opportunities created using EPWP incentive grant.	<b>512</b>	<b>1 385</b>	<b>724</b>	500	530	30	Additional jobs were created on cleaning services during the opening of the Legislature.
Number of work opportunities created under the National Youth Service (NYS)	<b>300</b>	<b>1 385</b>	<b>400</b>	500	720	220	During the 2 <sup>nd</sup> Quarter 220 work opportunities were reported whereas a null report was supposed to have been given. Therefore actual output is 500.

Reasons for all deviations

Additional work opportunities created by Road Agency Limpopo

Shorter duration of project impacted negatively on FTE's

Additional jobs were created on cleaning services during the opening of the Legislature.

During the 2<sup>nd</sup> Quarter 220 work opportunities were reported whereas a null report was supposed to have been given.

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

Enhance EPWPP planning and monitoring and framework for the coordinating function.

### **Changes to planned targets**

None

### **Linking performance with budgets: Sub-programme expenditure**

Sub- Programme Name	2015/2016			2016/2017		
	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
	39, 534	38, 158	1, 376	42, 985	39, 871	3, 114
Total	39, 534	38, 158	1, 376	42, 985	39, 871	3, 114

#### **4.4. Programme 4: Roads and Infrastructure**

The purpose of this programme is to implement roads infrastructure management in the Province. This involves evaluating business plans, monitoring implementation and reporting progress on all roads infrastructure management programmes in the Province including transfers allocations to the Roads Agency Limpopo.

**Strategic objectives, performance indicators, planned targets and actual achievements**

Programme Name					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Improve accessibility through construction and maintenance of sustainable roads infrastructure		9	4	5	The Department did not achieve five (05) of its annual targets. The non-achievement is due to RAL's three (03) targets namely, number of kilometres of gravel roads upgraded to surfaced roads; number of lane kilometres of surfaced roads rehabilitated and number of square meters of surfaced roads resealed. This was mainly due to inadequate funding and RAL requested for additional funding from the Provincial Treasury.

**Performance indicators**

Programme / Sub-programme:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement 2016/2017	Comment on deviations
<b>Construction</b>							
Number of kilometers of gravel roads upgraded to surface roads	-	-	<b>32.96</b>	73	46.9	26.1	Inadequate funding. Request for additional funding from Provincial discus.
Number of kilometres of gravel access road upgraded to surfaced roads	-	<b>44</b>	<b>24.7</b>	20	20	None	None
<b>Maintenance</b>							
Number of lane-kilometers of surfaced roads re-habilitated	-	<b>124.3</b>	<b>70.9</b>	175	122.99	52.01	Inadequate funding. Request for additional funding from Provincial fiscus.
Number of square metres of surfaced roads re-sealed	-	<b>389, 208</b>	<b>142 694</b>	444 500	254,971	189,529	Inadequate funding. Request for additional

							funding from Provincial fiscus.
Number of kilometres of gravel roads re-gravelled	-	<b>141.8</b>	<b>140</b>	100	119.6	19.6	The target was over achieved due to increase demand to upgrade existing gravel roads to bituminous surface. Re-graveling was then reprioritised to improve riding quality of gravel roads.
Number square meters of blacktop patching (including pothole repairs)	-	-	<b>85 041</b>	75 000	102,743	27,743	More potholes than anticipated developed. Intensify road preventative and rehabilitation projects.
Number of kilometres of gravel roads bladed	-	<b>96 871</b>	<b>63 107.2</b>	70 000	58565.1	11434.9	Shortage of Driver Operators., road workers aid and variances on work done after verification

							attributed by shortage of skills.
Number of Households-based projects implemented, creating 9,800 work opportunities.	-	-	7	25	25	None	None
Number of new Motor Graders procured by March 2017	-	-	0	25	20	5	The supply did not have stock and did partial delivery of the consignment ordered due to non-availability of stock by the Manufacturer.

### Reasons for all deviations

The Department conducted performance information verification and reconciliation and discrepancies were noted between quarterly reports and final verified information as outlined below:

The Department did not achieve five (05) of its annual targets. The non-achievement is due to RAL's three (03) targets namely, number of kilometres of gravel roads upgraded to surfaced roads; number of lane kilometres of surfaced roads rehabilitated and number of square meters of surfaced roads resealed. This was mainly due to inadequate funding and RAL requested for additional funding from the Provincial Treasury.

The Departmental did not achieve two (02) targets, of, number of kilometres of gravel roads bladed and number of new motor graders procured. The reasons are attributed to the shortage of motor graders, operators and road workers aid.

The situation was further compounded by low availability of plant due to the aged machinery and frequent mechanical failures. Detailed analysis report to this effect is available in the audited file

Number of kilometres of gravel access road upgraded to surfaced roads: there was an under reporting of 5km during the second quarter, and the annual verified achievement is 20km instead of 15km. Kilometres of gravel access road upgraded to surfaced roads, There an omission in the second quarter, the matter was audited and corrected further undertaking make to reconcile the matter in the annual report. Means of verification signed off by the AO is available in the audit file.

Number of kilometers of gravel roads re-gravelled: The annual output was exceeded after the project managers re-scheduled site operations and reconciled output from 26km to 22.5km, 18.5km to 21.3km in the first and second quarter respectively. The annual verified information is 118.9km.

Number square meters of blacktop patching (including pothole repairs): More potholes repaired as the Department. Intensified road preventative and rehabilitation maintenance programme. The annual output was exceeded after the project managers re-scheduled site operations and reconciled output from 22 805 m2 to 16 763 m2, 32 331 m2 to 28 122 m2 in the first and second quarter respectively. The annual verified output is 102 743 m2.

Number of kilometres of gravel roads bladed: The under performance in achieving the 70000km planned was a combination of plant availability, graders operators, road workers aid and skill base in the execution of blading operations wherein the maintenance directorate experienced variations on returns from sites thus forced to make adjustments after verification of outputs. Hence the following reconciliation: 1523.5km of the 13 390km reconcile to 11 866.5km and further reconciliation of 3277.1km, 19 680.6km reconciled to 16 403.5km in the first and second quarter respectively. The site returns are available for verification.

The Department procured graders through transversal contract (RT57) and the Development Bank of South Africa (DBSA). During the financial year under review, 20 graders were delivered and the outstanding graders will be delivered during the 2017/18 financial year. The partial delivery was due to non-availability of stock by the Manufacturer. The supplier did not have stock and did partial delivery of the consignment ordered due to non-availability of stock by the Manufacturer.

### Strategy to overcome areas of under performance

RAL submitted a request for additional funding to the Provincial Treasury and relevant stakeholders. The entity is exploring alternative funding methods and strategic partnerships.

To deal with the challenge of aged machinery, the Department will procure new graders and other machinery in the 2017/18 financial year. The repairing of the machinery through the RT46 contract improved the turnaround time for repairs and the Department will continue to liaise with all merchants to streamline their processes to fast track the repairs of the Departmental road maintenance machinery. Other resourcing methods of plant hiring through term contracts will be implemented in order to beef up the existing departmental plant. The outstanding graders will be delivered during the 2017/18 financial year.

### Changes to planned targets

The annual target for "Number of kilometres of gravel roads upgraded to surfaced roads" was erroneously entered by RAL as 73km instead of 57km.

### Linking performance with budgets

#### Sub-programme expenditure

Sub- Programme Name	2015/2016			2016/2017		
	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
	1, 699, 483	1, 642, 199	57, 284	1,930, 240	1, 872, 927	57, 313
<b>Total</b>	<b>1, 699, 483</b>	<b>1, 642, 199</b>	<b>57, 284</b>	<b>1,930, 240</b>	<b>1, 872, 927</b>	<b>57, 313</b>

## 5. TRANSFER PAYMENTS

### 5.1. Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<b>Roads Agency Limpopo(RAL)</b>	<b>Planning, Design ,construction and maintenance of provincial roads and bridges</b>	<b>R1, 054, 935</b>	<b>R1, 054, 935</b>	Contained in RAL 2016/17 Annual Report

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

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2016 to 31 March 2017, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A	N/A	N/A	N/A	N/A

## 6. CONDITIONAL GRANTS

### 6.1. Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the department.

Conditional Grant 1:

Department/ Municipality to whom the grant has been transferred	<i>Department of Public Works, Roads and Infrastructure</i>
Purpose of the grant	To supplement provincial investments for preventative, routine and emergency maintenance as well as none-motorised infrastructure,
Expected outputs of the grant	Preventative, routine and emergency maintenance as well as none-motorised infrastructure, To supplement provincial investments for preventative, routine and emergency maintenance as well as none-motorised infrastructure
Actual outputs achieved	In line with key indicator table
Amount per amended DORA	<i>R1 164 264 million</i>
Amount transferred (R'000)	<i>R1, 003, 046</i>
Reasons if amount as per DORA not transferred	<i>N/A</i>
Amount spent by the department/ municipality (R'000)	<i>R1, 003, 046</i>
Reasons for the funds unspent by the entity	<i>Slow implementation of projects on site</i>

Monitoring mechanism by the transferring department	<p>Assess and evaluate all provinces Road Asset Management Plans (RAMP) and give feedback to provincial departments</p> <p>The DoT in partnership and National Department of Public Works assess business plans to ensure expanded Public Works Programme (EPWP) guidelines. In addition, the two departments will monitor and assess the performance on the S’hamba Sonke and EPWP by provincial departments</p> <p>Assess and approve the submissions from provinces regarding the use of the maximum of R10 million for RAMS and capacity building of their infrastructure units</p> <p>Submit quarterly performance reports to National Treasury and the National Council of Provinces within 45 days after the end of each quarter</p> <p>Submit a grant evaluation report to National Treasury 120 days after the end of the financial Year.</p>
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*Conditional Grant 2:*

Department/ Municipality to whom the grant has been transferred	<i>Department of Public Works, Roads and Infrastructure</i>
Purpose of the grant	<i>To incentivise provincial Department to expand on creation of work opportunities through use of labour-intensive methods.</i>
Expected outputs of the grant	<p><i>Injection of cash into local economy</i></p> <p><i>Reduced level of poverty.</i></p> <p><i>Increased level of employment</i></p>

Actual outputs achieved	<i>530 work opportunities created</i>
Amount per amended DORA	<i>N/A</i>
Amount transferred (R'000)	<i>R4 826 000</i>
Reasons if amount as per DORA not transferred	<i>None</i>
Amount spent by the department/ municipality (R'000)	<i>R4 826 000</i>
Reasons for the funds unspent by the entity	<i>None</i>
Monitoring mechanism by the transferring department	<i>Quarterly reports</i>

*Conditional grants and earmarked funds received*

*The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2016 to 31 March 2017.*

*Conditional Grant: N/A*

**7. DONOR FUNDS**

**7.1. Donor Funds Received**

*Donor Fund : N/A*

## 8. CAPITAL INVESTMENT

### 8.1. Capital investment, maintenance and asset management plan

Progress made on implementing the capital, maintenance and asset management plan:

Planning of the Department takes into consideration the National Development Plan and the Limpopo Development Plan. Projects undertaken are in line with the Departmental Maintenance Plan that is developed over the MTEF period. Infrastructure projects were implemented as per the Department's User Asset Management Plan (U-Amps).

Infrastructure projects implemented in the year under review and progress thereof is in comparison to what was planned at the beginning of the year and achieved at the end of the period. The following projects were implemented and progress is reported hereunder:

Upgrading of Namakgale offices including the installation of a lift was completed in the current financial year set target has been achieved  
Progress at the Parliamentary Village is 30% against an annual target of 30% on the renovation of set target has been achieved  
The renovation of the Department of Safety, Security and Liaison building was completed set target has been achieved.

The upgrading of Mechanical Works at Lebowakgomo Legislature was completed set target has been achieved  
6 Traditional Council Offices were constructed against a set target of 11. This project was initiated to provide proper infrastructure to Traditional Councils. The Department could not complete all 11 offices due to shortage of skilled workers in Capricorn, Sekhukhune and Waterberg. Further, Sekgopo office in Mopani was delayed due to the need to level the ground as the construction site was on a steep area. In Mokopane there were delays on the approval of plans by the Municipality and the soil type was found to be unsuitable for the project. Suitable soil was later obtained off site backfilled and compacted before the project could commence.

51 planned maintenance projects were completed out of a set target of 86. The delay was caused by the lack of manpower. The Maintenance Teams were engaged in the construction of Traditional Council Offices and could attend to these maintenance projects when they completed the construction of the offices.

Renovation of the Giyani Government Complex in Mopani 17% was achieved against a target of 40%. The delay was caused by tax compliance challenges of the joint venture that was contracted to implement the project. No payment could be effected until the tax matters were sorted out.

Renovation of Lebowakgomo Legislature complex 14% progress was achieved against a set target of 30%. The delay is due to the project being awarded late in the financial year, in October 2016 instead of June 2016.

Progress of 78% was achieved against a set target of 100% in the installation of Access Control and Security features at the Parliamentary Village. The delay was due to the need to construct a Control Room that complies with specifications from the SAPS Assessment Report and recommendations.

Three (3) maintenance projects out of 5 were awarded. The other 2 were delayed due to delays in the planning and procurement processes, there is 0% progress against a target of 40% on the renovation of Thohoyandou Government Complex due to delays in the procurement process

There was 0% progress on the renovation of Giyani Government Complex (District Municipality Chamber Hall) due to delays in the planning process and award of the project.

Infrastructure projects	2015/2016			2016/2017		
	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	546, 656	447, 966	98, 690	-	10, 179	(10, 179)
Existing infrastructure assets						
- Upgrades and additions	403, 904	395, 503	8, 401	-	45, 951	(45, 951)
- Rehabilitation , renovations and refurbishments	163, 793	148, 758	15, 035	97, 312	9, 489	87, 823
- Maintenance and repairs	647, 974	642, 127	5, 847	8, 692	67, 827	(59, 135)
Infrastructure transfer						
- Current	950, 560	843, 469	107, 091	-	-	-
- Capital	811, 767	790, 885	20882	-	-	-
<b>Total</b>	<b>1, 762 327</b>	<b>1, 634 354</b>	<b>127, 973</b>	<b>106, 004</b>	<b>133, 446</b>	<b>(27, 442)</b>

# 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. 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.

Internal Audit is responsible for the evaluation of the adequacy of internal controls and compliance with applicable rules and regulations, and assessment of key risk areas and provide advisory services to the Accounting Officer. The Risk Management Committee has been established to monitor and evaluate the effectiveness of the risk management practices or processes and also to review control measures to mitigate identified significant risks. The committee is chaired by an independent chairperson.

The Audit Steering Committee has been established to oversee the implementation of the audit programmes from both the Internal Audit and Office of the Auditor-General to ensure the smooth running of the audit. The committee meets on regular basis to address audit related issues.

The Standing Committee on Public Accounts (SCOPA) is the committee of the legislature responsible for the task of making sure that the executive is implementing agreed policies and spending public money raised through taxes properly. Portfolio Committee is the committee which provides oversight and holds the department accountable for the achievement of goals and objectives.

### 2. RISK MANAGEMENT

The Department is guided, in its risk management practices, by the Public Finance Management Act, National Treasury Risk Management Framework and the Provincial Risk Management Framework. The Department has implemented the risk management policy approved by the Executing Authority and the risk management strategy approved by the Accounting Officer.

The Department has developed risk 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 conducted both strategic and operational risk assessments during the year under review to identify emerging risks. The risk mitigation plan is monitored on a continuous basis and progress on the implementation of the plan is reported to the Audit Committee on a quarterly basis for oversight and evaluation of the effectiveness of the risk management processes. The committee advises the department on unacceptable levels of risk.

The Department has established the Risk Management Committee which is comprised of the executive management of the department, internal auditors and transversal risk management officers. The Department has reviewed the Risk Management Committee charter in line with Treasury Instruction Note 13 of 2012 issued by Provincial Treasury.

The Department reported progress on risk management activities to the Audit Committee meetings which are scheduled to take place on quarterly basis. The Audit Committee reviewed the risk management report and all resolutions adopted have been implemented by the management.

### **3. FRAUD AND CORRUPTION**

The Department is continuously implementing the provisions of the National Anti-Corruption Strategy as a guideline to address issues of fraud and corruption. The Department has reviewed and implemented the fraud prevention plan. Fraud training, education and awareness workshops were conducted throughout the department including district offices and cost centres. The Department has continuously implemented the fraud and corruption prevention strategy. Induction and orientation is conducted to newly appointed staff members on the Code of Conduct including the Public Service Charter.

The Department has established an Integrity Management Unit to deal with fraud risk management. The Department has reviewed the Whistle Blowing policy. The National Hotline (0800 701 701) has been popularised amongst all staff members and reported cases are investigated and finalised within the prescribed turnaround time. All reported cases of fraud and corruption have been investigated and finalised.

Fraud and corruption related cases are reported through the National Anti-Corruption Hotline. 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 as amended requires Senior Management Service (SMS) members to complete Financial Disclosure form on an annual basis. The Department started implementing e-Disclosure System for SMS members during the 2013/14 financial year. Financial Disclosure has been extended to all employees in the department in term of the policy on remunerative work outside the Public Service. No official or employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the public service, without permission granted by the relevant executing authority or an officer authorised by the said authority.

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 annually. Staff members as well as officials rendering administrative support such as recruitment are also required to complete declaration form. The Department has implemented Instruction Notes issued by Provincial Treasury relating to Supply Chain Management.

#### **5. CODE OF CONDUCT**

The primary purpose of the Code of Conduct is to promote ethical behaviour 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 Department has distributed the Code of Conduct to all staff members. The Department has appointed an ethics officer.

New employees are inducted during the first week of assumption of duty. The Department has developed a yearly programme to create awareness on the Code of Conduct for Head office and District offices. The Code of Conduct addresses issues pertaining to relationships with Legislature, the general public, performance of duties, personal conduct and personal interests.

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 Safety, Healthy, Environment, Quality and measures to ensure safe and healthy working environment for employees and visitors. The Department is responsible and committed to prevent Occupational injuries and diseases in the workplace, and is continually providing Health and Safety standards operational procedures to minimise hazards in a safe manner and in compliance with relevant SHERQ legislations, regulations, codes, standards and practices.

## 7. PORTFOLIO COMMITTEES

This report seek to provide information on dates of the meetings between the Portfolio Committee and the Department on matters raised by the Portfolio Committee and how the Department addressed those matters.

Date of the meeting	Matters raised for discussion	How the department addressed the matter.
15 April 2016	Briefing of the portfolio committee on the Departmental Annual Performance Plan and budget for 2015/16	Noted the comments of the portfolio committee with regards to the APP of the department
09 September	Relocation of the Provincial Legislature	Written report submitted to the portfolio committee
	Filling of position of Head of Department	The position was filled in November 2016
	Filling of other Senior Management vacant posts	Portfolio committee advised that the filling of vacant SMS positions would be done as soon as the position of HoD is filled
	Relocation of Sekhukhune District office to Jane Furse	Status report submitted to the portfolio committee

	Turnaround strategy of the department	Written report submitted to the portfolio committee
	Collection of Arrear Rental	Portfolio committee briefed on the introduction of operation Hakela as a strategy to deal with outstanding arrear rental
	Regulations related to differentiation on rental	Portfolio committee briefed that this matter is still a subject of engagements at the bargaining council
	Breakdown of bad debts for outstanding rentals	Written report submitted to the portfolio committee
	Progress report on implementation of the Infrastructure Strategic Planning Hub	Written report submitted to the portfolio committee
	Report on leases investigated by the Special Investigations Unit	Written report submitted to the portfolio committee
<b>07 October 2016</b>	Sale of state properties	Written report submitted to the portfolio committee
	R293 Township	Written report submitted to the portfolio committee
	Traditional Council offices	Written report submitted to the portfolio committee
	Side Walks	Written report submitted to the portfolio committee

	Manenu / Altona Traffic college	Written report submitted to the portfolio committee
	Previous issues raised by the Committee	Written report submitted to the portfolio committee
	Departmental Performance	Written report submitted to the portfolio committee
	Consequences management	Written report submitted to the portfolio committee
	Internal Controls	Written report submitted to the portfolio committee
	Irregular expenditure	Written report submitted to the portfolio committee
	Capacity in the CFO 's office	Written report submitted to the portfolio committee
	Rental defaulters	Written report submitted to the portfolio committee
	Staff Debts	Written report submitted to the portfolio committee
	Disciplinary Action	Written report submitted to the portfolio committee
	Leave Audit	Written report submitted to the portfolio committee

	Contingency Liability	Written report submitted to the portfolio committee
	Phokoane Clinic and Seshego Treatment Centre	Written report submitted to the portfolio committee
	Poor Performing Contractors	Written report submitted to the portfolio committee
<b>08 November 2016</b>	Progress on the following projects <ul style="list-style-type: none"> <li>- Phokwane library</li> <li>- Seshego Treatment Centre, and</li> <li>- Traditional Council Offices</li> </ul>	Written report submitted to the portfolio committee
	Report on action taken against poor contractors as per the submitted report	Written report submitted to the portfolio committee
	File of Parliamentary Village and the Government Complex including all EXCO resolutions; records of Court cases; plans; feasibility studies and other related documents since inception of the project.	Department partially complied by submitting some of the documents required.
	Plans to use the Premier's Guesthouse and the Premier's official residence in Dalmada and what is happening to them with regards to maintenance?	Written report submitted to the portfolio committee
	Delays in finalizing transfer of R293 Towns to Municipalities	Written report submitted to the portfolio committee

	Progress on the lease review report	Written report submitted to the portfolio committee
	Report on disciplinary action taken by National Government on irregular expenditure caused by the former Administrator, Mr. Dondashe	Written report submitted to the portfolio committee
20 April 2016	Meeting postponed	Meeting postponed
26 August 2016	Meeting postponed	Meeting postponed

## 8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.	Movable tangible capital assets	The Committee recommends that the Department develops a reliable and dependable asset register for all capital assets which should be safeguarded at all material times. Furthermore appropriate steps are taken against the Accounting Officer for failing to safeguard assets belonging to the Department as prescribed in the PFMA.	The Department has introduced the BAUD Electronic System to update the Movable Asset Register  The Department has procured Electronic Verification Scanners which will be utilized in the Asset Verification Process.  Physical asset verifications have been	No

			<p>conducted at Head Office and 5 district offices. Officials have been redeployed to Assets and Logistics unit to build capacity within the unit.</p> <p>Assets valued at R1 have been identified and will be revalued or fair valued and the Asset Register will be updated.</p>	
2.	Accrued Departmental Revenue and material impairments	<p>Since the department is failing to keep adequate records, monthly reconciliations, failing to follow the PFMA and other prescripts, failing to prepare appropriate financial statements, the Committee recommends that the MEC should take appropriate action against the responsible officials.</p>	<p>The Department has completed a Lease Review project on all rented residential properties.</p> <p>An electronic system (Pastel) to record all transactions pertaining to Rental Debts and Impairments has been procured.</p> <p>The Director – Assets and Logistics was charged with misconduct and the process is unfolding.</p>	No

3.	Irregular Expenditure and expenditure management	The Committee recommends that the MEC must take appropriate action against the officials for failing to comply with the provision of the PFMA. The committee further recommends that any irregular expenditure must be cleared with the Provincial and National Treasury before it could be brought to SCOPA.	<p>The matter regarding irregular expenditure incurred has been referred to Provincial Treasury and a response was provided on how the expenditure should be treated.</p> <p>The department has written off some of the expenditure after a thorough investigation was conducted. The remaining balance of irregular expenditure which is not yet written off is still under investigation.</p>	Resolved (No)
4.	Significant Uncertainties	The Committee recommends that the MEC must provide progress made regarding the cases. The contents of each case together with the facts regarding the case and the amount involved in each case.	In this matter the Department is sued by Nhluvuko Consulting Holdings and Xinjovo Enterprise Joint Venture for R 13 921 593.49 in respect of services rendered to the department pursuant to an agreement entered into on the 16 October 2006. Due to the interest factor, the claim was presently in	Resolved (Yes)

			<p>the region of approximately R 30 million</p> <p>The Office of the State Attorney in Pretoria agreed with T.G. Fine Attorneys representing the claimant accepted the settlement amount of R 15 855 000.00 as full and final settlement of their claim against the department, inclusive of legal costs.</p> <p>The settlement amount of R15 855 000.00 was paid on the 31<sup>st</sup> March 2017. The matter is resolved.</p>	
5.	Material under spending of the budget	<p>Under spending on conditional grants is regarded as a failure by the department to provide the necessary service to the affected parties.</p> <p>The Committee recommends that appropriate action be taken against officials responsible who failed to ensure that conditional grants are</p>	<p><b><u>Road Infrastructure:</u></b></p> <p>The under expenditure was due to reconfiguration of the then <u>Department of Roads and Transport</u> and <u>Department of Public Works</u>. There were several delays in the approval processes to procure Service Providers (contractors) to implement Access Roads projects. Other</p>	

		utilised as per the department's plan.	delays were experienced in the awarding of the procurement of plant and machinery as well as pothole patching material (premix).  <b><u>Infrastructure (Properties &amp; Facilities):</u></b> The underspending was due to delays in finalising a term contract for the supply of building materials. Planning and design was completed late in the financial year and contractors were appointed in the 4 <sup>th</sup> quarter.	
6.	Fruitless and wasteful expenditure	The Committee recommends that the department must provide a detailed report on the fruitless and wasteful expenditure involved and take appropriate action to recover the money from responsible officials.	The Department has developed a register to record all fruitless and wasteful expenditure incurred during each financial year and such expenditure is reported to Provincial Treasury on a monthly basis and investigations are	Resolved (No)

			<p>instituted to establish reasons to that effect.</p> <p>The Department wrote off an amount of R1 099 million for fruitless and wasteful expenditure and the balance is currently under investigation to establish the root causes.</p>	
7.	Reliability of reported performance information: EPWP and Roads Infrastructure	<p>The Committee recommends that the MEC must develop and implement internal control measures to ensure the reliability of the targets under the EPWP programme and Road infrastructure programmes.</p> <p>It has further been recommended that the Accounting Officer must verify and review reported achievements against source documentation. That reported indicators are consistent with those in the approved annual performance.</p>	<p>The planned target of 1000 work opportunities was set based on the Incentive Grant allocation available at the time when APP was finalised. Now during the budget adjustment in November 2014, EPWP was allocated addition budget of R1, 3 million and it resulted in creating additional 385 work opportunities. This made the Unit to overachieve its initial planned target of 1000 by 385.</p> <p>The nature of EPWP is such that every available opportunity of</p>	Resolved (Yes)

			<p>getting additional funds is taken advantage of in the spirit of poverty alleviation and job creation, which are primary objectives.</p> <p>The reporting and monitoring of jobs created are coordinated by EPWP Chief Directorate. Roads Infrastructure Chief Directorate and RAL are responsible for planning and implementation of projects. Hence, job opportunities created through roads projects are reported to EPWP to monitor and ensure compliance.</p>	
8.	Strategic planning, performance management, annual financial statements, and annual reports	The Committee recommends that the Accounting Officer must ensure that there are internal control systems in place in order to identify the available risks.	The Department conduct risk assessments on a continuous basis to identify new emerging risks and the risk management plan is implemented, reviewed and updated on regular basis to ensure the	Resolved (Yes)

			<p>appropriateness of the responses;</p> <p>The Department has integrated risk management processes with the strategic planning processes and other business processes to ensure proper alignment of strategic risks and the strategic objectives.</p> <p>The Provincial Internal Audit three years strategic plan and the annual audit plan are based on the strategic risk profile of the department. Exceptions raised by Internal Audit are implemented by the department and follow up is also conducted on quarterly basis.</p>	
<b>9.</b>	Procurement, contract management and consequence management	The Committee recommends that the MEC should take appropriate action against officials who did not perform according to the expectations.	All SMS members in the department were not paid performance bonuses for the 2015/16 financial year.	Resolved (Yes)

10.	Service delivery	<p>The Committee recommends that the Accounting Officer must ensure that appointed project managers are registered with the South African Council for the Project and Construction Management Professions (SACPCMP), as required by sections 18(2) and 19 of the Project and Construction Management Professions Act.</p>	<p>The Department managed to register 54 project managers as professional candidates and two (2) project managers were registered as professionals with SACPCMP.</p> <p>The contract for the service provider or the consultant Mr Rob Du Preez to assist the Department with the registration of project managers lapsed on the 31<sup>st</sup> March 2017.</p> <p>The Department is in the process of entering into a Memorandum of Understanding with the Council for Built Environment (CBE) to assist with registration of project managers</p>	Resolved (No)
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## 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
<p><b>Qualified Opinion:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Movable tangible capital Assets</li> <li><input type="checkbox"/> Accrued departmental revenue</li> <li><input type="checkbox"/> Irregular expenditure</li> </ul>	<p>FY 2013/14</p>	<p>The Department has procured 20 electronic scanners which are being used conduct physical assets verifications. The department has reconciled the Excel Spreadsheet Asset Register and Baud Asset Register. All historical assets were uploaded in BAUD Asset Register. All assets valued at R1 will revalued or fair valued.</p> <p>The matter regarding accrued departmental revenue: the department procured PASTEL system and migrated information from Excel Spreadsheet to PASTEL; reviewed both the rental management policy and the Impairment of debtors policy; reviewed the rental tariffs to avoid using housing allowance as rental tariff; in the process of appointing Provincial Eviction Task Team (composed of Public Works Roads &amp; Infrastructure, Coghsta, Housing Tribunal, Office of the Premier and Provincial Treasury).</p> <p>The matter regarding irregular expenditure incurred has been referred to Provincial Treasury and a response was provided on how the expenditure should be treated. The department has written off some of the expenditure after a thorough investigation was conducted. The remaining balance of irregular expenditure which is not yet written off is still under investigation.</p>
<p><b>Qualified Opinion:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Movable tangible capital Assets</li> <li><input type="checkbox"/> Accrued departmental revenue</li> <li><input type="checkbox"/> Irregular expenditure</li> </ul>	<p>FY 2014/15</p>	<p>The Department has procured 20 electronic scanners which are being used conduct physical assets verifications. The department has reconciled the Excel Spreadsheet Asset Register and Baud Asset Register. All historical assets were uploaded in BAUD Asset Register. All assets valued at R1 will revalued or fair valued.</p>

		<p>The matter regarding accrued departmental revenue: the department procured PASTEL system and migrated information from Excel Spreadsheet to PASTEL; reviewed both the rental management policy and the Impairment policy; reviewed the rental tariffs to avoid using housing allowance as rental tariff; in the process of appointing Provincial Eviction Task Team (composed of Public Works Roads &amp; Infrastructure, Coghsta, Housing Tribunal, Office of the Premier and Provincial Treasury).</p> <p>The matter regarding irregular expenditure incurred has been referred to Provincial Treasury and a response was provided on how the expenditure should be treated. The department has written off some of the expenditure after a thorough investigation was conducted. The remaining balance of irregular expenditure which is not yet written off is still under investigation.</p>
<p><b>Qualified Opinion:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Movable tangible capital Assets</li> <li><input type="checkbox"/> Accrued Departmental Revenue</li> </ul>	<p>FY 2015/16</p>	<p>The Department has procured 20 electronic scanners which are being used conduct physical assets verifications. The department has reconciled the Excel Spreadsheet Asset Register and Baud Asset Register. All historical assets were uploaded in BAUD Asset Register. All assets valued at R1 will revalued or fair valued.</p> <p>The matter regarding accrued departmental revenue: the department procured PASTEL system and migrated information from Excel Spreadsheet to PASTEL; reviewed both the rental management policy and the Impairment policy; reviewed the rental tariffs to avoid using housing allowance as rental tariff; in the process of appointing Provincial Eviction Task Team (composed of Public Works Roads &amp; Infrastructure, Coghsta, Housing Tribunal, Office of the Premier and Provincial Treasury).</p>

## **10. INTERNAL CONTROL UNIT**

Management has established a system of internal controls that provides reasonable assurance that assets are adequately safeguarded, and transactions are recorded accurately, in all material respects, in accordance with management's authorisation. Internal Audit has developed a programme that independently evaluates the adequacy and effectiveness of internal controls. The internal controls system provides for appropriate separation of duties and responsibilities, and there are documented policies regarding utilisation of assets and proper financial reporting.

The documented policies and procedures are regularly communicated to all staff members and demand a high ethical conduct from all employees. The Audit Committee meets regularly to determine that management, internal auditors and independent auditors are properly discharging their duties regarding internal control and financial reporting.

The Department has developed a compliance register to monitor and evaluate compliance with applicable legislation and regulations, policies and procedure manual. Provincial Treasury has establish a compliance unit which conduct inspections to evaluate the level of compliance in provincial departments

## **11. INTERNAL AUDIT AND AUDIT COMMITTEES**

Audit Committee (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.

During the financial year 2016/2017, the AC has met at least five (5) times (excluding special meetings) to perform its roles and responsibilities as stipulated in the AC Charter. Only (1) one special meeting for the Department of Education was held during 08 April 2016 to review third quarterly AC Reports. In addition, the AC held its AC Annual Strategic Planning Workshop from 13 – 15 February 2017 to review its 2016/2017 performance and plan for the 2017/2018 financial year. In addition to overseeing the work of all the four (4) Clusters, the Central Audit Committee (CAC) structure assumed the responsibility of monitoring the implementation of resolutions taken during the AC Annual Strategic Planning Workshop.

Both the AC Charter and the Accounting Officers' Reporting Framework to the AC were reviewed and adopted during the AC Annual Strategic Planning Workshop. National Treasury 360 Degree Evaluation model was used to evaluate the work and performance of the AC. The final evaluation score yielded an average of 4.27 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. The AC stakeholders participated in the performance evaluation of the AC include Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers and GITO). AG 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.

There were no resignations or premature terminations of the AC membership recorded during the financial year 2016/2017. However, the contracts of the AC Members appointed during the beginning of the year 2014 came to an end on 31<sup>st</sup> December 2016. As a result, the Honourable MEC for Finance in consultation with the Executive Council (EXCO) appointed the 17 new AC members with effect from 1<sup>st</sup> February 2017 to 31<sup>st</sup> December 2019. The newly appointed AC members were inducted during February 2017 on the mandate of departments they are responsible for.

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 2016	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	<ul style="list-style-type: none"> <li>a. Performance Information,</li> <li>b. Draft Annual Financial Statements,</li> <li>c. Accounting Officer's Report to the AC (Financial &amp; Non-Financial),</li> <li>d. Quarterly Risk Management Report,</li> <li>e. SCOPA Resolutions Implementation Progress,</li> <li>f. Auditor General Audit Findings Implementation Progress,</li> <li>g. Internal Audit Quarterly Progress Report.</li> </ul>
2.	July 2016	Review of Draft Audit and Management Reports	<ul style="list-style-type: none"> <li>a. Draft Management Reports,</li> <li>b. Draft Audit Reports.</li> </ul>
3.	September 2016	Review of First Quarter Performance Reports (Financial and Non-Financial)	<ul style="list-style-type: none"> <li>a. All information under No. 2 except point a &amp; b, and</li> <li>b. Procurement Plans of the departments.</li> </ul>
4.	November 2016	Review of Second Quarter Performance Reports (Financial & Non-Financial)	<ul style="list-style-type: none"> <li>a. All information under No. 2 except point a &amp; b.</li> </ul>
5.	February 2017	AC Annual Strategic Planning Workshop	<ul style="list-style-type: none"> <li>a. Audit Committee Charter,</li> <li>b. Internal Audit Charter,</li> <li>c. Accounting Officer's Reporting Framework to the AC,</li> <li>d. Induction of the newly appointed AC Members,</li> <li>e. Reflection on the Status of the Previous Year AC Resolutions,</li> </ul>

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
			f. 360 Degree AC Evaluation Feedback.
6.	March 2017	Approval of the Three Year Internal Audit Plan plus Annual Plan and Auditor General Audit Coverage Strategy	g. All information under No. 2 except point a & b, h. Three Year Internal Audit Plans plus Annual Plans for 2017/2018.

## 1. 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.

### A. Key activities of the internal audit

The internal audit function is tasked with the provision of assurance in respect of the following:

- compliance with departmental policies and procedures, including provincial, frameworks standard operating procedures and norms and standards;
- Safe guarding of assets and resources;
- Reliability and integrity of performance information;

- Reliability and integrity of financial information; and
- Ensure the institutions resources been acquired in an economic, efficient and effective manner.

### **B. Key objectives of the internal audit**

The objective of the Limpopo Provincial Internal Audit function is to assist the Department to accomplish their strategic goals and objectives through performing assurance and consulting services by evaluating and improving the adequacy and effectiveness of the organisation's a) Risk Management, b) Internal Control and c) Organisational Governance Processes.

### **C. List of Internal Audit projects conducted in 2016/17**

- Hospital Management: Mecklenberg
- Human Resource Leave Management
- Fleet Management
- Management Performance Assessment Tool (MPAT)
- Expenditure Management
- Reliability and Integrity of Performance Information
- Movable Asset Management
- Roads Maintenance Management
- Rental Management
- Debt Management
- Interim Financial Statements
- Immovable Assets Management
- Effectiveness of Risk Management Process
- Recruitment and Terminations
- Labour Relations
- Reliability and Integrity of Performance Information

- Building Maintenance Management
- Internal Audit Follow up audits Quarter 1, 2, 3 and 4

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
T.C MODIPANE	<ol style="list-style-type: none"> <li>1. CA (SA)</li> <li>2. B COM: Honours (CTA)</li> <li>3. B COM: Accounting</li> <li>4. Higher Diploma in Auditing</li> <li>5. Certificate in Financial Modeling</li> <li>6. Certificate in Business Development Systems</li> </ol>	External	N/A	01 January 2014	31 December 2016	04
K.V MAJA	<ol style="list-style-type: none"> <li>1. CIA (SA)</li> <li>2. SAIPA</li> <li>3. IRM (SA)</li> <li>4. B.Com</li> <li>5. B.Com (Hons)</li> <li>6. MBL</li> </ol>	External	N/A	01 January 2014	31 December 2016  (Reappointed as CAC Chairperson)	05  (Co-Opted)
L KUBHEKA	<ol style="list-style-type: none"> <li>1. BTech: FIS</li> <li>2. National Diploma: FIS</li> <li>3. COBIT Advanced – ISO 27001 Lead Auditor</li> </ol>	External	N/A	01 January 2014	31 December 2016	05
L.J VILAKAZI	<ol style="list-style-type: none"> <li>1. Diploma in Accountancy</li> <li>2. National Diploma Internal Auditing</li> </ol>	External	N/A	01 January 2014	31 December 2016	05

	3. Certificate in Accounting					(Co-Opted)
B.M NGUNJIRI	1. CIA, 2. CTA 3. CCSA 4. B COM: Honours 5. B COM: Accounting	External	N/A	01 February 2017	To Date	01
A.N MHLONGO	1. CA (SA) 2. CIMA 3. CGCA 4. B COM: Honours 5. B COM: Accounting 6. Advanced Certificate in Taxation	External	N/A	01 February 2017	To Date	01
Adv. S.T KHOLONG	1. MBL 2. BA Law 3. LLB 4. Certificate in Corporate Governance	External	N/A	01 February 2017	To Date	01
M.I PETJE	1. M.Phil: Adult Education 2. BA 3. B.ED 4. Diploma in Education 5. Labour Relations & Negotiations Programme 6. Senior Executive Program 7. MYGLOBE 8. Inter-governmental Fiscal Relations Program	External	N/A	01 February 2017	To Date	01

## 12. AUDIT COMMITTEE REPORT



LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

### PROVINCIAL TREASURY

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

We present our report for the financial year ended 31 March 2017.

### **Audit Committee Structure**

Limpopo Provincial Government has an Audit Committee (AC) which is two tiered consisting of 4 Cluster Audit Committees. The first tier deals with specific departments whilst the second is 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 accounting policies and practices.

### **Stakeholder Engagement/s**

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

- DPWRI Management
- Limpopo Provincial Internal Auditors

- Limpopo Provincial Treasury
- Limpopo Provincial Auditor (AGSA)

### **Audit Committee Skills Development**

A strategic 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**

In line with the PFMA, internal audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is usually achieved by means of review of internal controls, the identification of corrective actions and suggested enhancements to the internal control processes and risk management. From the various reports of the internal auditors, the management and audit reports of the Auditor General South Africa, it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to financial reporting, asset management, reporting on pre-determined objectives and compliance with laws and regulations.

### **The following were areas of concern:**

In some instances the system on internal controls for the period under review was found to be inadequate and ineffective and there is a room for improvement in so far as addressing internal audit findings timeously and implementation of consequence management. The same issues/concerns raised by Internal Audit during year were raised by the AGSA, and formed the basis of the qualification.

### **Risk Management**

The Audit Committee is of the opinion that department's risk management maturity level is not satisfactory. The department should conduct more regular risk assessments and robust monitoring.

Audit Committee also notes that the deficiencies in risk management as mentioned above may have contributed to the negative audit outcome.

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

The department has reported monthly and quarterly to Treasury as is required by the PFMA. The Audit Committee reviewed the quality, accuracy, usefulness, reliability and appropriateness of quarterly and annual financial reporting and recommends that the department should fully comply with section 40(1) of the PFMA, in so far as management's review and monitoring of financial reports and performance information reports.

## **Performance Management**

The review of effectiveness and functionality of the performance management system (which includes analysis of management prepared quarterly performance reports and related internal audit reports) by Audit Committee revealed a need to strengthen current performance management and reporting system.

## **Internal Audit Arrangement**

The Internal Audit team managed to execute and complete substantial all original approved risk based audit projects within the allocated budget hours and time-frames. It is against this backdrop that the following conclusion must be understood that the internal audit unit under the leadership of the Chief Audit Executive in material respect was found to be effective and adds value to the whole value chain.

## **Compliance with the relevant laws and regulations**

A number of non-compliance with the enabling laws and regulations were noted by Audit Committee, Management, Internal Audit and AGSA during the year. As result, the Audit Committee recommended development and implementation of an effective compliance management system with an objective of addressing the issues of non-compliance with laws and regulations.

## **Evaluation of Financial Statements**

Audit Committee reviewed the annual financial statements prepared by the department at the audit committee meeting held on 22 May 2017, and recommended them for audit.

## **Evaluation of Annual Report**

At the same Audit Committee meeting, Audit Committee evaluated annual report (together with annual performance report) and recommended them for audit after further refinement by management.

## **Auditor General's Report**

The Audit Committee evaluated management responses to the report or findings of the Auditor-General (Action plan to address prior year findings) on quarterly basis and gave inputs and advice on how best to address the findings raised by the AGSA. Regrettably, at the time of submission of the annual financial statements and performance report to AGSA for audit, not all the AGSA findings were resolved. Consequently, the same issues that led to a qualification last year have resulted in the same opinion this year. Management should strive to implement all the prior year recommendations made by external auditors, internal audit and Audit Committee on or before the end of the financial year.

Finally the Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General. The Committee has also reviewed the performance information as included in the Auditor General report together with the management letter, and is of the opinion that the Accounting Officer should develop a strategy to address all findings contained therein.

## Conclusion

The Audit Committee strongly recommends that the department should prioritise root-cause identification and analysis, implementation of consequence management, and regular monitoring of the audit action plans for both internal and external audit in order to achieve the required effectiveness in governance, accountability and clean administration.

A handwritten signature in black ink, consisting of the letters 'ASB' inside an oval shape, with a horizontal line extending from the right side of the oval.

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**S Ngobeni**

**Chairperson of the Audit Committee**

**Department of Public Works, Roads and Infrastructure**

**Date 31 July 2017**

# 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

Provide commentary on the following:

- The status of human resources in the department.

Human Resource component serves as a support function for all other programs in the department. It seeks to provide strategic leadership, support services and facilitate overall management of the department.

In the financial year 2016/17, the Department had a vacancy rate of 27.3% with a total number of 4473 posts on the approved staff establishment. In 2016/17 financial year, the Department managed to fill 89 posts. Out of the 89 posts filled, eight (08) built-environment professionals were appointed for the Infrastructure Planning Hub. A further 12 Cuban Technical Advisors were appointed as an intervention in addressing scarce skills in the department and the province at large.

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

Develop and implement a functional structure to support delivery of service within the Department and source additional funding to support an adequate structure to implement the APP and the strategic plan.

Implement training and developmental initiatives to strike a balance between the support for both individual and organizational needs (career path and service delivery); also ensure alignment between competency framework and identified PDP for all employees

Institutionalize and popularize PMDS requirement throughout the Department and ensure alignment of work plans to Job Descriptions and monitor regularly

Attract skilled employees to manage HR information management and maintain a credible system to restore the integrity of data

Compulsory implementation of exit management strategies and utilize the information for retention processes and organizational growth

Develop and implement a comprehensive succession plan for identified skills and ensure that Job Descriptions are developed for all posts in the approved establishment. All approved posts should be evaluated and graded accordingly.

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

Increase the number of allocation of both external and internal bursaries for engineering, technical, Physical planning and construction fields of studies in order to achieve the strategic objectives of the organization.

Support employees in the technical fields within the department to register with the relevant professional bodies.

Maintain the recruitment strategy of recruiting professionals who are registered with the professional councils to fill up technical vacant posts for the purpose of transference of skills and knowledge and enhancing service delivery.

Implement the Internship on Candidacy programme for graduates in built environment qualification to create a pool of prospective Engineers

□ Employee performance management.

The Department is implementing the Performance Management and Development System Policy for all employees in the Department as the provisions of the Public Service Regulations 2016, Chapter 4 Part V which requires each executive authority to determine a system for performance management and development for employees in her/his Department other than employees who are members of the Senior Management Service (SMS). The Policy is authorised and issued by the Premier of Province for the Limpopo Provincial Government to provincial government departments. Performance Management for members of the Senior Management Service is governed by the Senior Management Handbook 2006.

□ Employee wellness programmes.

The Department of Public Works, Roads and Infrastructure in Limpopo Province is committed to provide and implement safety, Healthy, Environmental, quality measures to ensure the health and safe working environment for employees, and visitors. The Department is responsible and committed to preventing Occupational injuries and diseases in the workplace, continually providing Health and Safety

operational procedures to minimize safety hazards in a safe manner and in compliance with relevant SHERQ legislations, Regulations, Codes, Standards and Practices

The directorate - Employee Health and Wellness in 2014-2015 embarked on a project of conducting Medical surveillance and the recommendations which needed immediate intervention were implemented in 2014-2015 financial year. Implementation has yielded positive results and the number of employees referred, continue to use health institutions to manage diseases detected during medical surveillance. Awareness Campaigns on Safety at work, PPEs, COID conducted. EAP in-house counselling services conducted for Employees

An internal KAP survey on Condom Usage was conducted to as a tool to assess behaviour in combating the scourge of new HIV and STIs infection. Based on the findings, a Plan of Action was developed to educate employees more on correct condom usage, Awareness campaigns on HIV and AIDS, STI, TB, GBV, Stigma and Discrimination were conducted. Screening for chronic conditions and HCT conducted to promote healthy lifestyle. Implementation of recommendation of the surveillance are being implemented.

Sick Leave Survey was conducted and findings referred to the relevant directorates, e.g. Human Resource Management, Employee Health and Wellness, to raise awareness on different types of leaves and how to prevent and manage chronic diseases respectively.

The Department developed an HR plan and the following were gaps identified and prioritized for implementation over the MTEF:

High number of chronic illnesses were revealed by the medical surveillance examinations are in the high risk group.

The Department conducted health campaigns which include HIV counselling and treatment (HCT) and disease management. In-house EAP counselling has been implemented to support employees and their immediate family members.

The department plans to conduct more awareness campaigns and health screening, and plans to conduct more OHS audits to monitor compliance

□ Under reporting of injury on duty cases.

The delay in response on some injury on duty (IOD) cases which has been reported to Compensation Commissioner for finalization. The Department of Labour introduced electronic reporting called Umehluku, which impose a major problem for reporting. The introduction of

this new system was not well coordinated as it has been done without the involvement of the Office of the Premier. Currently the department has reverted back to submitting claims and reports manually.

- Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.

Delay in the approval of the organisational structure that will enable the reconfigured department of Public Works, Roads and Infrastructure to deliver its mandate.

The Personnel Management Framework of 2016, introduced by the Limpopo Provincial Treasury to reduce personnel costs, had an impact on filling of vacant posts in the department

There is a difficulty in attracting and retaining scarce skills especially in the built environment field because of the unattractive government salary packages. The lower salary scales offered by DPSA do not attract the required skills, resulting in qualified professionals declining

Delay in procurement of services due to lack of capacity in Supply Chain Management Unit

Slow service delivery when core business posts are not filled /funded

Risk of recruiting people without proper qualifications that have not been verified by SAQA and security clearance/ vetting by State Security Agency

The utilization of SAQA and NIA as the sole national entities for verification of qualifications creates a backlog on turnaround time of recruitment period of six (06) months.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1. Personnel related expenditure

*Table 3.1.1 Personnel expenditure by programme for the period 1 April 2016 to 31 March 2017*

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	245 779	235 725	9 041	1 013	87.3%	300
Infrastructure operations	439 654	394 275	1 543	43 836	80.1%	101
EPWP	32 656	20 383	-	12 273	58.6%	410
Roads Infrastructure	315 557	315 557	-	-	76.9%	0
<b>Total</b>	<b>1 033 646</b>	<b>965 940</b>	<b>10 584</b>	<b>57 122</b>	<b>80.3%</b>	<b>811</b>

*Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 to 31 March 2017*

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (level 3-5)	406 632	43.92	2 127	191 176
Highly skilled production (levels 6-8)	251 720	27.19	749	336 075
Highly skilled supervision (levels 9-12)	174 643	18.87	305	572 600

Senior and Top management (levels 13-16)	47 425	5.12	49	967 862
<b>Total</b>	<b>883 979</b>	<b>95.48</b>	<b>3 253</b>	<b>2 222 448</b>

*Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2016 to 31 March 2017*

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	168 187	87.3%	1 113	34.3%	6 286	120%	10 759	82.9%
Infrastructure operations	274 786	80.1%	368	105%	20 668	124%	23 755	76.8%
EPWP	11 469	58.6%	-	0%	141	73.4%	473	26.6%
Roads Infrastructure	214 984	76.9%	53	5%	18 966	150%	19 315	69.9%
<b>Total</b>	<b>669 426</b>	<b>80.3%</b>	<b>1 534</b>	<b>32.3%</b>	<b>46 061</b>	<b>132.5%</b>	<b>54 302</b>	<b>74.1%</b>

*Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2016 to 31 March 2017*

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 1-2)	2 401	66.9	14	.4	252	7	313	8.7
Skilled (level 3-5)	265 133	64.2	155		29 827	7.2	30 582	7.4

Highly skilled production (levels 6-8)	179 178	70.3	924	.4	9 191	3.6	12 522	4.9
Highly skilled supervision (levels 9-12)	132 236	73.1	293	.2	2 754	1.5	5 769	3.2
Senior management (level 13-16)	38 345	76.3	1		555	1.1	860	1.7
<b>Total</b>	<b>617 383</b>	<b>68.41</b>	<b>1 387</b>	<b>1</b>	<b>42 579</b>	<b>20.4</b>	<b>50 046</b>	<b>25.9</b>

### 3.2. Employment and Vacancies

*Table 3.2.1 Employment and vacancies by programme as on 31 March 2017*

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	627	537	14.2	26
Infrastructure Operations	1913	1460	23.7	24
EPWP	22	21	4.5	6
Roads Infrastructure	1912	1235	35.4	1
<b>Total</b>	<b>4473</b>	<b>3253</b>	<b>27.3</b>	<b>57</b>

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017*

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)	56	22	60.7	1
Skilled(3-5)	2994	2127	28.95	16
Highly skilled production (6-8)	986	749	24	13
Highly skilled supervision (9-12)	395	320	18.987	27
Senior management (13-16)	42	35	16.7	0
<b>Total</b>	<b>4473</b>	<b>3253</b>	<b>27.3</b>	<b>57</b>

*Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017*

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Property Valuer	0	0	0	2
Engineer	0	0	0	13
Construction Project Manager	39	28	28.2	4
Artisans	530	408	24.2	0
Works Inspector	34	32	2.9	0
Technologist	0	0	0	0
Architect	1	1	100	1

Town & Regional Planner	0	0	0	2
<b>Total</b>	<b>604</b>	<b>469</b>	<b>3.6</b>	<b>22</b>

### 3.3. Filling of SMS Posts

*Table 3.3.1 SMS post information as on 31 March 2017*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	8	6	75	2	25
Salary Level 13	32	27	84.4	5	15.6
<b>Total</b>	<b>42</b>	<b>35</b>	<b>83.3</b>	<b>7</b>	<b>16.7</b>

*Table 3.3.2 SMS post information as on 30 September 2016*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	1	0	0	1	100
Salary Level 14	8	6	75	2	25

Salary Level 13	32	26	81.25	6	18.75
<b>Total</b>	42	33	78.6	9	21.4

*Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 and 31 March 2017*

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	01
Salary Level 14	<b>02</b>	<b>0</b>	<b>0</b>
Salary Level 13	<b>06</b>	<b>0</b>	<b>01</b>
<b>Total</b>	<b>08</b>	<b>0</b>	<b>02</b>

*Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017*

<b>Reasons for vacancies not advertised within six months</b>
Awaited appointment of HOD

<b>Reasons for vacancies not filled within twelve months</b>
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Awaited appointment of HOD

*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 2016 and 31 March 2017*

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

### 3.4. Job Evaluation

*Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2016 and 31 March 2017*

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)	56	0	0	0	0	0	0
Skilled (Levels 3-5)	2994	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	986	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	395	0	0	0	0	0	0

Senior Management Service Band A	1	0	0	0	0	0	0
Senior Management Service Band B	1	0	0	0	0	0	0
Senior Management Service Band C	8	0	0	0	0	0	0
Senior Management Service Band D	32	0	0	0	0	0	0
<b>Total</b>	<b>4473</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 and 31 March 2017*

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

Employees with a disability	<b>0</b>
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*Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 and 31 March 2017*

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 and 31 March 2017

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with a disability</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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### 3.5. Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 and 31 March 2017

Salary band	Number of employees at beginning of period-1 April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( Levels 1-2)	3	21	1	-
Skilled (Levels3-5)	2371	6	235	10.16
Highly skilled production (Levels 6-8)	754	28	47	9.94
Highly skilled supervision (Levels 9-12)	319	16	14	9.40
Senior Management Service Bands A	26	1	0	3.84
Senior Management Service Bands B	7	0	1	14.28
Senior Management Service Bands C	0	0	0	-
Senior Management Service Bands D	1	0	0	-
Contracts	218	28	258	-
<b>Total</b>	<b>3699</b>	<b>89</b>	<b>546</b>	

*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 and 31 March 2017*

Critical occupation	Number of employees at beginning of period- April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Property Valuer	1	1	0	-
Engineer	7	14	1	-
Construction Project Manager	35	4	5	25.7
Artisans	410	0	26	6.34
Works Inspector	33	0	2	6.06
Technologist	0	0	0	-
Architect	1	1	0	-
Town & Regional Planner	0	2	0	-
Quantity Surveyor			1	-
<b>TOTAL</b>	<b>487</b>	<b>22</b>	<b>35</b>	

*Table 3.5.3 Reasons why staff left the department for the period 1 April 2016 and 31 March 2017*

Termination Type	Number	% of Total Resignations
Death	48	8.6
Resignation	43	7.6
Expiry of contract	253	45.6
Dismissal – operational changes	0	0
Dismissal – misconduct	1	0.1
Dismissal – inefficiency	0	0
Discharged due to ill-health	5	0.9
Retirement	203	36.6
Transfer to other Public Service Departments	0	0
Other	0	0
<b>Total</b>	<b>553</b>	<b>16.7</b>

<b>Total number of employees who left as a % of total employment</b>		<b>16.7</b>
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*Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017*

Occupation	Employees 1 April 2016	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
Property Valuer	2	0	0	0	0
Quantity Survey	6	0	0	2	33.33
Architects	1	0	0	0	0
Artisans	465	13	2.7	429	92
Horticulturists	4	0	0	4	100
Engineers	20	0	0	6	30
Construction Project Manager	33	0	0	15	45
Works inspectors	54	2	3.7	46	85
<b>TOTAL</b>	<b>585</b>	<b>15</b>	<b>2.56</b>	<b>502</b>	<b>86</b>

*Table 3.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017*

Salary Band	Employees 1 April 2016	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)	23	0	0	0	0
Skilled (Levels3-5)	2181	6	0.27	1108	50.80

Highly skilled production (Levels 6-8)	751	18	2.39	467	62.18
Highly skilled supervision (Levels 9-12)	307	13	4.2	212	69.06
Senior Management (Level 13-16)	33	0	0	26	78.79
<b>Total</b>	<b>3295</b>	<b>37</b>	<b>1.12</b>	<b>1813</b>	<b>55.02</b>

### 3.6. Employment Equity

*Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	22	2	1	0	10	0	0	0	35
Professionals	100	7	1	2	89	6	0	7	212
Technicians and associate professionals	139	1	1	0	128	5	1	6	281
Clerks	112	0	0	2	206	2	1	5	328
Service and sales workers	93	0	0	0	35	0	1	0	129

Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	441	1	0	14	94	0	0	0	550
Plant and machine operators and assemblers	187	0	0	2	6	0	0	0	195
Elementary occupations	979	0	0	5	598	0	0	0	1582
<b>Total</b>	<b>2073</b>	<b>11</b>	<b>3</b>	<b>25</b>	<b>1166</b>	<b>13</b>	<b>3</b>	<b>18</b>	<b>3312</b>
<b>Employees with disabilities</b>	<b>48</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>69</b>

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	20	2	1	0	10	0	0	0	33
Professionally qualified and experienced specialists and mid-management	207	9	1	8	111	6	0	6	348
Skilled technical and academically	438	0	1	11	291	7	3	11	762

qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making	1393	0	0	6	743	0	0	1	2143
Unskilled and defined decision making	13	0	0	0	11	0	0	0	24
<b>Total</b>	<b>2073</b>	<b>11</b>	<b>3</b>	<b>25</b>	<b>1166</b>	<b>13</b>	<b>3</b>	<b>18</b>	<b>3312</b>

*Table 3.6.3 Recruitment for the period 1 April 2016 and 31 March 2017*

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	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	17	0	0	9	2	0	0	5	33
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	17	0	0	0	6	0	0	0	23
Semi-skilled and discretionary decision making	9	0	0	0	1	0	0	0	10

Unskilled and defined decision making	11	0	0	0	10	0	0	0	21
<b>Total</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>88</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.6.4 Promotions for the period 1 April 2016 and 31 March 2017*

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	12	0	0	0	1	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	13	0	0	0	5	0	0	0	18
Semi-skilled and discretionary decision making	5	0	0	0	1	0	0	0	6
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37</b>

<b>Employees with disabilities</b>	<b>0</b>								
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*Table 3.6.5 Terminations for the period 1 April 2016 and 31 March 2017*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	13	0	0	0	3	0	0	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	42	0	0	2	4	1	0	0	49
Semi-skilled and discretionary decision making	156	0	0	0	82	0	0	0	238
Unskilled and defined decision making	94	0	0	0	156	0	0	0	250
<b>Total</b>	<b>305</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>246</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>554</b>
<b>Employees with Disabilities</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>

*Table 3.6.6 Disciplinary action for the period 1 April 2016 and 31 March 2017*

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	<b>30</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>45</b>

*Table 3.6.7 Skills development for the period 1 April 2016 and 31 March 2017*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	01	0	0	08	0	0	0	09
Professionals	0	0	0	0	04	0	01	0	05
Technicians and associate professionals	1	0	0	0	10	0	0	0	11
Clerks	02	0	0	0	05	0	0	0	07
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	3	0	0	0	1	0	0	0	4
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	2	0	0	0	7	0	0	0	09
<b>Total</b>	<b>08</b>	<b>01</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>01</b>	<b>0</b>	<b>45</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.7. Signing of Performance Agreements by SMS Members

*Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2016*

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary Level 16	1	0	0	0
Salary Level 15	1	0	0	0
Salary Level 14	8	6	6	100
Salary Level 13	32	26	25	96.15
<b>Total</b>	<b>42</b>	<b>32</b>	<b>31</b>	<b>96.88</b>

*Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017*

Reasons
None compliance

*Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017*

Reasons
None

#### Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8. Performance Rewards

*Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 and 31 March 2017*

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	1 878	2 060	91.17	9,287.24	4,945.28
Female	1 071	1 168	91.70	5,373.91	5,017.66
<b>Asian</b>					
Male	0	2	0.00	0.00	0.00
Female	3	3	100	24.37	8,122.78
<b>Coloured</b>					
Male	2	11	18.18	20.32	10,158.12
Female	5	13	38.46	37.97	7,593.63
<b>White</b>					
Male	22	24	91.67	152.87	6,948.80
Female	17	16	106.25	154.78	9, 105.22
<b>Total</b>	<b>2 998</b>	<b>3 297</b>	<b>90.93</b>	<b>15,371.64</b>	<b>5, 021.77</b>

*Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 and 31 March 2017*

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	3	23	13,04	7,97	2,657.93	0.00
Skilled (level 3-5)	2131	2181	97,73	7,281.94	3,416.35	0.75
Highly skilled production (level 6-8)	683	751	91,01	4,706.73	6,886.21	0.49
Highly skilled supervision (level 9-12)	234	307	76,22	3,134.18	13,393.92	0.32
<b>Total</b>	<b>3 051</b>	<b>3262</b>	<b>93.53</b>	<b>15,130.82</b>	<b>4,959.30</b>	<b>1.56</b>

*Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2016 and 31 March 2017*

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Property valuers	0	2	0	0	0
Quantity Survey	2	6	33.33	57.42	28,710.61
Architects	0	1	0	0	0
Artisans	429	465	92.26	1,378	3,212.26
Horticulturist	4	4	100	34.93	8,732.73
Engineers	6	20	30	113.51	18,917.52
Construction Project Managers	15	33	45.45	361.54	24,102.97
Works Inspectors	46	54	85.19	422.83	9,191.92
<b>Total</b>	<b>502</b>	<b>585</b>	<b>85.81</b>	<b>2,368.23</b>	<b>4,717.59</b>

*Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 and 31 March 2017*

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	27	0.00	,000	0.00	0.00
Band B	0	6	0.00	,000	0.00	0.00
Band C	0	1	0.00	,000	0.00	0.00
Band D	0	1	0.00	,000	0.00	0.00
<b>Total</b>	<b>0</b>	<b>35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### 3.9. Foreign Workers

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

*Table 3.9.1 foreign workers by salary band for the period 1 April 2016 and 31 March 2017*

Salary band	01 April 2016		31 March 2017		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 9-12)	2	100	12	100	10	83.3
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>10</b>	<b>83.3</b>

*Table 3.9.2 foreign workers by major occupation for the period 1 April 2016 and 31 March 2017*

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Quantity Surveyor Production Grade A	1	50	0	0	1	50
Construction Project Manager Chief Grade B	1	50	0	0	1	50

Deputy Director: Professional Services	0	0	12	100	12	100

3.10. Leave utilisation

*Table 3.10.1 Sick leave for the period 1 April 2016 and 31 March 2017*

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)	135	68.15	25	1.05	5.4	R66.00
Skilled (levels 3-5)	13138	68.57	1441	60.67	9.12	R8416.00
Highly skilled production (levels 6-8)	5460	63.63	575	24.21	9.5	R7209.00
Highly skilled supervision (levels 9 -12)	2028	62.48	246	10.36	8.24	R4670.00
Top and Senior management (levels 13-16)	201	69.65	35	1.47	5.74	R718.00
<b>Total</b>	<b>20962</b>	<b>332.48</b>	<b>2322</b>	<b>97.76</b>	<b>38</b>	<b>R21 079.00</b>

*Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2016 and 31 March 2017*

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)	1324	96	33	64.71	40.12	766.00
Highly skilled production (Levels 6-8)	623	65.81	14	27.45	44.5	605.00
Highly skilled supervision (Levels 9-12)	339	84.96	4	7.84	84.75	427.00
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>2286</b>	<b>86.13</b>	<b>51</b>	<b>100</b>	<b>44.82</b>	<b>1798.00</b>

*Table 3.10.3 Annual Leave for the period 1 April 2016 and 31 March 2017*

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	337	40	8.43
Skilled Levels 3-5)	62972	2356	26.73
Highly skilled production (Levels 6-8)	20491	787	26.04
Highly skilled supervision(Levels 9-12)	8441	332	25.42
Senior management (Levels 13-16)	1152	60	19.2
<b>Total</b>	<b>93393</b>	<b>3575</b>	<b>105.82</b>

*Table 3.10.4 Capped leave for the period 1 April 2016 and 31 March 2017*

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 2017
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	101	39	2.59	84.61
Highly skilled production (Levels 6-8)	90	20	4.5	102.61
Highly skilled supervision(Levels 9-12)	114	11	10.36	117.74
Senior management (Levels 13-16)	0	0	0	120.2
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3.10.5 Leave payouts for the period 1 April 2016 and 31 March 2017

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay out for 2016/17 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2016/17	R17 510 000	269	R65 094
Current leave pay out on termination of service for 2016/17	R65 000	4	R16 278
<b>Total</b>	<b>R17 575</b>	<b>273</b>	<b>R64 378</b>

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Employees working with machinery e.g. <input type="checkbox"/> Road Workers, <input type="checkbox"/> Landscaping, <input type="checkbox"/> Maintenance etc	The following activities were implemented: <input type="checkbox"/> 97 Information sessions on HIV & AIDS including prevention and universal precautionary measures conducted <input type="checkbox"/> Onsite HCT conducted. 331 employees tested. <input type="checkbox"/> 63839 Male and 3428 Female condoms distributed and promoted <input type="checkbox"/> Teams have First Aid Kits
Contractors	<input type="checkbox"/> HIV & AIDS related issues has been incorporated into the departmental tender documents, to

	<p>ensure that contractors comply with the National Strategic Plan on HIV &amp; AIDS.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Construction site meetings where attended by the HIV &amp; AIDS unit to highlight the importance of HIV &amp; AIDS awareness.</li> <li><input type="checkbox"/> Sites were linked to the nearest clinics for easy access to condoms and information.</li> </ul>
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*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.	Yes		Ms. Malungana M.S. Acting Director: Employee Health and Wellness
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.	Yes		A total of 11 employees (2 Deputy Director, 5 Deputy Directors and 1 Practitioner ) R 700, 000.00
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.	Yes		Provide psychological services <ul style="list-style-type: none"> <li><input type="checkbox"/> Counselling services</li> <li><input type="checkbox"/> Promotion of Health</li> <li><input type="checkbox"/> Prevention of illnesses and diseases</li> </ul> Occupational Health and Safety <ul style="list-style-type: none"> <li><input type="checkbox"/> Monitor the implementation of OHS Act</li> <li><input type="checkbox"/> Functional structures</li> </ul>

			<input type="checkbox"/> Prevention, Mitigation and elimination of potential hazards
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		<p>Name of the committee:</p> <p>Ms M.S. Malungana Acting Director  Ms MR Molema: Deputy Director:  HIV&amp;AIDS  Ms Malungana: Deputy Director: OHS  Ms TF Hlebela: Secretariat  Ms W Mogale: NEHAWU  Ms SS Harmse: PSA  Ms N Moloto: HOD  Mr E Nkuna: Deputy Director: Capricorn District  Mr MP Makomene: Deputy Director: Waterberg District  Ms TC Mashamba: Deputy Director: Vhembe District  Mr. H Mnisi Deputy Director: Mopani District  Mr. M Komana: Deputy Director: Sekhukhune District  Ms M Mothiba: EH&amp;W .Assistant Director:: Mopani District  Ms. P. Matlou: EH&amp;W: Assistant Director Sekhukhune District  Ms NL Buthelezi: EH&amp;W Assistant Director: Capricorn District  Ms. L. Nevhufumba: EH&amp;W Assistant Director: Vhembe District</p>

			Mr Mbuyane : Deputy Director Conditions of Service Ms E Mahlo: Deputy Director: Representative for PLWD Ms. Makhafola: Director: Auxiliary & Records Management
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.	Yes		Employee Health and Wellness policies were reviewed and approved in 2013. Stigma, discrimination and the protection of rights of people infected and affected with HIV is maintained. The Department is implementing the following policies: <input type="checkbox"/> HIV/AIDS, STI and TB Management Policy <input type="checkbox"/> Occupational Health and Safety Policy <input type="checkbox"/> Employee Assistance Programme Policy <input type="checkbox"/> Sports Policy Smoking Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The policy on HIV, STI and TB together with operational plans addresses issues related to discrimination. Information sharing sessions were conducted quarterly.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		331 Employees were tested.

8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The Annual Performance Plan (APP) has indicators which are used to measure the impact. These indicators were informed by the GEMS report, and the Provincial Strategic Plan on HIV/AIDS, STI and TB Strategic Plan and the M&E tool from DPSA. There are Operational Plans with clearly set targets and indicators developed and implemented.
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### 3.12. Labour Relations

*Table 3.12.1 Collective agreements for the period 1 April 2016 and 31 March 2017*

Subject matter	Date
None	

#### Notes

If there were no agreements, keep the heading and replace the table with the following:

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

*Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 and 31 March 2017*

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	00	0

Verbal warning	02	0.6
Written warning	09	2.7
Final written warning	06	1.8
Suspended without pay	03	0.9
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	01	0.3
Case withdrawn	09	2.7
<b>Total</b>	<b>30</b>	

## Notes

If there were no agreements, keep the heading and replace the table with the following:

<b>Total number of Disciplinary hearings finalised</b>	<b>None</b>
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*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 and 31 March 2017*

Type of misconduct	Number	% of total
<b>Absenteeism</b>	02	0.6
<b>Assault</b>	01	0.3
<b>Bridge of supply chain processes</b>	01	0.3
<b>Contravention of procurement policy</b>	01	0.3
<b>Failure to report/comply with leave prescripts</b>	05	1.5
<b>Misuse of state vehicle</b>	05	1.5
<b>Money lending scheme</b>	03	0.9
<b>Negligence</b>	02	0.6

<b>Remunerative work outside the public service</b>	07	2.1
<b>Theft</b>	01	0.3
<b>Untoward behaviour</b>	01	0.3
<b>Violation of Public Service regulations</b>	01	0.3
<b>Total</b>	<b>30</b>	

*Table 3.12.4 Grievances logged for the period 1 April 2016 and 31 March 2017*

<b>Grievances</b>	<b>Number</b>	<b>% of Total</b>
Number of grievances resolved	73	76.65
Number of grievances not resolved	32	33.6
<b>Total number of grievances lodged</b>	<b>105</b>	

*Table 3.12.5 Disputes logged with Councils for the period 1 April 2016 and 31 March 2017*

<b>Disputes</b>	<b>Number</b>	<b>% of Total</b>
Number of disputes upheld	05	0.35
Number of disputes dismissed	02	0.14
<b>Total number of disputes lodged</b>	<b>07</b>	

*Table 3.12.6 Strike actions for the period 1 April 2016 and 31 March 2017*

<b>Total number of persons working days lost</b>	NIL
<b>Total costs working days lost</b>	NIL
<b>Amount recovered as a result of no work no pay (R'000)</b>	NIL

*Table 3.12.7 Precautionary suspensions for the period 1 April 2016 and 31 March 2017*

<b>Number of people suspended</b>	NIL
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<b>Number of people whose suspension exceeded 30 days</b>	NIL
<b>Average number of days suspended</b>	NIL
<b>Cost of suspension(R'000)</b>	NIL

### 3.13. Skills development

*Table 3.13.1 Training needs identified for the period 1 April 2016 and 31 March 2017*

Occupational category	Gender	Number of employees as at 1 April 2016	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		0	19	0	19
	Male		0	21	0	21
Professionals	Female		0	10	0	10
	Male		0	18	0	18
Technicians and associate professionals	Female		0	63	0	63
	Male		0	57	0	57
Clerks	Female		0	33	0	33
	Male		0	59	0	59
Service and sales workers	Female		0	18	0	18
	Male		0	29	0	29
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0
Craft and related trades workers	Female		0	50	0	50
	Male		0	7	0	7
	Female		0	11	0	11

Plant and machine operators and assemblers	Male		0	32	0	32
Elementary occupations	Female		0	136	0	136
	Male		0	177	0	177
Sub Total	Female		0	340	0	340
	Male		0	467	0	467
<b>Total</b>			<b>0</b>	<b>809</b>	<b>0</b>	<b>809</b>

*Table 3.13.2 Training provided for the period 1 April 2016 and 31 March 2017*

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female		0	44	06	50
	Male		0	76	12	88
Professionals	Female		0	10	0	10
	Male		0	10	3	13
Technicians and associate professionals	Female		0	74	21	95
	Male		0	40	3	43
Clerks	Female		0	19	3	22
	Male		0	22	0	22
Service and sales workers	Female		0	0	0	0
	Male		0	02	0	02
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0

Craft and related trades workers	Female		0	17	0	17
	Male		0	109	5	114
Plant and machine operators and assemblers	Female		0	0	0	0
	Male		0	17	0	17
Elementary occupations	Female		0	52	1	53
	Male		0	99	0	99
Sub Total	Female		0	216	31	247
	Male		0	375	18	393
<b>Total</b>			<b>0</b>	<b>1182</b>	<b>103</b>	<b>1285</b>

### 3.14. Injury on duty

The following tables provide basic information on injury on duty.

*Table 3.14.1 Injury on duty for the period 1 April 2016 and 31 March 2017*

Nature of injury on duty	Number	% of total
Required basic medical attention only	32	0.96%
Temporary Total Disablement	3	0.09%
Permanent Disablement	0	0%
Fatal	0	0%
<b>Total</b>	<b>35</b>	<b>1.05%</b>

### 3.15. Utilisation of Consultants

*Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 and 31 March 2017*

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
<b>None</b>	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0

*Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017*

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0

*Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2016 and 31 March 2017*

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017

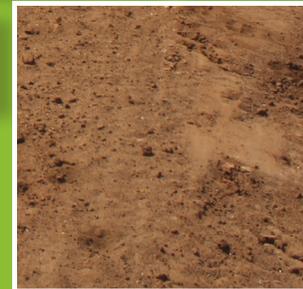
Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
<b>None</b>	<b>0</b>	<b>0</b>	<b>0</b>

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2016 and 31 March 2017

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# PART E: FINANCIAL INFORMATION



## Report of the auditor-general to Limpopo Provincial Legislature on vote no. 9: Department of Public Works, Roads and Infrastructure

### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the Department of Public Works, Roads and Infrastructure set out on pages x to x, which comprise the appropriation statement, the statement of financial position as at 31 March 2017 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the department as at 31 March 2017 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act, 2016 (Act No. 3 of 2016) (DoRA).

#### Basis for qualified opinion

##### Immovable tangible capital assets

3. I was unable to obtain sufficient appropriate audit evidence for additions to immovable tangible capital assets as the department did not have adequate systems in place to record additions. I could not confirm the additions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the immovable tangible capital assets stated at R5 653 306 000 in note 41 to the financial statements.
4. The immovable tangible capital assets balance includes a significant number of assets that were recorded at R1. This is in contravention with the Modified Cash Standards which required that the R1 immovable assets be measured at cost or fair value after 31 March 2016. I was unable to confirm the correct values by alternative means. Consequently, I was unable to determine whether

any adjustment to the immovable tangible capital assets stated at R5 653 306 000 in note 41 to the financial statements was necessary.

5. I was unable to obtain sufficient appropriate audit evidence that the department had adequately accounted for capital works in progress, due to the status of the accounting records and non-submission of information in support of these assets. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to capital works in progress stated at R283 723 000 in note 41 to the financial statements.

#### Movable tangible capital assets

6. The moveable tangible capital assets balance includes a significant number of assets that were acquired after 1 April 2002 which were recorded at R1. This is in contravention with the Modified Cash Standards which allows R1 values to be assigned only to those assets acquired prior to 1 April 2002 and where documentation to establish the cost is not available. Consequently, I was not able to determine whether any adjustment to the movable tangible assets stated at R566 340 000 (2016: R415 650 000) in note 39 to the financial statements was necessary.
7. The department did not recognise all items of movable tangible capital assets in accordance with Modified Cash Standards. Additions to the movable tangible capital assets transferred in accordance with section 42 of the PFMA were not recorded in the accounting records of the department. Consequently, movable tangible capital assets as disclosed in note 39 was understated by R94 597 648.

#### Accrued departmental revenue

8. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for accrued departmental revenue. As described in note 30 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment to the accrued departmental revenue corresponding figure stated at R105 774 000 (2016: R244 274 000) in the financial statements was necessary.
9. I was unable to obtain sufficient appropriate audit evidence that the department has properly charged and accounted for all receivables for departmental revenue for the current and prior year. The department did not have adequate systems of internal

control to record all transactions. I was unable to confirm the receivables for departmental revenue by alternative means. Consequently, I was unable to determine whether any adjustment to receivables for departmental revenue stated at R105 774 000 (2016: R244 274 000) in note 30 to the financial statements was necessary.

10. The Modified Cash Standards requires that at the end of each reporting period, a department should assess whether there is any objective evidence that a financial asset is impaired and determine impairment by estimating the present value of the expected future inflow of cash that is expected in the settlement of the recorded financial asset. Contrary to the requirements of the MCS, the department did not calculate the impairment of accrued departmental revenue in accordance with the standards. The department's accounting records did not permit the application of alternative audit procedures to confirm the correctness of the amount disclosed. Consequently, I was unable to determine whether any adjustment to receivables for accrued departmental revenue stated at R80 471 000 (2016: R37 830 000) as disclosed in note 30 to the financial statements was necessary

#### Commitments

11. The department did not recognise all contractual obligations meeting the definition of commitments in accordance with the Modified Cash Standards. Commitments amounting to R34 779 576 were not recorded in the accounting records. Additionally, I identified differences amounting to R108 465 118 between the amount recorded in the underlying records and the financial statements. Consequently, commitments of R240 094 000 disclosed in note 26 to the financial statements was understated by R108 465 118.

#### Contingent liabilities

12. The department did not recognise all claims against the state meeting the definition of contingent liabilities in accordance with the Modified Cash Standards. Contingent liabilities amounting to R30 073 182 were not recorded in the accounting records. Additionally, I identified differences amounting to R29 598 608 between the amount recorded as commitment in note 25 and the underlying records. Consequently, contingent liabilities of R355 532 000 disclosed in note 25 to the financial statements was understated by R59 671 790.

13. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

14. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the 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.

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

### **Emphasis of matters**

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

#### Material underspending of the budget

17. As disclosed in the appropriation statement, the department has materially underspent the budget on programme 2 by R45 253 000, programme 3 by R3 114 000 and programme 4 by R57 313 000 due to the following:

- Road maintenance projects were entered into in the fourth quarter of the financial year
- Prolonged recruitment process for Expanded Public Works Programme
- Delays in the appointment of the service providers for road signs and other materials
- Delays in the invoices from SITA
- Delays in the appointments of training capacitation employees

#### Restatement of corresponding figures

18. As disclosed in note 44 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of an error discovered in the financial statements of the department at, and for the year ended, 31 March 2016.

#### Irregular expenditure

19. As disclosed in note 31 to the financial statements, irregular expenditure to the amount of R31 590 000 was incurred as a result of payments made in contravention of the supply chain management requirements.

### **Other matters**

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

Unaudited supplementary schedules

20. The supplementary information set out on pages 365 to 398 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 thereon

### **Responsibilities of the accounting officer responsible for the financial statements**

21. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Modified Cash Standards and the requirements of PFMA, and the 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.

22. 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 there is an intention either to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

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

23. 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## ***Report on the audit of the annual performance report***

### **Introduction and scope**

25. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

26. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

27. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

<b>Programmes</b>	<b>Pages in the annual performance report</b>
Programme 2 – Public works	57 – 91
Programme 3 – Expanded Public Works Programme (EPWP)	91 – 95
Programme 4 – Roads infrastructure	95 - 101

28. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

29. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

**Programme 2 –Public works**

**Reported achievement not supported by sufficient appropriate audit evidence, i.e. not valid and/or accurate and/or complete**

**Various indicators**

30. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the targets below. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement:

<b>Planned indicators/ measures per Annual Performance Report (APR)</b>	<b>Planned targets per annual planning document</b>	<b>Planned targets per APR</b>	<b>Reported actual achievement per APR</b>
Number of applications submitted successfully for vesting to obtain item 28i certificates	40	40	112
Number of jobs created in all 5 districts as per U-AMP in line with EPWP requirements	200	200	42
Percentage of work completed on renovation of government complex for Mopani district	60%	40%	17%
Number of planned maintenance projects awarded	5	5	3
Percentage of work in completion of upgrading of Namakgale offices	100%	100%	100%
Percentage of the installation of access control, security at Parliamentary Village	100%	100%	78%
Number of 2016-17 Client Departments Infrastructure Plans (IPMP) compiled in terms of U-AMPs	2	2	2
Number of Client Departments Service Delivery Agreements (SDA) monitored	6	6	6
Number of Technical Condition Assessment Completed (per building)	1 112	1 112	1 112
Number of designs and specifications compiled ready for tender	21	21	21%
Number of energy efficiency management introduced in terms of U' compliant AMPS for provincial government departments	13	13	7
Number of water efficiency management introduced in terms of compliant U'AMPS in provincial government departments	13	13	8
Percentage of green building designs developed for construction	25%	25%	25
Number of waste management plans introduced in terms of compliant U'AMPS for 1200 government properties	1 200	1 200	950

Planned indicators/ measures per Annual Performance Report (APR)	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR
Number of greening environment introduced for 1200 government properties in terms of the green building policy	1 200	1 200	1 200
Number of research projects on gas, solar, tri-generation and co-generation systems researched	5	5	2
Percentage reduction in expenditure on energy consumption (13 –UAMPS)	5%	5%	4%
Percentage reduction in usage of energy consumption through proper metering on freehold properties	10%	10%	10%
Number of implementation of SANS 1544 on 60 major buildings and facilities (hospitals, government buildings and complexes)	60	60	20
Number of facilities inspected for conditional assessment as per U-AMP	800	800	1 299
Percentage progress in the implementation of the artisan development programme	100%	100%	30%
Number of jobs created in the implementation of client departments projects.	860	860	279
Number of learners on the artisan development programme implementing trial projects	20	20	64
Number of learners on the contractor development programme implementing trial projects	20	20	1
Number of designs ready for advert for Bosele EMS	1	1	1
Number of designs ready for advert for Modimolle EMS	1	1	1

### Reported indicators/ measures not consistent with planned indicators/ measures

Indicator - Number of designs completed for construction of the new 5 Parliamentary Village houses

31. The indicator number of designs completed for construction of the new 5 parliamentary village houses was reported as number of designs and specifications compiled ready for Tender while the indicator was approved as number of designs completed for construction of the new 5 Parliamentary Village houses. This is not in line with the requirements of treasury regulation 5.2.4.

Planned indicators/ measures per annual planning document	Reported indicators/ measures per APR	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR
Number of designs completed for construction of the new 5 Parliamentary Village houses	Number of designs and specifications compiled ready for Tender	5	5	0

### Reported targets not consistent when compared with planned targets

32. The following planned targets were reported inconsistently with the planned targets. This is not in line with the requirements of Treasury regulation 5.2.4

Planned indicators as per Annual Performance Plan 2016/17	Reported indicators as contained in Annual Performance Report 2016/17	Planned targets as per annual planning document	Planned targets per APR
Number of properties disposed in line with the approval of SCOPA resolution once reviewed.	Number of properties disposed in line with the approval of SCOPA resolution once reviewed.	5	0
Percentage of work completed on renovation of government complex for Mopani District (Public Works Block)	Percentage of work completed on renovation of	60%	40%

<b>Planned indicators as per Annual Performance Plan 2016/17</b>	<b>Reported indicators as contained in Annual Performance Report 2016/17</b>	<b>Planned targets as per annual planning document</b>	<b>Planned targets per APR</b>
	government complex for Mopani district		

### Changes to indicators or targets not approved

33. The following planned targets were changed without the necessary approval as required by Treasury regulation 5.1.1. Additionally, these reported targets were not consistent with planned targets.

<b>Planned indicators as per Annual Performance Plan 2016/17</b>	<b>Reported indicators as contained in Annual Performance Report 2016/17</b>	<b>Planned targets as per annual planning document</b>	<b>Planned targets per APR</b>
Number of properties disposed in line with the approval of SCOPA resolution once reviewed.	Number of properties disposed in line with the approval of SCOPA resolution once reviewed.	5	0
Percentage of work completed on renovation of government complex for Mopani District (Public Works Block)	Percentage of work completed on renovation of government complex for Mopani district	60%	40%

**Performance indicators / targets were not well-defined and not measurable**

34. The source information or evidence and method of calculation for the achievement of the following planned indicators were not clearly defined, as required by the National Treasury's *Framework for Managing Programme Performance Information* (FMPPi).

Planned indicators/ measures per annual planning document	Reported indicators/ measures per APR	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR	The performance measure/ indicator has a clear unambiguous definition	The performance measure/ indicator is defined so that data will be collected consistently	The target is specific i.e. the nature and required level of performance clearly identified	The indicator and related targets not measurable
Percentage of provincial immovable asset register updated in terms of GIAMA minimum standard.	Percentage of provincial immovable asset register updated in terms of GIAMA minimum standard.	100%	100%	96%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Percentage progress in provision of accommodation to provincial departments as per approved U-AMPs.	Percentage progress in provision of accommodation to provincial departments as per approved U-AMPs.	100%	100%	0%	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Percentage progress in the implementation	Percentage progress in the implementation	100%	100%	22%	<input type="checkbox"/>			<input type="checkbox"/>

Planned indicators/ measures per annual planning document	Reported indicators/ measures per APR	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR	The performance measure/ indicator has a clear unambiguous definition	The performance measure/ indicator is defined so that data will be collected consistently	The target is specific i.e. the nature and required level of performance clearly identified	The indicator and related targets not measurable
of the lease review project	of the lease review project							
Percentage of work completed on renovation of government complex for Mopani district (Public Works Block)	Percentage of work completed on renovation of government complex for Mopani district	60%	40%	17%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of work completed on renovation of government complex for Lebowakgomo Legislature Block	Percentage of work completed on renovation of government complex for Lebowakgomo Legislature	30%	30%	14%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of work completed on renovation of Thohoyandou government complex for Vhembe District (Block D)	Percentage of work completed on renovation of Thohoyandou government complex for Vhembe District	40%	40%	0%	<input type="checkbox"/>			<input type="checkbox"/>

Planned indicators/ measures per annual planning document	Reported indicators/ measures per APR	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR	The performance measure/ indicator has a clear unambiguous definition	The performance measure/ indicator is defined so that data will be collected consistently	The target is specific i.e. the nature and required level of performance clearly identified	The indicator and related targets not measurable
Percentage of work in completion of upgrading of Namakgale offices	Percentage of work in completion of upgrading of Namakgale offices	100%	100%	100%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of work completed on renovation of parliamentary village houses	Percentage of work completed on renovation of parliamentary village houses	30%	30%	30%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of work completed on renovation of Department of Safety Security and Liaison (DSSL)	Percentage of work completed on renovation of Department of Safety Security and Liaison (DSSL)	100%	100%	100%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of the installation of access control, security at parliamentary village	Percentage of the installation of access control, security at parliamentary village	100%	100%	78%	<input type="checkbox"/>			<input type="checkbox"/>

Planned indicators/ measures per annual planning document	Reported indicators/ measures per APR	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR	The performance measure/ indicator has a clear unambiguous definition	The performance measure/ indicator is defined so that data will be collected consistently	The target is specific i.e. the nature and required level of performance clearly identified	The indicator and related targets not measurable
Percentage of upgrading completed for mechanical works at Lebowakgomo Government Complex (Legislature Block)	Percentage of upgrading completed for mechanical works at Lebowakgomo Government Complex (Legislature Block)	100%	100%	98%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of work completed on renovation of government complex for Mopani district (Chamber Hall)	Percentage of work completed on renovation of government complex for Mopani district (Chamber Hall)	100%	100%	0%	<input type="checkbox"/>			<input type="checkbox"/>
Number of client departments Infrastructure Programme Management Plans (IPMPs) and U—AMPs submitted and collated into the C-AMP.	Number of client departments Infrastructure Programme Management Plans (IPMPs) and U—AMPs submitted and collated into the C-AMP.	8	8	14	<input type="checkbox"/>			<input type="checkbox"/>

Planned indicators/ measures per annual planning document	Reported indicators/ measures per APR	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR	The performance measure/ indicator has a clear unambiguous definition	The performance measure/ indicator is defined so that data will be collected consistently	The target is specific i.e. the nature and required level of performance clearly identified	The indicator and related targets not measurable
Percentage of interventions coordinated to assist client departments in development of own U-AMPs.	Percentage of interventions coordinated to assist client departments in development of own U-AMPs.	100%	100%	75%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage progress made in implementation of the Infrastructure Delivery Management System (IDMS)	Percentage progress made in implementation of the Infrastructure Delivery Management System (IDMS)	100%	100%	100%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Percentage progress in the Transformation of the Built Environment in line with National Public Works Strategy on RSA Transformation of the Built	Percentage progress in the Transformation of the Built Environment in line with National Public Works Strategy on RSA Transformation of the Built	20%	20%	20%	<input type="checkbox"/>			<input type="checkbox"/>

Planned indicators/ measures per annual planning document	Reported indicators/ measures per APR	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR	The performance measure/ indicator has a clear unambiguous definition	The performance measure/ indicator is defined so that data will be collected consistently	The target is specific i.e. the nature and required level of performance clearly identified	The indicator and related targets not measurable
Environment Strategy.	Environment Strategy.							
Percentage of green building designs developed for construction	Percentage of green building designs developed for construction	100%	100%	25	<input type="checkbox"/>			<input type="checkbox"/>
Percentage reduction in expenditure on energy consumption (13 –UAMPS)	Percentage reduction in expenditure on energy consumption (13 –UAMPS)	5%	5%	4%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage reduction in usage of energy consumption through proper metering on freehold properties	Percentage reduction in usage of energy consumption through proper metering on freehold properties	10%	10%	10%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage renovation of	Percentage renovation of	100%	100%	100%	<input type="checkbox"/>			<input type="checkbox"/>

Planned indicators/ measures per annual planning document	Reported indicators/ measures per APR	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR	The performance measure/ indicator has a clear unambiguous definition	The performance measure/ indicator is defined so that data will be collected consistently	The target is specific i.e. the nature and required level of performance clearly identified	The indicator and related targets not measurable
Education Block A & B	Education Block A & B							
Percentage upgrading of Lemana College – Waterberg	Percentage upgrading of Lemana College – Waterberg	100%	100%	70%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of upgrading of Mathew Phosa Secondary School	Percentage of upgrading of Mathew Phosa Secondary School	100%	100%	100%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of Moleketla upgrading of Primary School	Percentage of Moleketla upgrading of Primary School	100%	100%	100%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of upgrading of Driekop Secondary School	Percentage of upgrading of Driekop Secondary School	100%	100%	93%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage of upgrading of Lesailane Secondary School	Percentage of upgrading of Lesailane Secondary School	100%	100%	96%	<input type="checkbox"/>			<input type="checkbox"/>

Planned indicators/ measures per annual planning document	Reported indicators/ measures per APR	Planned targets per annual planning document	Planned targets per APR	Reported actual achievement per APR	The performance measure/ indicator has a clear unambiguous definition	The performance measure/ indicator is defined so that data will be collected consistently	The target is specific i.e. the nature and required level of performance clearly identified	The indicator and related targets not measurable
Percentage of upgrading Mphari school	Percentage of upgrading Mphari school	100%	100%	100%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage progress in the implementation of the artisan development programme	Percentage progress in the implementation of the artisan development programme	100%	100%	30%	<input type="checkbox"/>			<input type="checkbox"/>
Percentage progress in the implementation of the contractor development programme.	Percentage progress in the implementation of the contractor development programme.	100%	100%	0%	<input type="checkbox"/>			<input type="checkbox"/>

## Reported achievement did not agree with the evidence provided

35. The reported achievement for the following targets was misstated as the evidence provided did not agree with the reported achievement:

Planned indicators/ measures per annual planning document	Planned targets per annual planning document	Actual achievement as per evidence provided	Reported actual achievement per APR
Number of Client Departments Infrastructure Programme Management Plans (IPMPs) and U-AMPs submitted and collated into the C-AMP	8	7	14
Percentage of interventions coordinated to assist client departments in development of own U-AMPs	100%	100%	75%
Percentage progress made in implementation of the Infrastructure Delivery Management System (IDMS)	100%	88%	100%
Percentage progress in the transformation of the built environment in line with National Public Works Strategy on RSA Transformation of the Built Environment Strategy	20%	87.50%	20%

### **Programme 3 – Expanded Public Works Programme (EPWP)**

#### **Various indicators**

36. The reasons for variances between the planned targets and reported achievement in the annual performance report were not supported by corroborative evidence, as required by the Annual report guide for national and provincial departments for the following indicators:

- Number of EPWP work opportunities created by the provincial department of Public Works, Roads and Infrastructure.
- Number of Full time equivalents(FET's) created by provincial department of public works roads and infrastructure
- Number of Work opportunities created using EPWP incentive grant.

□ Number of Work opportunities created under the National Youth Services(NYS)

In addition I was unable to obtain sufficient appropriate audit evidence for the reported achievement on the targets indicated in the bullets above. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the following reported achievements:

<b>Planned target</b>	<b>Reported achievement</b>	<b>Audited value</b>
Number of EPWP work opportunities created by the provincial department of public works, roads and infrastructure.	6328	0
Number of full time equivalents (FET's) created by provincial department of public works roads and infrastructure	1410	0

**Reported achievement did not agree with the evidence provided, i.e. not accurate**

**Various indicators**

37. The reported achievement for the following targets was misstated as the evidence provided did not agree with the reported achievement:

<b>Planned target</b>	<b>Reported achievement</b>	<b>Audited value</b>
Number of Work opportunities created using EPWP incentive grant.	530	574

Planned target	Reported achievement	Audited value
Number of Work opportunities created under the National Youth Services(NYS)	720	496

#### **Programme 4 – Roads infrastructure**

38. I did not identify any material findings on the usefulness and reliability of the reported performance information for programme 4 – roads infrastructure

#### **Other matters**

39. I draw attention to the matters below.

#### **Achievement of planned targets**

40. Refer to the annual performance report on page(s) 40 to 101 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets. This information should be considered in the context of the material findings raised on the usefulness and reliability of the reported performance information in paragraph(s) 25 to 38 of this report.

#### **Adjustment of material misstatements**

41. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme: 2 public works, programme: 3 EPWP and programme: 4 roads infrastructure. As management subsequently corrected only some of the misstatements, we raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are included in the basis for qualified and/or disclaimer conclusion paragraphs.

**Introduction and scope**

42. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

43. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

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

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

45. Material misstatements of 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 audit opinion

**Expenditure management**

46. Effective steps were not taken to prevent irregular expenditure amounting to R31 590 000 in contravention with SCM prescripts as disclosed in note 31 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

**Revenue management**

47. Appropriate processes were not developed and implemented to provide for the identification, collection, recording, reconciliation and safeguarding of information about revenue, as required by Treasury Regulation 7.2.1.

48. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA and treasury regulations 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).

## **Procurement and contract management**

49. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements due to non-submission of requested information.
50. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.
51. Contracts were extended or modified without the approval of a properly delegated official as required by treasury regulation 8.1 and 8.2.

### ***Other information***

52. The accounting officer of the department is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting officer's and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
53. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
54. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information 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.

### ***Internal control deficiencies***

55. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

## Leadership

56. The accounting officer did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance and related internal controls.
57. The instability in the key leadership positions had an impact in addressing the prior year audit outcomes.
58. The department developed a plan to address internal and external audit findings, but the plan was not adhered to and/or timeously implemented to address matters reported in the prior year.

## Financial and performance management

59. The department did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
60. There was inadequate review and monitoring of compliance with applicable laws and regulations.

## Governance

61. The department conducted a risk assessment, as required by the PFMA. However the mitigation actions designed to address the identified risk were inadequate to prevent recurrence of prior year qualification issues.

Auditor-General  
Polokwane

31 July 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
  - identify and assess the risks of material misstatement of the [consolidated and separate] financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Limpopo Department of Public Works, Roads and Infrastructure ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a department to cease to continue as a going concern.
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

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

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

## **Annexure A – Performance management and reporting framework**

The Performance Management and Reporting Framework (PMRF) consist of the following:

- Legislation applicable to performance planning, management and reporting, which includes the following:
  - Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA)
  - Treasury Regulations, 2005 issued in terms of the PFMA
  - *National treasury practice note 4* of 2009-10
  - Public Service Regulations, 2001 issued in terms of the Public Service Act
- The Framework for Managing Programme Performance Information (FMPPPI), issued by the National Treasury. This framework is applicable to all spheres of government.
- The Framework for Strategic Plans and Annual Performance Plans (FSAPP), issued by the National Treasury. This framework is applicable to all national and provincial departments, constitutional institutions and those public entities listed in parts A and C of schedule 3 of the PFMA.
- Circulars and guidance issued by the National Treasury and Department of Planning Monitoring and Evaluation regarding the planning, management, monitoring and reporting of performance against predetermined objectives.

## **Annexure B – Auditor-general’s responsibility for the audit of the reported performance information**

5. As part of my engagement conducted in accordance with ISAE 3000, I exercise professional judgement and maintain professional scepticism throughout my reasonable assurance engagement on reported performance information for selected programmes.
6. I am independent of the department in accordance with the International Ethics Standards Board for Accountants’ *Code of ethics for professional accountants* (IESBA code) together with the 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.

## Quality control relating to assurance engagements

7. In accordance with the International Standard on Quality Control 1, the Auditor-General of South Africa maintains a comprehensive system of quality control that includes documented policies and procedures on compliance with ethical requirements and professional standards.

## Reported performance information

8. In addition to my responsibility for the assurance engagement on reported performance information as described in the auditor's report, I also:
  - identify and assess risks of material misstatement of the reported performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. In making those risk assessments, I consider internal control relevant to the management and reporting of performance information per selected programme in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
  - evaluate the documentation maintained by the department that supports the generation, collation, aggregation, monitoring and reporting of performance indicators/measures and their related targets for the selected programmes.
  - evaluate and test the usefulness of planned and reported performance information, including presentation in the annual performance report, its consistency with the approved performance planning documents of the department and whether the indicators and related targets were measurable and relevant.
  - evaluate and test the reliability of information on performance achievement to determine whether it is valid, accurate and complete.

## Communication with those charged with governance

9. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
10. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, related safeguards.

## 1. ANNUAL FINANCIAL STATEMENTS

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

Appropriation per programme									
	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
<b><u>ADMINISTRATION</u></b>	332,669	-	-	332,669	325,292	7,377	97.8%	315,086	302,152
<b><u>INFRASTRUCTURE OPERATIONS</u></b>	794,039	-	-	794,039	748,786	45,253	94.3%	700,931	700,931
<b><u>EPWP</u></b>	42,985	-	-	42,985	39,871	3,114	92.8%	39,534	38,597
<b><u>ROADS INFRASTRUCTURE</u></b>	1,930,240	-	-	1,930,240	1,872,927	57,313	97.0%	1,699,483	1,641,760
.....									
Subtotal	<b>3,099,933</b>	-	-	<b>3,099,933</b>	<b>2,986,876</b>	<b>113,057</b>	<b>96.4%</b>	<b>2,755,034</b>	<b>2,683,440</b>
Statutory Appropriation	<b>1,902</b>	-	-	<b>1,902</b>	<b>1,902</b>	-	<b>100.0%</b>	<b>1,902</b>	<b>1,902</b>

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

President and Deputy President salary		-	-	-	-			
Members' remuneration	1,902	-	-	1,902	1,902	-	100.0%	1,902
Debt service costs								
Provincial equitable share								
General fuel levy sharing with metropolitan municipalities								
National Revenue Fund payments								
Skills levy and sector education and training authorities								
Judges' and magistrates' salaries								
<b>TOTAL</b>	<b>3,101,835</b>	<b>-</b>	<b>-</b>	<b>3,101,835</b>	<b>2,988,778</b>	<b>113,057</b>	<b>96.4%</b>	<b>2,756,936</b>

	2016/17		2015/16	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

9

APPROPRIATION STATEMENT  
for the year ended 31 March 2017

	-	-		
<b>Departmental receipts</b>	-	-		
<b>NRF Receipts</b>			7,514	
	4,239			
<b>Aid assistance</b>				
Actual amounts per statement of financial performance (total revenue)	<b>3,106,074</b>		<b>2,764,450</b>	
				7,713
<b>ADD</b>		4,315		
<b>Aid assistance</b>				
<b>Prior year unauthorised expenditure approved without funding</b>				
Actual amounts per statement of financial performance (total expenditure)		<b>2,993,093</b>		<b>2,693,055</b>

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

Appropriation per economic classification									
	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	<b>1,567,782</b>	<b>(935)</b>	<b>(42,279)</b>	<b>1,567,782</b>	<b>1,450,208</b>	<b>117,574</b>	<b>92.5%</b>	<b>1,509,747</b>	<b>1,460,398</b>
Current payments	1,007,796	-	-	1,007,796	965,940	41,856	95.8%	952,876	928,101
<b>Compensation of employees</b>	834,121	-	-	834,121	827,757	6,364	99.2%	820,123	794,332
<b>Salaries and wages</b>	173,675	-	-	173,675	138,183	35,492	79.6%	132,753	133,769
<b>Social contributions</b>	559,986	(935)	(42,279)	559,986	484,268	75,718	86.5%	556,871	532,297
<b>Goods and services</b>	-	-	-	-	4,736	(4,736)	-	-	-
<b>Administrative fees</b>	2,128	(72)	-	2,128	1,384	744	65.0%	4,168	4,063

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Advertising</b>	1,631	-	-	1,631	1,938	(307)	118.8%	4,244	4,087
<b>Minor assets</b>	6,316	-	-	6,316	7,438	(1,122)	117.8%	8,073	8,056
<b>Audit costs: External</b>	1,879	-	-	1,879	512	1,367	27.2%	515	974
<b>Bursaries: Employees</b>	1,080	-	-	1,080	826	254	76.5%	366	340
<b>Catering: Departmental activities</b>	7,603	-	-	7,603	6,766	837	89.0%	6,804	6,742
<b>Communication</b>	13,414	-	-	13,414	15,706	(2,292)	117.1%	18,163	16,798
<b>Computer services</b>	-	-	-	-	28	(28)	-	7,445	-
<b>Consultants: Business and advisory services</b>	3,023	-	-	3,023	1,018	2,005	33.7%	1,261	6,515
<b>Infrastructure and planning services</b>	-	-	-	-	-	-	-	-	-
<b>Laboratory services</b>	-	-	-	-	-	-	-	-	-
<b>Scientific and technological services</b>	1,500	-	-	1,500	1,499	1	99.9%	-	501

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Legal services</b>	92,795	(753)	-	92,795	44,207	48,588	47.6%	179,042	158,036
<b>Contractors</b>	158,703	(103)	-	158,703	123,843	34,860	78.0%	83,692	83,906
<b>Agency and support / outsourced services</b>	-	-	-	-	-	-	-	-	-
<b>Entertainment</b>	77,731	-	-	77,731	95,862	(18,131)	123.3%	74,954	80,849
<b>Fleet services</b>	-	-	-	-	-	-	-	-	-
<b>Housing</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Clothing material and supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Farming supplies</b>	90	-	-	90	-	90	-	111	77
<b>Inventory: Food and food supplies</b>	115	-	-	115	-	115	-	-	136
<b>Inventory: Fuel, oil and gas</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Learner and teacher support material</b>	10,684	-	-	10,684	36,482	(25,798)	341.5%	39,630	34,629

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Inventory: Materials and supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Medical supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Medicine</b>	-	-	-	-	-	-	-	-	-
<b>Medsas Inventory Interface</b>	-	-	-	-	-	-	-	87	-
<b>Inventory: Other supplies</b>	70,025	-	-	70,025	36,075	33,950	51.5%	32,898	27,890
<b>Consumable supplies</b>	3,696	-	-	3,696	3,677	19	99.5%	4,841	4,476
<b>Consumable: Stationery, printing and office supplies</b>	4,264	-	(42,279)	4,264	-	4,264	-	-	10
<b>Operating leases</b>	38,554	-	-	38,554	39,226	(672)	101.7%	32,536	34,590
<b>Property payments</b>	-	-	-	-	-	-	-	-	-
<b>Transport provided: Departmental activity</b>	29,650	(7)	-	29,650	30,421	(771)	102.6%	27,858	31,991
<b>Travel and subsistence</b>	11,769	-	-	11,769	10,584	1,185	89.9%	9,139	8,563

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Training and development</b>	1,722	-	-	1,722	2,150	(428)	124.9%	895	1,052
<b>Operating payments</b>	4,114	-	-	4,114	1,931	2,183	46.9%	2,827	2,434
<b>Venues and facilities</b>	17,500	-	-	17,500	17,959	(459)	102.6%	17,322	15,582
<b>Rental and hiring</b>	-	-	-	-	-	-	-	-	-
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	-
<b>Interest</b>	-	-	-	-	-	-	-	-	-
<b>Rent on land</b>	<b>1,567,782</b>		<b>(42,279)</b>	<b>1,567,782</b>	<b>1,450,208</b>	<b>117,574</b>	<b>92.5%</b>	<b>1,509,747</b>	<b>1,460,398</b>
	1,007,796			1,007,796	965,940	41,856	95.8%	952,876	928,101
<b>Transfers and subsidies</b>	<b>1,145,850</b>		<b>73,000</b>	<b>1,145,850</b>	<b>1,162,858</b>	<b>(17,008)</b>	<b>101.5%</b>	<b>905,393</b>	<b>915,925</b>
<b>Provinces and municipalities</b>									
	71,744			71,744	69,841	1,903	97.3%	49,111	52,808
<b>Provinces</b>									
	71,744			71,744	69,841	1,903	97.3%	2,259	52,580

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Provincial Revenue Funds</b>	-	-	-	-	-	-	-	-	2,259	1,350
<b>Provincial agencies and funds</b>	71,744	-	-	71,744	69,841	1,903	97.3%	-	-	51,230
<b>Municipalities</b>	-	-	-	-	-	-	-	-	46,852	228
<b>Municipal bank accounts</b>	-	-	-	-	-	-	-	-	-	-
<b>Municipal agencies and funds</b>	-	-	-	-	-	-	-	-	46,852	228
<b>Departmental agencies and accounts</b>	1,054,935	-	73,000	1,054,935	1,054,935	-	100.0%	836,595	-	836,594
<b>Social security funds</b>	-	-	-	-	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>	1,054,935	-	73,000	1,054,935	1,054,935	-	100.0%	836,595	-	836,594
<b>Higher education institutions</b>	-	-	-	-	-	-	-	-	-	-
<b>Foreign governments and international organisations</b>	-	-	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>	-	-	-	-	-	-	-	-	-	-

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

9

APPROPRIATION STATEMENT  
for the year ended 31 March 2017

<b>Public corporations</b>	-	-	-	-	-	-	-	-	-
<b>Subsidies on products and production</b>	-	-	-	-	-	-	-	-	-
<b>Other transfers to public corporations</b>	-	-	-	-	-	-	-	-	-
<b>Private enterprises</b>	-	-	-	-	-	-	-	-	-
<b>Subsidies on products and production</b>	-	-	-	-	-	-	-	-	-
<b>Other transfers to private enterprises</b>	-	-	-	-	-	-	-	-	-
<b>Non-profit institutions</b>	-	-	-	-	-	-	-	-	-
<b>Households</b>	19,171	-	-	19,171	38,082	(18,911)	198.6%	19,687	26,523
<b>Social benefits</b>	18,671	-	-	18,671	36,751	(18,080)	196.8%	19,159	14,536
<b>Other transfers to households</b>	500	-	-	500	1,331	(831)	266.2%	528	11,987
	<b>1,145,850</b>	-	<b>(30,721)</b>	<b>1,145,850</b>	<b>1,162,858</b>	<b>(17,008)</b>	<b>101.5%</b>	<b>905,393</b>	<b>915,925</b>

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

Payments for capital assets	<b>388,203</b>	-	(30,721)	<b>388,203</b>	<b>374,777</b>	<b>13,426</b>	<b>96.5%</b>	<b>341,488</b>	<b>308,711</b>
<b>Buildings and other fixed structures</b>	239,773	-	42,279	239,773	201,668	38,105	84.1%	280,990	210,646
<b>Buildings</b>	98,108	-	(73,000)	98,108	83,476	14,632	85.1%	80,823	-
<b>Other fixed structures</b>	141,665	-	-	141,665	118,192	23,473	83.4%	200,167	210,646
<b>Machinery and equipment</b>	146,930	-	-	146,930	173,109	(26,179)	117.8%	60,498	98,065
<b>Transport equipment</b>	-	-	-	-	-	-	-	34,840	34,752
<b>Other machinery and equipment</b>	146,930	-	-	146,930	173,109	(26,179)	117.8%	25,658	63,313
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
<b>Specialised military assets</b>	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
<b>Land and subsoil assets</b>	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Intangible assets</b>	1,500	<b>935</b>	-	1,500	-	1,500	-	-	-
	-	-	-	-	<b>935</b>	<b>(935)</b>	-	<b>308</b>	<b>308</b>
Payments for financial assets		-	-						

Statutory Appropriation per economic classification									
	2016/17							2015/16	
	Adjust ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
<b>Compensation of employees</b>	6,440	-	-	6,440	6,767	(327)	105.1%	4,508	3,552
<b>Goods and services</b>	2,155	-	-	2,155	1,401	754	65.0%	1,705	1,275
<b>Interest and rent on land</b>									
Transfers and subsidies									

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

9

APPROPRIATION STATEMENT  
for the year ended 31 March 2017

Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Foreign governments and international organisations								
Public corporations and private enterprises								
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				-		-		-
							78	78

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

Programme 1: ADMINISTRATION									
	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
<b><u>ADMINISTRATION</u></b>	334,571	-	-	334,571	327,194	7,377	97.8%	315,086	302,152
<b><u>INFRASTRUCTURE OPERATIONS</u></b>	794,039	-	-	794,039	748,786	45,253	94.3%	700,931	700,931
<b><u>EPWP</u></b>	42,985	-	-	42,985	39,871	3,114	92.8%	39,534	38,597
<b><u>ROADS INFRASTRUCTURE</u></b>	1,930,240	-	-	1,930,240	1,872,927	57,313	97.0%	1,699,483	1,641,760
Total for sub programmes	<b>3,101,835</b>	-	-	<b>3,101,835</b>	<b>2,988,778</b>	<b>113,057</b>	<b>96.4%</b>	<b>2,755,034</b>	<b>2,683,440</b>
Economic classification	<b>1,567,782</b>	<b>(72)</b>	-	<b>1,567,782</b>	<b>1,450,208</b>	<b>117,574</b>	<b>92.5%</b>	<b>1,509,747</b>	<b>1,460,398</b>

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

Current payments	1,007,796	-	-	1,007,796	965,940	41,856	95.8%	952,876	928,101
<b>Compensation of employees</b>	834,121	-	-	834,121	827,757	6,364	99.2%	820,123	794,332
<b>Salaries and wages</b>	173,675	-	-	173,675	138,183	35,492	79.6%	132,753	133,769
<b>Social contributions</b>	559,986	(72)	-	559,986	484,268	75,718	86.5%	556,871	532,297
<b>Goods and services</b>	-	-	-	-	4,736	(4,736)	-	-	-
<b>Administrative fees</b>	2,128	(72)	-	2,128	1,384	744	65.0%	4,168	4,063
<b>Advertising</b>	1,631	-	-	1,631	1,938	(307)	118.8%	4,244	4,087
<b>Minor assets</b>	6,316	-	-	6,316	7,438	(1,122)	117.8%	8,073	8,056
<b>Audit costs: External</b>	1,879	-	-	1,879	512	1,367	27.2%	515	974
<b>Bursaries: Employees</b>	1,080	-	-	1,080	826	254	76.5%	366	340
<b>Catering: Departmental activities</b>	7,603	-	-	7,603	6,766	837	89.0%	6,804	6,742

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Communication</b>	13,414	-	-	13,414	15,706	(2,292)	117.1%	18,163	16,798
<b>Computer services</b>	-	-	-	-	28	(28)	-	7,445	-
<b>Consultants: Business and advisory services</b>	3,023	-	-	3,023	1,018	2,005	33.7%	1,261	6,515
<b>Infrastructure and planning services</b>	-	-	-	-	-	-	-	-	-
<b>Laboratory services</b>	-	-	-	-	-	-	-	-	-
<b>Scientific and technological services</b>	1,500	-	-	1,500	1,499	1	99.9%	-	501
<b>Legal services</b>	92,795	-	-	92,795	44,207	48,588	47.6%	179,042	158,036
<b>Contractors</b>	158,703	-	-	158,703	123,843	34,860	78.0%	83,692	83,906
<b>Agency and support / outsourced services</b>	-	-	-	-	-	-	-	-	-
<b>Entertainment</b>	77,731	-	-	77,731	95,862	(18,131)	123.3%	74,954	80,849
<b>Fleet services</b>	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Housing</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Clothing material and supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Farming supplies</b>	90	-	-	90	-	90	-	111	77
<b>Inventory: Food and food supplies</b>	115	-	-	115	-	115	-	-	136
<b>Inventory: Fuel, oil and gas</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Learner and teacher support material</b>	10,684	-	-	10,684	36,482	(25,798)	341.5%	39,630	34,629
<b>Inventory: Materials and supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Medical supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Medicine</b>	-	-	-	-	-	-	-	-	-
<b>Medsas Inventory Interface</b>	-	-	-	-	-	-	-	87	-
<b>Inventory: Other supplies</b>	70,025	-	-	70,025	36,075	33,950	51.5%	32,898	27,890

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

9

**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Consumable supplies</b>	3,696	-	-	3,696	3,677	19	99.5%	4,841	4,476
<b>Consumable: Stationery, printing and office supplies</b>	4,264	-	-	4,264	-	4,264	-	-	10
<b>Operating leases</b>	38,554	-	-	38,554	39,226	(672)	101.7%	32,536	34,590
<b>Property payments</b>	-	-	-	-	-	-	-	-	-
<b>Transport provided: Departmental activity</b>	29,650	-	-	29,650	30,421	(771)	102.6%	27,858	31,991
<b>Travel and subsistence</b>	11,769	-	-	11,769	10,584	1,185	89.9%	9,139	8,563
<b>Training and development</b>	1,722	-	-	1,722	2,150	(428)	124.9%	895	1,052
<b>Operating payments</b>	4,114	-	-	4,114	1,931	2,183	46.9%	2,827	2,434
<b>Venues and facilities</b>	17,500	-	-	17,500	17,959	(459)	102.6%	17,322	15,582
<b>Rental and hiring</b>	-	-	-	-	-	-	-	-	-
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Interest</b>	-	-	-	-	-	-	-	-	-
<b>Rent on land</b>	<b>1,567,782</b>	-	-	<b>1,567,782</b>	<b>1,450,208</b>	<b>117,574</b>	<b>92.5%</b>	<b>1,509,747</b>	<b>1,460,398</b>
	1,007,796	-	-	1,007,796	965,940	41,856	95.8%	952,876	928,101
Transfers and subsidies	<b>1,145,850</b>	-	-	<b>1,145,850</b>	<b>1,162,858</b>	<b>(17,008)</b>	<b>101.5%</b>	<b>905,393</b>	<b>915,925</b>
<b>Provinces and municipalities</b>									
<b>Provinces</b>	71,744	-	-	71,744	69,841	1,903	97.3%	49,111	52,808
<b>Provincial Revenue Funds</b>	-	-	-	-	-	-	-	2,259	1,350
<b>Provincial agencies and funds</b>	71,744	-	-	71,744	69,841	1,903	97.3%	-	51,230
<b>Municipalities</b>	-	-	-	-	-	-	-	46,852	228
<b>Municipal bank accounts</b>	-	-	-	-	-	-	-	-	-
<b>Municipal agencies and funds</b>	-	-	-	-	-	-	-	46,852	228

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Departmental agencies and accounts</b>	1,054,935	-	-	1,054,935	1,054,935	-	100.0%	836,595	836,594
<b>Social security funds</b>	-	-	-	-	-	-	-	-	-
<b>Departmental agencies</b>	1,054,935	-	-	1,054,935	1,054,935	-	100.0%	836,595	836,594
<b>Higher education institutions</b>	-	-	-	-	-	-	-	-	-
<b>Foreign governments and international organisations</b>	-	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>	-	-	-	-	-	-	-	-	-
<b>Public corporations</b>	-	-	-	-	-	-	-	-	-
<b>Subsidies on products and production</b>	-	-	-	-	-	-	-	-	-
<b>Other transfers to public corporations</b>	-	-	-	-	-	-	-	-	-
<b>Private enterprises</b>	-	-	-	-	-	-	-	-	-
<b>Subsidies on products and production</b>	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Other transfers to private enterprises</b>	-	-	-	-	-	-	-	-	-
<b>Non-profit institutions</b>	-	-	-	-	-	-	-	-	-
<b>Households</b>	19,171	-	-	19,171	38,082	(18,911)	198.6%	19,687	26,523
<b>Social benefits</b>	18,671	-	-	18,671	36,751	(18,080)	196.8%	19,159	14,536
<b>Other transfers to households</b>	500	-	-	500	1,331	(831)	266.2%	528	11,987
	<b>1,145,850</b>	-	-	<b>1,145,850</b>	<b>1,162,858</b>	<b>(17,008)</b>	<b>101.5%</b>	<b>905,393</b>	<b>915,925</b>
Payments for capital assets	<b>388,203</b>	-	-	<b>388,203</b>	<b>374,777</b>	<b>13,426</b>	<b>96.5%</b>	<b>341,488</b>	<b>308,711</b>
<b>Buildings and other fixed structures</b>	239,773	-	-	239,773	201,668	38,105	84.1%	280,990	210,646
<b>Buildings</b>	98,108	-	-	98,108	83,476	14,632	85.1%	80,823	-
<b>Other fixed structures</b>	141,665	-	-	141,665	118,192	23,473	83.4%	200,167	210,646
<b>Machinery and equipment</b>	146,930	-	-	146,930	173,109	(26,179)	117.8%	60,498	98,065

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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APPROPRIATION STATEMENT  
for the year ended 31 March 2017

<b>Transport equipment</b>	-	-	-	-	-	-	-	34,840	34,752
<b>Other machinery and equipment</b>	146,930	-	-	146,930	173,109	(26,179)	117.8%	25,658	63,313
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
<b>Specialised military assets</b>	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
<b>Land and subsoil assets</b>	-	-	-	-	-	-	-	-	-
<b>Intangible assets</b>	1,500	-	-	1,500	-	1,500	-	-	-
	-	72	-	-	935	(935)	-	308	308
Payments for financial assets									

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

1.1 OFFICE OF THE HOD									
	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>12,821</b>	-	-	<b>12,821</b>	<b>9,485</b>	<b>3,336</b>	<b>74.0%</b>	<b>5,156</b>	<b>8,196</b>
<b>Compensation of employees</b>	9,995	-	-	9,995	7,229	2,766	72.3%	4,457	7,373
<b>Goods and services</b>	2,826	-	-	2,826	2,256	570	79.8%	699	823
<b>Interest and rent on land</b>									
Transfers and subsidies	-	-	-	-	<b>100</b>	<b>(100)</b>	-	-	-
<b>Provinces and municipalities</b>									
<b>Departmental agencies and accounts</b>									
<b>Higher education institutions</b>									
<b>Foreign governments and international organisations</b>									
<b>Public corporations and private enterprises</b>									

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

9

APPROPRIATION STATEMENT  
for the year ended 31 March 2017

<b>Non-profit institutions</b>									
<b>Households</b>									
	-	-	-	-	100	(100)	-	-	-
Payments for capital assets									
<b>Buildings and other fixed structures</b>									
<b>Machinery and equipment</b>									
<b>Heritage assets</b>									
<b>Specialised military assets</b>									
<b>Biological assets</b>									
<b>Land and subsoil assets</b>									
<b>Intangible assets</b>									
Payments for financial assets									

1.2 CORPORATE SUPPORT									
	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

Current payments	296,182	(72)	-	296,182	289,068	7,114	97.6%	289,399	281,123
<b>Compensation of employees</b>	216,885	-	-	216,885	221,729	(4,844)	102.2%	208,373	205,277
<b>Goods and services</b>	79,297	(72)	-	79,297	67,339	11,958	84.9%	81,026	75,846
<b>Interest and rent on land</b>									
Transfers and subsidies	3,828	-	-	3,828	5,692	(1,864)	148.7%	4,228	3,816
<b>Provinces and municipalities</b>	400			400	203	197	50.8%		
<b>Departmental agencies and accounts</b>									
<b>Higher education institutions</b>									
<b>Foreign governments and international organisations</b>									
<b>Public corporations and private enterprises</b>									
<b>Non-profit institutions</b>									
<b>Households</b>	3,428	-	-	3,428	5,489	(2,061)	160.1%	3,878	3,588

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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APPROPRIATION STATEMENT  
for the year ended 31 March 2017

Payments for capital assets	13,145	-	-	13,145	14,609	(1,464)	111.1%	9,973	4,073
<b>Buildings and other fixed structures</b>	-	-	-	-	-	-	-	-	-
<b>Machinery and equipment</b>				-		-	-		
<b>Heritage assets</b>				-		-	-		
<b>Specialised military assets</b>	11,645	-	-	11,645	14,609	(2,964)	125.5%	9,973	4,073
<b>Biological assets</b>	-			-		-	-		-
<b>Land and subsoil assets</b>	11,645			11,645	14,609	(2,964)	125.5%	9,973	4,073
<b>Intangible assets</b>	-			-		-	-		
	-			-		-	-		
Payments for financial assets	-	72		-		-	-		

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

Programme 2: INFRASTRUCTURE OPERATIONS									
	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
<b><u>INFRASTRUCTURE PLANNING &amp; DESIGN</u></b>	98,605	-	-	98,605	76,971	21,634	78.1%	21,400	9,860
<b><u>CONSTRUCTION MANAGEMENT</u></b>	96,680	-	-	96,680	55,911	40,769	57.8%	102,327	103,149
<b><u>PROPERTY &amp; FACILITIES MANAGEMENT</u></b>	598,754	-	-	598,754	615,904	(17,150)	102.9%	577,204	587,922
Total for sub programmes	<b>794,039</b>	-	-	<b>794,039</b>	<b>748,786</b>	<b>45,253</b>	<b>94.3%</b>	<b>700,931</b>	<b>700,931</b>
Economic classification	<b>614,307</b>	-	-	<b>614,307</b>	<b>567,502</b>	<b>46,805</b>	<b>92.4%</b>	<b>560,921</b>	<b>556,090</b>
Current payments	411,532	<b>(753)</b>	<b>(42,279)</b>	411,532	394,275	17,257	95.8%	433,603	423,703

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Compensation of employees</b>	342,296	-	-	342,296	335,813	6,483	98.1%	382,673	359,447
<b>Salaries and wages</b>	69,236	-	-	69,236	58,462	10,774	84.4%	50,930	64,256
<b>Social contributions</b>	202,775	-	-	202,775	173,227	29,548	85.4%	127,318	132,387
<b>Goods and services</b>	-	(753)	(42,279)	-	-	-	-	-	-
<b>Administrative fees</b>	-	-	-	-	46	(46)	-	305	305
<b>Advertising</b>	527	-	-	527	431	96	81.8%	2,530	2,272
<b>Minor assets</b>	-	-	-	-	-	-	-	-	-
<b>Audit costs: External</b>	-	-	-	-	-	-	-	-	-
<b>Bursaries: Employees</b>	-	-	-	-	-	-	-	-	-
<b>Catering: Departmental activities</b>	-	-	-	-	-	-	-	-	(18)
<b>Communication</b>	-	-	-	-	1,977	(1,977)	-	4	4

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Computer services</b>	-	-	-	-	-	-	-	7,445	-
<b>Consultants: Business and advisory services</b>	2,523	-	-	2,523	1,018	1,505	40.3%	-	6,239
<b>Infrastructure and planning services</b>	-	-	-	-	-	-	-	-	-
<b>Laboratory services</b>	-	-	-	-	-	-	-	-	-
<b>Scientific and technological services</b>	-	-	-	-	-	-	-	-	-
<b>Legal services</b>	8,693	-	-	8,693	3,479	5,214	40.0%	3,710	3,363
<b>Contractors</b>	140,519	(753)	-	140,519	109,970	30,549	78.3%	69,408	70,181
<b>Agency and support / outsourced services</b>	-	-	-	-	-	-	-	-	-
<b>Entertainment</b>	-	-	-	-	-	-	-	-	-
<b>Fleet services</b>	-	-	-	-	-	-	-	-	-
<b>Housing</b>	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Inventory: Clothing material and supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Farming supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Food and food supplies</b>	115	-	-	115	-	115	-	-	-
<b>Inventory: Fuel, oil and gas</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Learner and teacher support material</b>	3,264	-	-	3,264	3,461	(197)	106.0%	3,944	4,053
<b>Inventory: Materials and supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Medical supplies</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Medicine</b>	-	-	-	-	-	-	-	-	-
<b>Medsas Inventory Interface</b>	-	-	-	-	-	-	-	-	-
<b>Inventory: Other supplies</b>	4,317	-	-	4,317	3,499	818	81.1%	3,426	3,096
<b>Consumable supplies</b>	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Consumable: Stationery, printing and office supplies</b>	-	-	-	-	-	-	-	-	-
<b>Operating leases</b>	38,554	-	(42,279)	38,554	39,226	(672)	101.7%	32,496	34,590
<b>Property payments</b>	-	-	-	-	-	-	-	-	-
<b>Transport provided: Departmental activity</b>	4,263	-	-	4,263	8,333	(4,070)	195.5%	3,784	7,797
<b>Travel and subsistence</b>	-	-	-	-	1,542	(1,542)	-	-	-
<b>Training and development</b>	-	-	-	-	194	(194)	-	-	439
<b>Operating payments</b>	-	-	-	-	13	(13)	-	150	66
<b>Venues and facilities</b>	-	-	-	-	38	(38)	-	116	-
<b>Rental and hiring</b>	-	-	-	-	-	-	-	-	-
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	-
<b>Interest</b>	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Rent on land</b>	<b>614,307</b>	-	-	<b>614,307</b>	<b>567,502</b>	<b>46,805</b>	<b>92.4%</b>	<b>560,921</b>	<b>556,090</b>
	411,532	(753)	(42,279)	411,532	394,275	17,257	95.8%	433,603	423,703
Transfers and subsidies	<b>77,809</b>	-	-	<b>77,809</b>	<b>92,347</b>	<b>(14,538)</b>	<b>118.7%</b>	<b>52,478</b>	<b>64,332</b>
<b>Provinces and municipalities</b>	<b>68,966</b>	-	-	<b>68,966</b>	<b>68,188</b>	<b>778</b>	<b>98.9%</b>	<b>46,502</b>	<b>51,230</b>
<b>Provinces</b>	<b>68,966</b>	-	-	<b>68,966</b>	<b>68,188</b>	<b>778</b>	<b>98.9%</b>	-	<b>51,230</b>
<b>Provincial Revenue Funds</b>	-	-	-	-	-	-	-	-	-
<b>Provincial agencies and funds</b>	<b>68,966</b>	-	-	<b>68,966</b>	<b>68,188</b>	<b>778</b>	<b>98.9%</b>	-	<b>51,230</b>
<b>Municipalities</b>	-	-	-	-	-	-	-	<b>46,502</b>	-
<b>Municipal bank accounts</b>	-	-	-	-	-	-	-	-	-
<b>Municipal agencies and funds</b>	-	-	-	-	-	-	-	<b>46,502</b>	-
<b>Departmental agencies and accounts</b>	-	-	-	-	-	-	-	-	-

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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APPROPRIATION STATEMENT  
for the year ended 31 March 2017

<b>Social security funds</b>	-	-	-	-	-	-	-	-	-	-
<b>Departmental agencies</b>	-	-	-	-	-	-	-	-	-	-
<b>Higher education institutions</b>	-	-	-	-	-	-	-	-	-	-
<b>Foreign governments and international organisations</b>	-	-	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>	-	-	-	-	-	-	-	-	-	-
<b>Public corporations</b>	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-
<b>Private enterprises</b>	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

<b>Non-profit institutions</b>	-	-	-	-	-	-	-	-	-
<b>Households</b>	8,843	-	-	8,843	24,159	(15,316)	273.2%	5,976	13,102
<b>Social benefits</b>	8,843	-	-	8,843	24,159	(15,316)	273.2%	5,976	1,690
<b>Other transfers to households</b>	-	-	-	-	-	-	-	-	11,412
	<b>77,809</b>	-	-	<b>77,809</b>	<b>92,347</b>	<b>(14,538)</b>	<b>118.7%</b>	<b>52,478</b>	<b>64,332</b>
Payments for capital assets	<b>101,923</b>	-	<b>42,279</b>	<b>101,923</b>	<b>88,184</b>	<b>13,739</b>	<b>86.5%</b>	<b>87,348</b>	<b>80,325</b>
<b>Buildings and other fixed structures</b>	98,108	-	42,279	98,108	83,476	14,632	85.1%	80,823	75,635
<b>Buildings</b>	98,108	-	42,279	98,108	83,476	14,632	85.1%	80,823	-
<b>Other fixed structures</b>	-	-	-	-	-	-	-	-	75,635
<b>Machinery and equipment</b>	3,815	-	-	3,815	4,708	(893)	123.4%	6,525	4,690
<b>Transport equipment</b>	-	-	-	-	-	-	-	-	-

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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APPROPRIATION STATEMENT  
for the year ended 31 March 2017

Other machinery and equipment	3,815	-	-	3,815	4,708	(893)	123.4%	6,525	4,690
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
	-	753	-	-	753	(753)	-	184	184
Payments for financial assets									
Total									

2.1 [INFRASTRUCTURE PLANNING AND DESIGN]	
	2016/17
	2015/16

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	<b>95,105</b>	-	-	<b>95,105</b>	<b>56,702</b>	<b>38,403</b>	<b>59.6%</b>	<b>17,400</b>	<b>7,655</b>
<b>Goods and services</b>	14,605	-	-	14,605	6,367	8,238	43.6%	12,300	2,393
<b>Interest and rent on land</b>									
Transfers and subsidies	-	-	-	-	<b>15,855</b>	<b>(15,855)</b>	-	-	-
<b>Provinces and municipalities</b>									
<b>Departmental agencies and accounts</b>									
<b>Higher education institutions</b>									
<b>Foreign governments and international organisations</b>									
<b>Public corporations and private enterprises</b>									
<b>Non-profit institutions</b>									
<b>Households</b>	-	-	-	-	15,855	(15,855)	-	-	-

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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APPROPRIATION STATEMENT  
for the year ended 31 March 2017

Payments for capital assets	3,500	-	-	3,500	4,414	(914)	126.1%	4,000	2,205
<b>Buildings and other fixed structures</b>	-	-	-	-	-	-	-	-	-
<b>Machinery and equipment</b>	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
<b>Specialised military assets</b>	3,500	-	-	3,500	4,414	(914)	126.1%	4,000	2,205
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
<b>Land and subsoil assets</b>	3,500	-	-	3,500	4,414	(914)	126.1%	4,000	2,205
<b>Intangible assets</b>	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2017**

2.2 CONSTRUCTION MANAGEMENT									
	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	<b>95,627</b>	-	-	<b>95,627</b>	<b>54,374</b>	<b>41,253</b>	<b>56.9%</b>	<b>101,268</b>	<b>101,400</b>
<b>Compensation of employees</b>	92,047	-	-	92,047	53,109	38,938	57.7%	96,654	96,661
<b>Goods and services</b>	3,580	-	-	3,580	1,265	2,315	35.3%	4,614	4,739
<b>Interest and rent on land</b>									
Transfers and subsidies	<b>1,053</b>	-	-	<b>1,053</b>	<b>1,537</b>	<b>(484)</b>	<b>146.0%</b>	<b>1,000</b>	<b>1,690</b>
<b>Provinces and municipalities</b>									
<b>Departmental agencies and accounts</b>									
<b>Higher education institutions</b>									
<b>Foreign governments and international organisations</b>									
<b>Public corporations and private enterprises</b>									

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

9

APPROPRIATION STATEMENT  
for the year ended 31 March 2017

Non-profit institutions									
Households	1,053	-	-	1,053	1,537	(484)	146.0%	1,000	1,690
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									

**NOTES TO THE APPROPRIATION STATEMENT***for the year ended 31 March 2017*

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

**Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.**

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

**Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.**

3. Detail on payments for financial assets

**Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.**

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	334,571	327,194	7,377	2%
<b>INFRASTRUCTURE OPERATIONS</b>	<b>794,039</b>	<b>748,786</b>	<b>45,253</b>	<b>6%</b>
EPWP	42,985	39,871	3,114	7%
Roads Infrastructure	1,930,240	1,872,927	57,313	3%
<b>4.2 Per economic classification</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation R'000</b>
Current payments				
<b>Compensation of employees</b>	<b>1,007,796</b>	<b>965,940</b>	<b>41,856</b>	<b>4%</b>
<b>Goods and services</b>	<b>559,051</b>	<b>484,260</b>	<b>74,791</b>	<b>13%</b>
<b>Interest and rent on land</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
Transfers and subsidies				
<b>Provinces and municipalities</b>	<b>71,744</b>	<b>69,843</b>	<b>1,901</b>	<b>3%</b>

**NOTES TO THE APPROPRIATION STATEMENT***for the year ended 31 March 2017*

Departmental agencies and accounts	1,054,935	1,054,935	-	0%
Higher education institutions	-	-	-	0%
Public corporations and private enterprises	-	-	-	0%
Foreign governments and international organisations	-	-	-	0%
Non-profit institutions	-	-	-	0%
Households	19,171	38,083	18,912	-99%
Payments for capital assets				
<b>Buildings and other fixed structures</b>	239,773	201,672	38,101	16%
<b>Machinery and equipment</b>	148,430	173,110	-	-17%
Heritage assets			24,680	
Specialised military assets				
Biological assets				
Land and subsoil assets				
Intangible assets				
Payments for financial assets	935	935	-	0%

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2017

- The defrayment of excess expenditure on payment for capital asset caused by the re allocation of operating lease budget to Finance lease.
- Lower fuel consumption due to delays by the appointed service provider on the delivery of graders.
- The tender for the maintenance of households projects were advertised late in the fourth quarter of the financial year.
- Prolonged recruitment process for the EPWP Empowerment program on Roads projects by the Municipalities.
- Delays by the appointed service provider on the delivery of roads signs and other materials.
- Delays in the submission of invoices by SITA.
- Delays in the appointment of service providers for the training capacitation of employees
- The Department effected the transfer payment amounting to R73 million from the virement which was done during the month of February 2017 while the budget on the IYM framework is still residing within payment for capital assets.
- The Leave gratuity excess payments amounting to R4 million which was made to personnel who exited the system through death, resignations and retirements.
- The Department has implemented the virement amounting to R73 million to RAL however the movement has not been catered for on the IYM framework.
- The retentions for the roads projects could not be paid in full due to defects that are not yet completed.
- Delays in the appointment of service provider on the delivery of graders due to unavailability of the items nationwide.
- The Department had planned to install boom gates at the Works towers through landlord which did not materialise. However the budgeted amount was insufficient to proceed and the project through bidding process.
- The contracts for the renovation of the Legislature and Parliamentary Village were awarded late in the 3rd quarter of the year.
- The construction of Traditional Offices is not completed and 5 projects have been carried over to the 2017/18 financial year.

	Final Appropriati on	Actual Expenditur e	Variance	Variance as a % of Final Appropriati on
	R'000	R'000	R'000	R'000
4.3 Per conditional grant				
Expanded Public Works Programme Incentive	4,826	4,826	-	0%
Provincial Road Maintenance Grant	1,020,138	992,531	27,607	3%

**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	3,099,933	2,755,034
Statutory appropriation	<u>2</u>	1,902	1,902
Departmental revenue	<u>3</u>	-	-
NRF Receipts		-	-
Aid assistance	<u>4</u>	4,239	7,514
<b>TOTAL REVENUE</b>		<b>3,106,074</b>	<b>2,764,450</b>
<b>EXPENDITURE</b>			
Current expenditure			
Compensation of employees	<u>5</u>	965,941	928,105
Goods and services	<u>6</u>	484,259	532,301
Interest and rent on land	<u>7</u>	-	-
Aid assistance	<u>4</u>	4,315	7,713
Total current expenditure		<b>1,454,515</b>	<b>1,468,119</b>

**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2017

Transfers and subsidies			
<b>Transfers and subsidies</b>	<u>9</u>	1,162,861	915,923
<b>Aid assistance</b>	<u>4</u>	-	-
Total transfers and subsidies		1,162,861	915,923
Expenditure for capital assets			
<b>Tangible assets</b>	<u>10</u>	374,782	308,704
<b>Intangible assets</b>	<u>10</u>	-	-
Total expenditure for capital assets		374,782	308,704
<b>Unauthorised expenditure approved without funding</b>	<u>11</u>		
Payments for financial assets	<u>8</u>	935	309
<b>TOTAL EXPENDITURE</b>		<b>2,993,093</b>	<b>2,693,055</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>112,981</b>	<b>71,395</b>

**STATEMENT OF FINANCIAL PERFORMANCE**  
*for the year ended 31 March 2017*

Reconciliation of Net Surplus/(Deficit) for the year		
<b>Voted funds</b>	113,057	71,594
<b>Annual appropriation</b>	95,959	46,565
<b>Conditional grants</b>	17,098	25,029
<b>Departmental revenue and NRF Receipts</b>	-	-
<b>Aid assistance</b>	(76)	(199)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>112,981</b>	<b>71,395</b>

(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE

STATEMENT OF FINANCIAL POSITION  
as at 31 March 2017

ASSETS	Note	2016/17 R'000	2015/16 R'000
Current assets		118,030	74,289
Unauthorised expenditure	<u>11</u>	-	-
Cash and cash equivalents	<u>12</u>	115,326	71,617
Other financial assets	<u>13</u>	-	-
Prepayments and advances	<u>14</u>	-	-
Receivables	<u>15</u>	2,704	2,672
Loans	<u>17</u>	-	-
Aid assistance prepayments	<u>4</u>	-	-
Aid assistance receivable	<u>4</u>	-	-
Non-current assets		-	-
Investments	<u>16</u>	-	-
Receivables	<u>15</u>	-	-
Loans	<u>17</u>	-	-
Other financial assets	<u>13</u>	-	-

(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE

STATEMENT OF FINANCIAL POSITION  
as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
<b>TOTAL ASSETS</b>		<b>118,030</b>	<b>74,289</b>
<b>LIABILITIES</b>			
Current liabilities		<b>117,379</b>	<b>73,414</b>
Voted funds to be surrendered to the Revenue Fund	<u>18</u>	113,057	71,594
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>19</u>	3,283	278
Bank overdraft	<u>20</u>	-	-
Payables	<u>21</u>	790	1,217
Aid assistance repayable	<u>4</u>	-	-
Aid assistance unutilised	<u>4</u>	249	325
Non-current liabilities			
Payables	<u>22</u>	-	-
<b>TOTAL LIABILITIES</b>		<b>117,379</b>	<b>73,414</b>
<b>NET ASSETS</b>		<b>651</b>	<b>875</b>

(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE

STATEMENT OF FINANCIAL POSITION  
as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
Represented by:			
<b>Capitalisation reserve</b>		-	-
<b>Recoverable revenue</b>		651	875
<b>Retained funds</b>		-	-
<b>Revaluation reserves</b>		-	-
<b>TOTAL</b>		<b>651</b>	<b>875</b>

(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE

STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
Capitalisation Reserves		-	-
<b>Opening balance</b>			
<b>Transfers:</b>			
<b>Movement in Equity</b>			
<b>Movement in Operational Funds</b>			
<b>Other movements</b>		-	-
<b>Closing balance</b>		-	-
Recoverable revenue			
<b>Opening balance</b>		875	952
<b>Transfers:</b>		(224)	(77)
<b>Irrecoverable amounts written off</b>	<u>8.3</u>	(237)	(307)
<b>Debts revised</b>		-	-
<b>Debts recovered (included in departmental receipts)</b>		(502)	129
<b>Debts raised</b>		515	101
<b>Closing balance</b>		<b>651</b>	<b>875</b>

(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE

STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2017

Retained funds	-	-
<b>Opening balance</b>	-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)	-	-
Utilised during the year	-	-
Other transfers	-	-
<b>Closing balance</b>	-	-
Revaluation Reserve	-	-
<b>Opening balance</b>	-	-
Revaluation adjustment (Housing departments)	-	-
Transfers	-	-
Other	-	-
<b>Closing balance</b>	-	-
<b>TOTAL</b>	<b>651</b>	<b>875</b>

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**CASH FLOW STATEMENT  
for the year ended 31 March 2017**

	2016/17	2015/16
	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>	<b>3,293,752</b>	<b>2,921,122</b>
<b>Annual appropriated funds received</b>	3,099,933	2,755,034
<b>Statutory appropriated funds received</b>	1,902	1,902
<b>Departmental revenue received</b>	187,678	156,672
<b>Interest received</b>	-	-
<b>NRF Receipts</b>	-	-
<b>Aid assistance received</b>	4,239	7,514
<b>Net (increase)/decrease in working capital</b>	(459)	461
<b>Surrendered to Revenue Fund</b>	(256,267)	(447,204)
<b>Surrendered to RDP Fund/Donor</b>	-	-
<b>Current payments</b>	(1,454,515)	(1,468,119)
<b>Interest paid</b>	-	-
<b>Payments for financial assets</b>	(935)	(309)

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**CASH FLOW STATEMENT  
for the year ended 31 March 2017**

<b>Transfers and subsidies paid</b>		
Net cash flow available from operating activities	<u>2</u>	(1,162,861)
	<u>3</u>	<b>418,715</b>
		<b>90,028</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Payments for capital assets</b>	<u>1</u>	
	<u>0</u>	(374,782)
<b>Proceeds from sale of capital assets</b>	<u>3</u>	
	<u>4</u>	200
<b>(Increase)/decrease in loans</b>		-
<b>(Increase)/decrease in investments</b>		-
<b>(Increase)/decrease in other financial assets</b>		-
Net cash flows from investing activities		<b>(374,782)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Distribution/dividend received</b>		-
<b>Increase/(decrease) in net assets</b>		(224)
<b>Increase/(decrease) in non-current payables</b>		(77)
Net cash flows from financing activities		<b>(77)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		43,709
<b>Cash and cash equivalents at beginning of period</b>		71,617
<b>Unrealised gains and losses within cash and cash equivalents</b>		-
Cash and cash equivalents at end of period	<u>2</u>	
	<u>4</u>	<b>115,326</b>
		<b>71,617</b>

**ACCOUNTING POLICIES**  
for the year ended 31 March 2017

<p><b>Summary of significant accounting policies</b></p> <p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
<b>1</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b></p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b></p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p><b>Prior period comparative information</b></p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>

**ACCOUNTING POLICIES**  
for the year ended 31 March 2017

6.2	<p><b>Current year comparison with budget</b> 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><b>Revenue</b></p>
7.1	<p><b>Appropriated funds</b> Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. 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><b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p><b>Accrued departmental revenue</b> Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:  <input type="checkbox"/> 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.                      The accrued revenue is measured at the fair value of the consideration receivable.                      Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.                      Write-offs are made according to the department's debt write-off policy</p>
8	<p><b>Expenditure</b></p>
8.1	<p><b>Compensation of employees</b></p>
8.1.1	<p><b>Salaries and wages</b> Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p><b>Social contributions</b></p>

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**ACCOUNTING POLICIES**  
*for the year ended 31 March 2017*

	<p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</p> <p>Accruals and payables not recognised are measured at cost.</p>
<b>8.4</b>	<p><b>Leases</b></p>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p> <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.</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"> <li><input type="checkbox"/> cost, being the fair value of the asset; or</li> <li><input type="checkbox"/> the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>9</b>	<p><b>Aid Assistance</b></p>
<b>9.1</b>	<p><b>Aid assistance received</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p>

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**  
9

**ACCOUNTING POLICIES**  
*for the year ended 31 March 2017*

	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.
<b>9.2</b>	<b>Aid assistance paid</b>  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.
<b>10</b>	<b>Cash and cash equivalents</b> Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
<b>11</b>	<b>Prepayments and advances</b> Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments are expensed and under what circumstances.>
<b>12</b>	<b>Loans and receivables</b> 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.
<b>13</b>	<b>Investments</b> Investments are recognised in the statement of financial position at cost.
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<b>Financial assets (not covered elsewhere)</b> A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial. 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,

**ACCOUNTING POLICIES**  
for the year ended 31 March 2017

	which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
<b>14.2</b>	<p><b>Impairment of financial assets</b></p> <p>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.</p>
<b>15</b>	<p><b>Payables</b></p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
<b>16</b>	<p><b>Capital Assets</b></p>
<b>16.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
<b>16.2</b>	<p><b>Movable capital assets</b></p> <p>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.</p> <p>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.</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>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. <i>[Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date]</i></p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

**ACCOUNTING POLICIES**  
for the year ended 31 March 2017

16.3	<p><b>Intangible assets</b></p> <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 that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
17	<p><b>Provisions and Contingents</b></p>
17.1	<p><b>Provisions</b></p> <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	<p><b>Contingent liabilities</b></p> <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>
17.3	<p><b>Contingent assets</b></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><b>Commitments</b></p> <p>Commitments (other than for transfers and subsidiaries) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by</p>

ACCOUNTING POLICIES  
for the year ended 31 March 2017

	management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.
18	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li><input type="checkbox"/> approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li><input type="checkbox"/> transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances</p>

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**ACCOUNTING POLICIES  
for the year ended 31 March 2017**

	<p>of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
<p><b>22</b></p>	<p><b>Events after the reporting date</b> <b>[Events after the Reporting Date]</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<p><b>23</b></p>	<p><b>Principal-Agent arrangements</b> <b>[Accounting by Principals and Agents]</b></p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. 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>
<p><b>24</b></p>	<p><b>Departures from the MCS requirements</b> <b>[Preface to the Modified Cash Standard]</b></p> <p>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</p>
<p><b>25</b></p>	<p><b>Capitalisation reserve</b></p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>

ACCOUNTING POLICIES  
for the year ended 31 March 2017

26	<p><b>Recoverable revenue</b> 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>
27	<p><b>Related party transactions</b> <i>[Related Party Disclosures]</i> A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. 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. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p><b>Inventories (Effective from date determined in a Treasury Instruction)</b> <i>[Inventories]</i> At the date of acquisition, inventories are recorded at cost price in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value. Subsequent measurement of the cost of inventory is determined on the weighted average basis.</p>
29	<p><b>Public-Private Partnerships</b> <i>[Financial Statement Presentation]</i> 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.</p>
30	<p><b>Employee benefits</b> <i>[General Departmental Assets and Liabilities]</i> <i>[Provisions and Contingents]</i> The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

**Financial Statement Presentation par .03**

**1. Annual Appropriation**

*[Revenue par .18(a) – (c)]*

Annual Appropriation

1.1

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

	Final Appropriation	2016/17 Actual Funds Received	Funds not requested/received	Final Appropriation	2015/16 Appropriation received
	R'000	R'000	R'000	R'000	R'000
ADMINISTRATIO	332,669	332,669	-	302,662	302,662
INFRASTRUCTURE OPERATIONS	794,039	794,039	-	658,605	658,605
EPWP	42,985	42,985	-	39,534	39,534
ROADS INFRASTRUCTURE	1,930,240	1,930,240	-	1,754,233	1,754,233
<b>Total</b>	<b>3,099,933</b>	<b>3,099,933</b>	<b>-</b>	<b>2,755,034</b>	<b>2,755,034</b>

**Provide an explanation for funds not requested/not received**  
*[Revenue par .18(a) – (c)]*

**1.2 Conditional grants**

	Note	2016/17 R'000	2015/16 R'000
Total grants received	47	1,024,964	1,001,882

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

Provincial grants included in Total Grants received	1,024,964	219,060
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*Include discussion here where deemed relevant*

<b>2.</b>	<b>Statutory Appropriation</b> <i>[Revenue par .18(a) - (b)]</i>	2016/17 R'000	2015/16 R'000
	President and Deputy President salaries Members' remuneration	1,902	1,902
	Debt-service costs		
	Provincial equitable share		
	General fuel levy sharing with metropolitan municipalities		
	National Revenue Fund payments		
	Skills levy and sector education and training authorities		
	Magistrates salaries		
	Judges salaries		
	Total	1,902	1,902

**Actual Statutory Appropriation received**

*Include discussion here where deemed relevant*

<b>3.</b>	<b>Departmental revenue</b> <i>[Revenue par .18(d)]</i>	2016/17 R'000	2015/16 R'000
	Tax revenue	-	-
	Sales of goods and services other than capital assets	30,850	36,314
	Fines, penalties and forfeits	-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Interest, dividends and rent on land	3.3	-	-
Sales of capital assets	3.4	-	200
Transactions in financial assets and liabilities	3.5	156,828	120,358
Transfer received	3.6	-	-
<b>Total revenue collected</b>		<b>187,678</b>	<b>156,872</b>
<b>Less: Own revenue included in appropriation</b>	<b>19</b>	<b>187,678</b>	<b>156,872</b>
Departmental revenue collected		-	-

Rental amounting to R34994' was collected by the Department of Health and paid over to the Provincial Revenue Fund.  
rental amounting to R11' was collected by the Department of Transport and paid over to the Provincial Revenue Fund.

3.1	Sales of goods and services other than capital assets [Revenue par .18(e)]	<b>Note</b> <b>3</b>	2016/17 R'000	2015/16 R'000
	Sales of goods and services produced by the department		<b>30,850</b>	<b>36,314</b>
	Sales by market establishment		30,850	36,314
	Administrative fees		-	-
	Other sales		-	-
	Sales of scrap, waste and other used current goods		-	-
	<b>Total</b>		<b>30,850</b>	<b>36,314</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
3.2 Fines, penalties and forfeits [Revenue par . 18(e)]	<u>3</u>		
Fines			
Penalties			
Forfeits			
Total			

*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
3.3 Interest, dividends and rent on land [Revenue par . 18(e)]	<u>3</u>		
Interest			
Dividends			
Rent on land			
Total			

*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
3.4 Sale of capital assets [Revenue par . 18(e)]	<u>3</u>		

Tangible assets		2016/17 R'000	2015/16 R'000
Buildings and other fixed structures	41	-	200
Machinery and equipment	39	-	-
Specialised military assets	39	-	-
Land and subsoil assets	41	-	-
<b>Total</b>		<b>-</b>	<b>200</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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Biological assets	39	-	-
<b>Intangible assets</b>			
Software	40	-	-
Mastheads and publishing titles	40	-	-
Patents, licences, copyright, brand names, trademarks	40	-	-
Recipes, formulae, prototypes, designs, models	40	-	-
Services and operating rights	40	-	-
Total		-	<b>200</b>

*Include discussion here where deemed relevant*

3.5 Transactions in financial assets and liabilities [Revenue par. 18(e)]	<b>Note</b>	2016/17	2015/16
	<b>3</b>	R'000	R'000
<b>Loans and advances</b>		-	-
<b>Receivables</b>		-	-
<b>Forex gain</b>		-	-
<b>Stale cheques written back</b>		-	-
<b>Other Receipts including Recoverable Revenue</b>		156,828	120,358

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Gains on GFECRA

Total	-	120,358
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*Include discussion here where deemed relevant*

3.6 Transfers received  
[Revenue par . 18(e)]

	Note <u>3</u>	2016/17 R'000	2015/16 R'000
Other governmental units			
Higher education institutions			
Foreign governments			
International organisations			
Public corporations and private enterprises			
Households and non-profit institutions			
Total			

*Include discussion here where deemed relevant*

3.7 Cash received not recognised (not included in the main note)

Name of entity	Amount received R'000	2016/17 Amount paid to the revenue fund R'000	Balance R'000
	R'000	R'000	R'000

*Please specify*

Total

Name of entity

Name of entity	Amount received R'000	2015/16 Amount paid to the revenue fund R'000	Balance R'000
	R'000	R'000	R'000

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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*Please specify*

Total

*Include discussion here where deemed relevant*

	2016/17 R'000	2015/16 R'000
<b>4. Aid assistance</b> <i>[Revenue par . 18(f)]</i>		
<b>Opening Balance</b>	325	524
<b>Prior period error</b>		
<b>As restated</b>	325	524
<b>Transferred from statement of financial performance</b>	(76)	(199)
<b>Transfers to or from retained funds</b>		-
<b>Paid during the year</b>		-
<b>Closing Balance</b>	<b>249</b>	<b>325</b>
<i>Include discussion here where deemed relevant</i>		
<b>4.1 Analysis of balance by source</b>	<b>Note 4</b>	2015/16 R'000
<b>Aid assistance from RDP</b>		
<b>Aid assistance from other sources</b>	249	325
<b>CARA</b>		-
<b>Closing balance</b>	<b>249</b>	<b>325</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

*Include discussion here where deemed relevant*

	2016/17	2015/16
	R'000	R'000
4.2 Analysis of balance [General Departmental Assets and Liabilities par .41]		
<b>Aid assistance receivable</b>	<b>Note 4</b>	
<b>Aid assistance prepayments</b>	<b>4</b>	
<b>Aid assistance unutilised</b>	<b>4</b>	325
<b>Aid assistance repayable</b>	<b>4</b>	
Closing balance	<b>249</b>	<b>325</b>
<b>Aid assistance not requested/not received</b>		

*Include discussion here where deemed relevant*

	Note	2015/16 R'000
4.3 Prior period error [Accounting Policies, Estimates and Errors par .30]		
Nature of prior period error <b>Relating to 20WW/XX [affecting the opening balance]</b>		
<b>Relating to 2015/16</b>		
<b>Total prior period errors</b>		

*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
5. Compensation of employees Salaries and Wages [Expenditure par .15(a)]			

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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Basic salary	670,587	642,280
Performance award	15,482	14,642
Service Based	62,188	57,278
Compensative/circumstantial	3,360	7,489
Periodic payments	-	-
Other non-pensionable allowances	75,314	70,664
Total	<b>826,931</b>	<b>792,353</b>

*Include discussion here where deemed relevant*

5.2 Social contributions  
[Expenditure par . 15(b)]

	Note	2016/17 R'000	2015/16 R'000
Employer contributions		84,451	81,628
<b>Pension</b>		54,303	53,832
<b>Medical</b>		1	35
<b>UIF</b>		255	257
<b>Bargaining council</b>		-	-
<b>Official unions and associations</b>		-	-
<b>Insurance</b>		139,010	135,752
Total		84,451	81,628

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

Total compensation of employees [Expenditure par . 15(c)]	965,941	928, 105
Average number of employees [Expenditure par . 15(d)]	3,750	3,948

Include discussion here where deemed relevant

6. Goods and services [Expenditure par . 16(a) and (d)]	Note	2016/17 R'000	2015/16 R'000
Administrative fees		4,764	-
Advertising	<u>6.1</u>	1,384	4,063
Minor assets		1,938	4,089
Bursaries (employees)		512	974
Catering		822	339
Communication		6,764	6,742
Computer services	<u>6.2</u>	15,706	16,796
Consultants: Business and advisory services		-	-
Infrastructure and planning services		1,827	1,473
Laboratory services		-	-
Scientific and technological services		-	-

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Legal services	1,499	501
Contractors	26,658	22,494
Agency and support / outsourced services	140,584	224,486
Entertainment	-	-
Audit cost – external	<u>6.3</u> 7,438	8,056
Fleet services	95,863	80,849
Inventory	<u>6.4</u> 36,484	33,492
Consumables	<u>6.5</u> 39,756	33,813
Housing	-	-
Operating leases	-	17
Property payments	<u>6.6</u> 39,227	34,494
Rental and hiring	17,958	15,581
Transport provided as part of the departmental activities	-	-
Travel and subsistence	<u>6.7</u> 30413	31,992
Venues and facilities	2,136	2,434
Training and development	10,662	8,563
Other operating expenditure	<u>6.8</u> 1864	1,053
<b>Total</b>	<b>484,259</b>	<b>532,301</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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*Include discussion here where deemed relevant*

6.1	Minor assets [Expenditure par . 16(b)]	Note <u>6</u>	2016/17 R'000	2015/16 R'000
	Tangible assets		1,938	4,089
	<b>Buildings and other fixed structures</b>		-	-
	<b>Biological assets</b>		-	-
	<b>Heritage assets</b>		-	-
	<b>Machinery and equipment</b>		1,938	4,089
	<b>Transport assets</b>		-	-
	<b>Specialised military assets</b>		-	-
	<b>Intangible assets</b>		-	-
	<b>Software</b>		-	-
	<b>Mastheads and publishing titles</b>		-	-
	<b>Patents, licences, copyright, brand names, trademarks</b>		-	-
	<b>Recipes, formulae, prototypes, designs, models</b>		-	-
	<b>Services and operating rights</b>		-	-
	<b>Total</b>		<b>1,938</b>	<b>4,089</b>

*Include discussion here where deemed relevant*

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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6.2	Computer services [Expenditure par .16(c)]	Note <u>6</u>	2016/17 R'000	2015/16 R'000
	<b>SITA computer services</b>		15,609	16,748
	<b>External computer service providers</b>		97	48
	<b>Total</b>		<b>15,706</b>	<b>16,796</b>

*Include discussion here where deemed relevant*

6.3	Audit cost – External [Expenditure par .16(e)]	Note <u>6</u>	2016/17 R'000	2015/16 R'000
	<b>Regularity audits</b>		7,438	8,056
	<b>Performance audits</b>		-	-
	<b>Investigations</b>		-	-
	<b>Environmental audits</b>		-	-
	<b>Computer audits</b>		-	-
	<b>Total</b>		<b>7,438</b>	<b>8,056</b>

*Include discussion here where deemed relevant*

6.4	Inventory [Expenditure par .16(f)]	Note <u>6</u>	2016/17 R'000	2015/16 R'000
	<b>Clothing material and accessories</b>		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Farming supplies	-	-
Food and food supplies	-	79
Fuel, oil and gas	-	136
Learning, teaching and support material	-	-
Materials and supplies	36,484	33,277
Medical supplies	-	-
Medicine	-	-
Medsas inventory interface	-	-
Other supplies	6.4.1	-
Total	36,484	33,492

*Include discussion here where deemed relevant*

	Note	2016/17	2015/16
	6.4	R'000	R'000
6.4.1 Other supplies			
Ammunition and security supplies	-	-	-
Assets for distribution	-	-	-
Machinery and equipment	-	-	-
School furniture	-	-	-
Sports and recreation	-	-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Library material	-	-
Other assets for distribution	-	-
Other	-	-
Total	-	-

*Include discussion here where deemed relevant*

6.5 Consumables [Expenditure par .16(f)]	Note <u>6</u>	2016/17 R'000	2015/16 R'000
Consumable supplies		36,529	29,343
Uniform and clothing		14,099	7,093
Household supplies		1,383	1,014
Building material and supplies		5,803	810
Communication accessories		-	-
IT consumables		-	-
Other consumables		15,244	20,426
Stationery, printing and office supplies		3,227	4,470
Total		<b>39,756</b>	<b>33,813</b>

*Include discussion here where deemed relevant*

6.6 Property payments [Expenditure par .16(g)]	Note <u>6</u>	2016/17 R'000	2015/16 R'000

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Municipal services	39,227	34,494
Property management fees	-	-
Property maintenance and repairs	-	-
Other	-	-
Total	<b>39,227</b>	<b>34,494</b>

*Include discussion here where deemed relevant*

6.7	Travel and subsistence [Expenditure par .16(h)]	Note <u>6</u>	2016/17 R'000	2015/16 R'000
	Local		30,413	31,992
	Foreign		-	-
	Total		<b>30,413</b>	<b>31,992</b>

*Include discussion here where deemed relevant*

6.8	Other operating expenditure [Expenditure par .16(i)]	Note <u>6</u>	2016/17 R'000	2015/16 R'000
	Professional bodies, membership and subscription fees		75	24
	Resettlement costs		548	157
	Other		1,241	872
	Total		<b>1,864</b>	<b>1,053</b>

*Include discussion here where deemed relevant*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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7. Interest and rent on land <i>[Expenditure par .17]</i>	Note	2016/17 R'000	2015/16 R'000
Interest paid			
Rent on land			
Total			

*Include discussion here where deemed relevant*

8. Payments for financial assets <i>[Expenditure par .18]</i>	Note	2016/17 R'000	2015/16 R'000
<b>Material losses through criminal conduct</b>			
Theft	8.4	-	-
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	935	309
Forex losses	8.5	-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		935	309

*Include discussion here where deemed relevant*

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	Note	2016/17 R'000	2015/16 R'000
8.1 Other material losses	8		
Nature of other material losses (Group major categories, but list material items)			
Incident			
Disciplinary Steps taken/ Criminal proceedings			
Total			
<i>Include discussion here where deemed relevant</i>			
8.2 Other material losses written off	8		
Nature of losses (Group major categories, but list material items)			
Total			
<i>Include discussion here where deemed relevant</i>			
8.3 Debts written off	8		
Nature of debts written off (Group major categories, but list material items: debts written off relating to irregular expenditure, recoverable expenditure and other debts must be listed here)			
Irregular expenditure written off			
Total			
Recoverable revenue written off		237	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Total		
Other debt written off	698	309
	-	-
	-	-
	-	-
Total	698	309
Total debt written off	698	309

*Include discussion here where deemed relevant*

8.4	Details of theft	Note 8	2016/17 R'000	2015/16 R'000
	Nature of theft			
	(Group major categories, but list material items)			
	Total			

*Include discussion here where deemed relevant*

8.5	Forex losses	Note 8	2016/17 R'000	2015/16 R'000
	Nature of losses			
	(Group major categories, but list material items)			
	Total			

*Include discussion here where deemed relevant*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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9. Transfers and subsidies <i>Expenditure par .19(a) – (b)]</i>	2016/17 R'000	2015/16 R'000
Provinces and municipalities	69,842	52,807
Departmental agencies and accounts	1,054,935	836,595
Higher education institutions	-	-
Foreign governments and international organisations	-	-
Public corporations and private enterprises	-	-
Non-profit institutions	-	-
Households	38,084	26,522
<b>Total</b>	<b>1,162,861</b>	<b>915,924</b>
<b>Unspent funds transferred to the above beneficiaries</b>		
Provinces and municipalities		
Departmental agencies and accounts		
<b>Total</b>		
<i>Include discussion here where deemed relevant</i>		
10. Expenditure for capital assets <i>[Expenditure par .20(a)]</i>	2016/17 R'000	2015/16 R'000
Tangible assets	374,782	308,704
Buildings and other fixed structures	201,672	256,646
Heritage assets	-	-
Machinery and equipment	173,110	52,058

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Specialised military assets	39	-	-
Land and subsoil assets	41	-	-
Biological assets	39	-	-
		374,782	308,704
Intangible assets		-	-
Software	40	-	-
Mastheads and publishing titles	40	-	-
Patents, licences, copyright, brand names, trademarks	40	-	-
Recipes, formulae, prototypes, designs, models	40	-	-
Services and operating rights	40	-	-
Total		374,782	308,704

The following amounts have been included as project costs in Expenditure for capital assets  
Compensation of employees  
Goods and services  
Total

*Include discussion here where deemed relevant*

10.1 Analysis of funds utilised to acquire capital assets – 2016/17	Voted funds		Total
[Expenditure par . 20(b)]	R'000	Aid assistance R'000	R'000
Tangible assets	374,782		374,782

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Buildings and other fixed structures	201,672		201,672
Heritage assets			-
Machinery and equipment	173,110		173,110
Specialised military assets			-
Land and subsoil assets			-
Biological assets			-
Intangible assets			
<b>Software</b>			
Mastheads and publishing titles			
Patents, licences, copyright, brand names, trademarks			
Recipes, formulae, prototypes, designs, models			
Services and operating rights			
<b>Total</b>	<b>374,782</b>		<b>374,782</b>

*Include discussion here where deemed relevant*

10.2 Analysis of funds utilised to acquire capital assets – 2015/16  
[Expenditure par .20(b)]

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	308,704		308,704
Buildings and other fixed structures	256,646		256,646

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Heritage assets	-	-
Machinery and equipment	52,058	52,058
Specialised military assets	-	-
Land and subsoil assets	-	-
Biological assets	-	-
Intangible assets		
Software		
Mastheads and publishing titles		
Patents, licences, copyright, brand names, trademarks		
Recipes, formulae, prototypes, designs, models		
Services and operating rights		
Total	308,704	308,704

*Include discussion here where deemed relevant*

10.3 Finance lease expenditure included in Expenditure for capital assets  
[Expenditure par .20(c); Leases par.16]

	Note	2016/17 R'000	2015/16 R'000
Tangible assets			
Buildings and other fixed structures		38,159	35,026
Heritage assets			
Machinery and equipment		9,845	2,686
Specialised military assets			
Land and subsoil assets			
Biological assets			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Total	37,712
	48,004

*Include discussion here where deemed relevant*

11. Unauthorised expenditure  
[General Departmental Assets and Liabilities par .55]

11.1	Reconciliation of unauthorised expenditure	Note	2016/17 R'000	2015/16 R'000
	Opening balance			
	Prior period error			
	As restated			
	Unauthorised expenditure – discovered in current year (as restated)			
	Less: Amounts approved by Parliament/Legislature with funding			
	Less: Amounts approved by Parliament/Legislature without funding			
	Capital			
	Current			
	Transfers and subsidies			
	Less: Amounts transferred to receivables for recovery	15		
	Closing balance			

Analysis of awaiting authorisation per economic classification

Capital	
Current	
Transfers and subsidies	
Total	

*Include discussion here where deemed relevant*

11.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

Capital		2016/17 R'000	2015/16 R'000
Current			
Transfers and subsidies			
Total			

*Include discussion here where deemed relevant*

11.3 Analysis of unauthorised expenditure awaiting authorisation per type

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	2016/17 R'000	2015/16 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote		
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division		
Total		

*Include discussion here where deemed relevant*

11.4 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000

Total

*Include discussion here where deemed relevant*

11.5 Prior period error  
[Accounting Policies, Estimates and Errors par .30]

	Note	2015/16 R'000
Nature of prior period error Relating to 20WW/XX [affecting the opening balance]		
Relating to 2015/16		
Total prior period errors		

*Include discussion here where deemed relevant*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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12. Cash and cash equivalents <i>[General Departmental Assets and Liabilities par .32]</i>	Note	2016/17 R'000	2015/16 R'000
<b>Consolidated Paymaster General Account</b>		115,326	71,617
Cash receipts		-	-
Disbursements		-	-
Cash on hand		-	-
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		<u>115,326</u>	<u>71,617</u>

Indicate the amount of significant cash and cash equivalent balances held by the department that are not available for use.  
*[Cash Flow Statement par .35]*

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.  
*[Cash Flow Statement par .37]*

13. Other financial assets <i>[General Departmental Assets and Liabilities par .33]</i>	Note	2016/17 R'000	2015/16 R'000
Current			
Local			
<b>(Group major categories, but list material items)</b>			
Total			
Foreign			
<b>(Group major categories, but list material items)</b>			
Total			
Total Current other financial assets			

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
Non-current			
Local			
(Group major categories, but list material items)			
Total			
Foreign			
(Group major categories, but list material items)			
Total			
Total Non-current other financial assets			

*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
<b>14. Prepayments and advances</b> [General Departmental Assets and Liabilities par .34]			
Staff advances			
Travel and subsistence			
Prepayments (Not expensed)	14.2		-
Advances paid (Not expensed)	14.1		-
SOCPEN advances			
Total			

*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
14.1 Advances paid (Not expensed)	14		
National departments			
Provincial departments			
Public entities			
Other entities			
Total			

*Include discussion here where deemed relevant*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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14.2	Prepayments (Not expensed)	<b>Note 14</b>	2016/17 R'000	2015/16 R'000
	<b>Goods and services</b>			
	<b>Interest and rent on land</b>			
	<b>Transfers and subsidies</b>			
	<b>Capital assets</b>			
	<b>Other</b>			
	<b>Total</b>			

*Include discussion here where deemed relevant*

14.3	Prepayments (Expensed)	<b>Note</b>	2016/17 R'000	2015/16 R'000
	<b>Goods and services</b>			
	<b>Interest and rent on land</b>			
	<b>Transfers and subsidies</b>			
	<b>Capital assets</b>		11,010	187,289
	<b>Other</b>			-
	<b>Total</b>		<b>11,010</b>	<b>187,289</b>

*Include discussion here where deemed relevant*

14.4	Advances paid (Expensed)	<b>Note 14</b>	2016/17 R'000	2015/16 R'000
	<b>National departments</b>			
	<b>Provincial departments</b>			
	<b>Public entities</b>			
	<b>Other entities</b>			
	<b>Total</b>			

*Include discussion here where deemed relevant*

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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15. Receivables

[General Departmental Assets and Liabilities par .35]  
2016/17

	Current R'000	Non- current R'000	Total R'000	Current R'000	2015/16 Non- current R'000	Total R'000
Claims recoverable					-	
Trade receivables						
Recoverable expenditure	1,316		1,316	313		313
Staff debt	1,388		1,388	2,359		2,359
Fruitless and wasteful expenditure						
Other debtors						
Total	2,704	-	2,704	2,672		2,672

15.1 Claims recoverable

Note 15 and Annex 4  
2016/17 R'000  
2015/16 R'000

National departments  
Provincial departments  
Foreign governments  
Public entities  
Private enterprises  
Higher education institutions  
Households and non-profit institutions  
Local governments

Total

Include discussion here where deemed relevant

15.2 Trade receivables

Note 15  
2016/17 R'000  
2015/16 R'000

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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(Group major categories, but list material items)			
Total			

*Include discussion here where deemed relevant*

15.3 Recoverable expenditure (disallowance accounts)	Note 15	2016/17 R'000	2015/16 R'000
(Group major categories, but list material items)			
Sal: Deduction Disallowance acc		5	21
Sal: Reversal acc		125	183
Sal: Tax debt acc		130	109
Sal: Bargaining Council		1	
Sal: Income Tax		77	
Sal: Medical Aid		353	
Sa: Pension Fund		625	
<b>Total</b>		<b>1,316</b>	<b>313</b>

*Include discussion here where deemed relevant*

15.4 Staff debt	Note 15	2016/17 R'000	2015/16 R'000
(Group major categories, but list material items)			
<b>DEBT ACCOUNT</b>		<b>1388</b>	<b>2359</b>
Total		<b>1388</b>	<b>2359</b>

*Include discussion here where deemed relevant*

15.5 Other debtors	Note 15	2016/17 R'000	2015/16 R'000
(Group major categories, but list material items)			
Total			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
<b>15.6</b>			
<i>Fruitless and wasteful expenditure</i>			
Opening balance	15		
Less amounts recovered			
Less amounts written off			
Transfers from note 32 Fruitless and Wasteful Expenditure			
Interest			
Total			

*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
<b>15.7</b>			
<i>Impairment of receivables</i>			
Estimate of impairment of receivables			
Total			

*Include discussion here where deemed relevant*

	Note	2016/17 R'000	2015/16 R'000
<b>16. Investments</b>			
<i>[General Departmental Assets and Liabilities par. 36]</i>			
Non-Current Shares and other equity <b>(List investments at cost)</b>			
Total			
Securities other than shares	Annex 2A		
<b>(List investments at cost)</b>			
Total			
Total non-current			

	2016/17 R'000	2015/16 R'000
Analysis of non-current investments		
<b>Opening balance</b>		
<b>Additions in cash</b>		
<b>Disposals for cash</b>		
<b>Non-cash movements</b>		
Closing balance		

*Include discussion here where deemed relevant*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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<i>Impairment of investments</i>			
	<b>Note</b>	2016/17 R'000	2015/16 R'000
<b>Estimate of impairment of impairment</b>			
<b>Total</b>			

*Include discussion here where deemed relevant*

<b>17. Loans</b>	<b>Note</b>	2016/17 R'000	2015/16 R'000
<i>[General Departmental Assets and Liabilities par .37]</i>			
<b>Public corporations</b>			
<b>Higher education institutions</b>			
<b>Foreign governments</b>			
<b>Private enterprises</b>			
<b>Non-profit institutions</b>			
<b>Staff loans</b>			
<b>Total</b>			
Analysis of Balance			
<b>Opening balance</b>			
<b>New Issues</b>			
<b>Repayments</b>			
<b>Write-offs</b>			
<b>Closing balance</b>			

*Include discussion here where deemed relevant*

<b>17.1 Impairment of loans</b>	<b>Note</b>	2016/17 R'000	2015/16 R'000
<b>Estimate of impairment of loans</b>			
<b>Total</b>			

*Include discussion here where deemed relevant*

<b>18. Voted funds to be surrendered to the Revenue Fund</b>	<b>Note</b>	2016/17 R'000	2015/16 R'000
<i>[General Departmental Assets and Liabilities par .42]</i>			
<b>Opening balance</b>		71,594	287,221
<b>Prior period error</b>	<b>18.2</b>		
<b>As restated</b>		71,594	287,221

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Transfer from statement of financial performance (as restated)	113,057	71,594
Add: Unauthorised expenditure for current year	11	-
Voted funds not requested/not received	1.1	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY) Paid during the year	18.1	(287,221)
Closing balance	113,057	71,594

*Include discussion here where deemed relevant*

18.1 Voted funds / (Excess expenditure) transferred to the retained funds (Parliament / Legislatures ONLY)

	Note	2016/17 R'000	2015/16 R'000
Opening balance			
Transfer from statement of financial performance			
Transfer from Departmental Revenue to defray excess expenditure	19		
Closing balance			

18.2 Prior period error  
[Accounting Policies, Estimates and Errors par .30]

	Note	2015/16 R'000
Nature of prior period error Relating to 20WW/XX [affecting the opening balance]		
Relating to 2015/16		
Total prior period errors		

*Include discussion here where deemed relevant*

19. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund  
[General Departmental Assets and Liabilities par .43]

	Note	2016/17 R'000	2015/16 R'000

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Opening balance		278	3,389
Prior period error	19.1		
As restated		278	3,389
Transfer from Statement of Financial Performance (as restated)		-	-
Own revenue included in appropriation		187,678	156,872
Transfer from aid assistance	4		-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	18.1		-
Paid during the year		(184,673)	(159,983)
Closing balance		3,283	278
<i>Include discussion here where deemed relevant</i>			

19.1	<i>Prior period error</i> [Accounting Policies, Estimates and Errors par .30]	Note	2015/16 R'000
	Nature of prior period error Relating to 20WW/XX [affecting the opening balance]		
	Relating to 2015/16		
	Total prior period errors		

*Include discussion here where deemed relevant*

20.	<b>Bank Overdraft</b> [General Departmental Assets and Liabilities par .38]	Note	2016/17 R'000	2015/16 R'000
	Consolidated Paymaster General Account Fund requisition account Overdraft with commercial banks (Local)			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Overdraft with commercial banks		
(Foreign)		
Total		

*Include discussion here where deemed relevant*

<b>21.</b>	<b>Payables – current</b>	<b>Note</b>	<b>2016/17</b>	<b>2015/16</b>
	<i>[General Departmental Assets and Liabilities par .39]</i>		R'000	R'000
	Amounts owing to other entities		-	-
	Advances received	<u>21.1</u>	-	-
	Clearing accounts	<u>21.2</u>	-	-
	Other payables	<u>21.3</u>	790	1,217
	Total		<b>790</b>	<b>1,217</b>

*Include discussion here where deemed relevant*

<b>21.1</b>	<b>Advances received</b>	<b>Note</b>	<b>2016/17</b>	<b>2015/16</b>
		<b>21</b>	R'000	R'000
	National departments			
	Provincial departments			
	Public entities			
	Other institutions			
	Total			

*Include discussion here where deemed relevant*

<b>21.2</b>	<b>Clearing accounts</b>	<b>Note</b>	<b>2016/17</b>	<b>2015/16</b>
		<b>21</b>	R'000	R'000
	Description			
	(Identify major categories, but list material amounts)			
	Total			

*Include discussion here where deemed relevant*

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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21.3	Other payables	Note 21	2016/17 R'000	2015/16 R'000
	Description (Identify major categories, but list material amounts)			
	RENTAL DEPOSIT		790	668
	SAL:INCOME TAX			549
	Total		<u>790</u>	<u>1217</u>
<i>Include discussion here where deemed relevant</i>				

22.	Payables – non-current	2016/17	2015/16
	[General Departmental Assets and Liabilities par .40]		
		2016/17	2015/16
	Amounts owing to other entities	R'000	R'000
	Advances received	0	0
	Other payables	One to two years	More than three years
	Total	0	0
		Note	Total
		22.1	
		1	
		22.2	
		2	
<i>Include discussion here where deemed relevant</i>			

22.1	Advances received	Note 22	2016/17 R'000	2015/16 R'000
	National departments			
	Provincial departments			
	Public entities			
	Other institutions			
	Total			
<i>Include discussion here where deemed relevant</i>				

22.2	Other payables	Note	2016/17	2015/16

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Description (Identify major categories, but list material amounts) Total	22	R'000	R'000
<i>Include discussion here where deemed relevant</i>			

23. Net cash flow available from operating activities <i>[Cash Flow Statement par . 19]</i>	Note	2016/17 R'000	2015/16 R'000
Net surplus/(deficit) as per Statement of Financial Performance		112,981	71,395
Add back non cash/cash movements not deemed operating activities		305,734	18,633
(Increase)/decrease in receivables – current		(32)	(208)
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(427)	669
Proceeds from sale of capital assets			(200)
Proceeds from sale of investments			-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		374,782	308,704
Surrenders to Revenue Fund		(256,267)	(447,204)
Surrenders to RDP Fund/Donor			-
Voted funds not requested/not received			-

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<b>Own revenue included in appropriation</b>	187,678	156,872
<b>Other non-cash items</b>		-
Net cash flow generated by operating activities	<b>418,715</b>	<b>90,028</b>

*Include discussion here where deemed relevant*

**24. Reconciliation of cash and cash equivalents for cash flow purposes**  
*[Cash Flow Statement par .33]*

	<i>Note</i>	2016/17 R'000	2015/16 R'000
<b>Consolidated Paymaster General account</b>		115,326	71,617
<b>Fund requisition account</b>		-	-
<b>Cash receipts</b>		-	-
<b>Disbursements</b>		-	-
<b>Cash on hand</b>		-	-
<b>Cash with commercial banks (Local)</b>		-	-
<b>Cash with commercial banks (Foreign)</b>		-	-
Total		<b>115,326</b>	<b>71,617</b>

*Include discussion here where deemed relevant*

**25. Contingent liabilities and contingent assets**  
**25.1 Contingent liabilities**  
*[Provisions and Contingents par .49 & .52]*

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Liable to			
Nature			

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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Motor vehicle guarantees	Employees	Annex 3A	-
Housing loan guarantees	Employees	Annex 3A	111
Other guarantees		Annex 3A	-
Claims against the department		Annex 3B	63,286
			49,721
Intergovernmental payables (unconfirmed balances)		Annex 5	-
Environmental rehabilitation liability		Annex 3B	-
Other		Annex 3B	292,135
			228,383
Total			<b>355,532</b>
			<b>278,104</b>

**Provide brief description on the uncertainties relating to the amount or timing of any outflow.**

[Provisions and Contingents par .52(b)]

**Provide a brief discussion on the possibility of any reimbursement.**

[Provisions and Contingents par .52(c)]

**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.**

[Provisions and Contingents par .54 & .67]

	2016/17	2015/16
	Not e	Not e
	R'000	R'000
25.2 Contingent assets		
[Provisions and Contingents par .55 & 58]		
Nature of contingent asset		
Stolen vehicle	80	80
Motor vehicle collision	330	322
Guarantees	9,769	
Money transferred to wrong account	3,998	12660
Area Rental Giyani Guest House	10	489

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Salary Overpayment	
Bursary debt	
Crack building at Bela-Bela	3838

Total	14,187	17389
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*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.  
[Provisions and Contingents par .61 & .67]*

26. Commitments [Provisions and Contingents par .64 & 65]	Note	2016/17 R'000	2015/16 R'000
Current expenditure <b>Approved and contracted</b>		112,457	110,186
<b>Approved but not yet contracted</b>			-
Capital expenditure <b>Approved and contracted</b>		112,457	110,186
<b>Approved but not yet contracted</b>		127,637	146,628
			-
Total Commitments		127,637	146,628
		240,094	256,814

*Indicate whether a commitment is for longer than a year.  
[Provisions and Contingents par .66]*

*Where the disclosure requirements of the Standards are not done due to the sensitivity of the information, disclose this fact with reasons.  
[Provisions and Contingents par .67]*

Commitment longer than one year are is with Microzone for hosting of project management system. The outstanding

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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on this contract amounts to 13 958. Other contracts end in 2017.

Capital Commitments are for roads and building construction contracts which may be multi-year contracts in some instances.

27. Accruals and payables not recognised  
[General Departmental Assets and Liabilities par .46]

27.1	Accruals	2016/17 R'000	2015/16 R'000	Total
	Listed by economic classification			
		30 Days	30+ Days	Total
	<b>Goods and services</b>	1,984	1,984	13,133
	<b>Interest and rent on land</b>	-	-	-
	<b>Transfers and subsidies</b>	298	298	41,353
	<b>Capital assets</b>	3,875	3,875	15,265
	<b>Other</b>	-	-	-
	<b>Total</b>	<b>6,157</b>	<b>6,157</b>	<b>69751</b>
	Listed by programme level			
	Programme 1	802	5010	5010
	Programme 2	4,012	60050	60050
	Programme 3		255	255
	Programme 4	1343	4436	4436
	<b>Total</b>	<b>6,157</b>	<b>69751</b>	<b>69751</b>

Note

Include reasons for material accruals

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

27.2	Payables not recognised [General Departmental Assets and Liabilities par .46]	2016/17 R'000	2015/16 R'000	
	Listed by economic classification	Total	Total	
	Goods and services	7,902	1,472	9,374
	Interest and rent on land	-	-	-
	Transfers and subsidies	1,378	-	1,378
	Capital assets	8,226	191	8,417
	Other	-	-	-
	Total	17506	1663	1,9169
				19896
	Listed by programme level			
	Programme 1			
	Programme 2			
	Programme 3			
	Programme 4			
	Total	19,169		19,896
	Included in the above totals are the following:			
	Confirmed balances with other departments			
	Confirmed balances with other government entities			
	Total	2	1121	1121

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

**Include discussion here where deemed relevant**

28.	Employee benefits <i>[Provisions and Contingents par .48 &amp; General Departmental Assets and Liabilities par. 47]</i>	<b>Note</b>	2016/17 R'000	2015/16 R'000
	<b>Leave entitlement</b>		31,818	39,227
	<b>Service bonus (Thirteenth cheque)</b>		28,073	27,174
	<b>Performance awards</b>		15,238	16,640
	<b>Capped leave commitments</b>		121,893	192,402
	<b>Other</b>		3,983	7,489
	<b>Total</b>		<b>201,005</b>	<b>282,932</b>

Leave entitlement includes -487 days amounting to -R304 for negative pro rata leave accrual.

Other benefits are for long service awards accruing within the 2016/2017 financial year amounting to R3,983. Leave days taken in March 2017 but captured in April 2017 is 317 days.

29.	Lease commitments			
29.1	Operating leases expenditure <i>[Leases paragraph .22(a) &amp; (b)]</i>			
	2016/17	Specialise d military equipment	Buildings and other fixed structures	Machinery and equipment
	<b>Not later than 1 year</b>			<b>Total</b>
	<b>Later than 1 year and not later than 5 years</b>			
	<b>Later than five years</b>			
				1,284
				1,098
				1,284
				1,098

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Total lease commitments				2,382	2,382
2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year				1,367	1,367
Later than 1 year and not later than 5 years				2,410	2,410
Later than five years				-	-
Total lease commitments				3,777	3,777

**Provide a general description of the material leasing arrangements**

Operating leases are mainly for the lease of photocopying machines for an average period of 3 years. The Department participates in the transversal lease contracts facilitated by the Provincial Treasury.

**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).**  
[Leases paragraph .22(c)]

	Note	2016/17 R'000	2015/16 R'000
[Leases paragraph .27(d)]			
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.**  
[Leases paragraph .32]

29.2 Finance leases expenditure\*\*  
[Leases paragraph .22(a) & (b)]

2016/17	Specialised military equipment	Land	Buildings and other fixed	Machinery and equipment	Total

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

	structures
Not later than 1 year	41,307
Later than 1 year and not later than 5 years	48,802
Later than five years	-
<b>Total lease commitments</b>	<b>90,109</b>

2015/16	Specialised military equipment	Landed	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year			37,896	1,210	39,106
Later than 1 year and not later than 5 years			90,109	355	90464
Later than five years					
<b>Total lease commitments</b>			<b>128,005</b>	<b>1,565</b>	<b>129,570</b>

**\*\*This note excludes leases relating to public private partnership as they are separately disclosed in note no. 35.**

The Department has entered into a lease of the office building ( 43 Church Street, Polokwane) over a period of 10 years commencing from 10 May 2009 to 30 April 2019. The initial rental on the contract was 1 739 per month with an escalation of 9% per annum. The Department has the option to purchase the property at any time during the duration of the lease.

The lease of machinery and equipment is for cellphone contracts for an average period of two years and some photocopying machines for an average period of three years.

**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).**  
[Leases paragraph .22(c)]

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
[Leases paragraph .27(d)] 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.  
[Leases paragraph .22(d)]

Describe any restrictions imposed by on the department through any lease agreement (such as restrictions relating to enhancements, repairs & maintenance, sub-leasing and disposal)  
[Leases paragraph .22(e)]

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.  
[Leases paragraph .32]

29.3	Operating lease revenue** [Leases paragraph .27(a) & (b)]				
	2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment
	Not later than 1 year			3,167	
	Later than 1 year and not later than 5 years			5,701	
	Later than five years				3,167
	Total operating lease revenue receivable			8,868	8,868
	2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment
	Not later than 1 year			3,186	
	Total			3,186	3,186

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Later than 1 year and not later than 5 years	1,027	1,027
Later than five years	-	-
Total operating lease revenue receivable	4,213	4,213

The Department has entered into various operating leases for an average period of 3 years, renewable on expiry with the escalation of 5-10% per annum

30. Accrued departmental revenue [General Departmental Assets and Liabilities par .44]	Note	2016/17 R'000	2015/16 R'000
Tax revenue		105,774	244,274
Sales of goods and services other than capital assets		105,774	244,274
Fines, penalties and forfeits			
Interest, dividends and rent on land			
Sales of capital assets			
Transactions in financial assets and liabilities			
Transfers received			
Other			
Total		105,774	244,274

Include discussion here where deemed relevant

30.1 Analysis of accrued departmental revenue	Note	2016/17 R'000	2015/16 R'000
Opening balance		244,274	72,547
Less: amounts received		173,696	15,898

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Add: amounts recognised	36,004	187,625
Less: amounts written-off/reversed as irrecoverable	808	-
Closing balance	<b>105,774</b>	<b>244,274</b>

*Include discussion here where deemed relevant*

30.2	Accrued department revenue written off	<b>Note</b>	2016/17 R'000	2015/16 R'000
	Nature of losses			
	Total			

*Include discussion here where deemed relevant*

30.3	Impairment of accrued departmental revenue [General Departmental Assets and Liabilities par .45]	<b>Note</b>	2016/17 R'000	2015/16 R'000
	Estimate of impairment of accrued departmental revenue		80,471	37,830
	Total		<b>80,471</b>	<b>37,830</b>

*Include discussion here where deemed relevant*

31.	Irregular expenditure [General Departmental Assets and Liabilities par .56]	<b>Note</b>	2016/17 R'000	2015/16 R'000
31.1	Reconciliation of irregular expenditure		121,615	94,296
	Opening balance			
	Prior period error			-
	As restated		121,615	94,296

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Add: Irregular expenditure – relating to prior year	-	
Add: Irregular expenditure – relating to current year	31,590	27,319
Less: Prior year amounts condoned	-	
Less: Current year amounts condoned	-	
Less: Amounts not condoned and recoverable	15	
Less: Amounts not condoned and not recoverable	(76,614)	
Closing balance	76,591	121,615
Analysis of awaiting condonation per age classification		
Current year	(45,021)	27,319
Prior years	121,615	94,296
Total	76,591	121,615

*Include discussion here where deemed relevant*

31.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2016/17	R'000
Non compliance			31,590

**Total** 31,590

*Include discussion here where deemed relevant*



NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Total	76,614
-------	--------

*Include discussion here where deemed relevant*

31.6	Details of irregular expenditures under investigation (not included in the main note)	2016/17
	<b>Incident</b>	<b>R'000</b>

<b>Total</b>
--------------

*Include discussion here where deemed relevant*

31.7	Prior period error	2015/16
	[Accounting Policies, Estimates and Errors par .30]	R'000
	<b>Note</b>	

Nature of prior period error	
------------------------------	--

<b>Relating to 2015/16</b>	
----------------------------	--

<b>Total prior period errors</b>	
----------------------------------	--

*Include discussion here where deemed relevant*

31.8	Details of the non-compliance where an institution was not represented in a bid committee for contracts arranged by other institutions	2016/17
	<b>Incident</b>	<b>R'000</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Total

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*Include discussion here where deemed relevant*

32.	Fruitless and wasteful expenditure [General Departmental Assets and Liabilities par .57]		2015/16 R'000	4,344
32.1	Reconciliation of fruitless and wasteful expenditure			
	<b>Opening balance</b>	<b>Note</b>	2016/17 R'000	3,294
	<b>Prior period error</b>			-
	<b>As restated</b>		3,294	4,344
	Fruitless and wasteful expenditure – relating to prior year			-
	Fruitless and wasteful expenditure – relating to current year		170	49
	<b>Less: Amounts resolved</b>			(1,099)
	<b>Less: Amounts transferred to receivables for recovery</b>	<b>15.6</b>		-
	Closing balance		<b>3,464</b>	<b>3,294</b>

*Include discussion here where deemed relevant*

32.2	Analysis of awaiting resolution per economic classification		2016/17 R'000	2015/16 R'000
	<b>Current Capital Transfers and subsidiaries Total</b>			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

<i>Include discussion here where deemed relevant</i>		2016/17	R'000
32.3	Analysis of Current year's fruitless and wasteful expenditure <b>Incident</b> Disciplinary steps taken/criminal proceedings  Payment of interest on overdue accounts - Eskom and municipalities	170	170
<b>Total</b>		170	170
<i>Include discussion here where deemed relevant</i>			
32.4	Prior period error <i>[Accounting Policies, Estimates and Errors par .30]</i>  Nature of prior period error <b>Relating to 20WW/XX [affecting the opening balance]</b>  Relating to 2015/16  Total prior period errors	Note          2015/16 R'000	<div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> <div style="border-top: 1px solid black; border-bottom: 1px solid black; width: 100%;"></div>
<i>Include discussion here where deemed relevant</i>			
32.5	Details of fruitless and wasteful expenditures under investigation (not included in the main note) <b>Incident</b>		R'000
<b>Total</b>			

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

*Include discussion here where deemed relevant*

33.	Related party transactions [Related Party Disclosures par .18 (a) & (b)]	<b>Note</b>	2016/17	2015/16
	<b>Revenue received</b>		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			
	<b>Total</b>			
	<b>Payments made</b>	<b>Note</b>	2016/17	2015/16
	Goods and services		R'000	R'000
	Interest and rent on land			
	Expenditure for capital assets			
	Payments for financial assets			
	Transfers			
	<b>Total</b>			
	<b>Year end balances arising from revenue/payments</b>	<b>Note</b>	2016/17	2015/16
			R'000	R'000
	<b>[Related Party Disclosures par .18(c)]</b>			
	Receivables from related parties			



NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

The Department transfers funds to the agency for the construction, upgrading and rehabilitation of roads and bridges on its behalf.

## 2) Provincial 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 building infrastructure.

<b>Include discussion here where deemed relevant</b>
--

34.	Key management personnel [Related Party Disclosures par .21]	No. of Individuals	2016/17 R'000	2015/16 R'000
	<b>Political office bearers (provide detail below)</b>	<b>1</b>	1,902	1,902
	<b>Officials:</b>			
	<b>Level 15 to 16</b>	<b>1</b>	408	911
	<b>Level 14 (incl. CFO if at a lower level)</b>	<b>8</b>	7,114	9,768
	<b>Family members of key management personnel</b>			-
	<b>Total</b>		<b>9,424</b>	<b>12,581</b>

## Key management personnel (Parliament/Legislatures)

		No. of Individuals	2016/17 R'000	2015/16 R'000
	<b>Speaker to Parliament / the Legislature</b>			
	<b>Deputy Speaker</b>			
	<b>Secretary to Parliament / the Legislature</b>			
	<b>Deputy Secretary</b>			
	<b>Chief Financial Officer</b>			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Legal Advisor	
Other	
Total	

*Include discussion here where deemed relevant*

35. Public Private Partnership  
[Financial Statement Presentation par .47]

Note	2016/17	2015/16
	R'000	R'000

Concession fee received  
[Financial Statement Presentation par .47(b)]

Base fee received		
Variable fee received		
Other fees received (Specify)		

Unitary fee paid  
[Financial Statement Presentation par .47(a)]

Fixed component		
Indexed component		

Analysis of indexed component  
[Financial Statement Presentation par .47(d)]

Compensation of employees		
Goods and services (excluding lease payments)		
Operating leases		
Interest		

Capital / (Liabilities)  
[Financial Statement Presentation par .47(e)]

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Tangible rights	
Intangible rights	
Property	
Plant and equipment	
Loans	

**Other**

**[Financial Statement Presentation par .47(f)]**

Prepayments and advances	
Pre-production obligations	
Other obligations	

Any guarantees issued by the department are disclosed in Note 25.1

**Provide a summary of the significant terms of the agreement, along with the parties to the agreement, and the date of commencement thereof**  
[Financial Statement Presentation par .47(c)]

36. Impairment (other than receivables, accrued departmental revenue, loans and investments) [General Departmental Assets and Liabilities par .45]	Note	2016/17	2015/16
		R'000	R'000
Please specify			
<b>Total</b>			

**Include discussion here where deemed relevant**

37. Provisions [Provisions and Contingents par .45]	Note	2016/17	2015/16
		R'000	R'000

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

Retentions	6,035	20,341
<b>Total</b>	<b>6,035</b>	<b>20,341</b>

*Include discussion here where deemed relevant*

37.1 Reconciliation of movement in provisions – 2016/17

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
<b>Opening balance</b>	20,341			<b>20,341</b>
<b>Increase in provision</b>				<b>-</b>
<b>Settlement of provision</b>	(9,903)			<b>(9,903)</b>
<b>Unused amount reversed</b>	(4,403)			<b>(4,403)</b>
<b>Reimbursement expected from third party</b>				<b>-</b>
<b>Change in provision due to change in estimation of inputs</b>				<b>-</b>
Closing balance	<b>6,035</b>			<b>6,035</b>

*Include discussion here where deemed relevant*

Reconciliation of movement in provisions – 2015/16

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
<b>Opening balance</b>	20,341			<b>20,341</b>
<b>Increase in provision</b>				

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Settlement of provision	
Unused amount reversed	
Reimbursement expected from third party	
Change in provision due to change in estimation of inputs	
Closing balance	20,341
	<b>20,341</b>

*Include discussion here where deemed relevant*

*Provide a brief description of the nature of each obligation and the expected timing of any resulting outflows of economic benefits or service potential.  
[Provisions and Contingents par .46(a)]*

*Provide a description of the uncertainties/estimates applied in each of the provision. Where necessary, provide information on the major assumptions made concerning future  
[Provisions and Contingents par .46(b)].*

38. Non-adjusting events after reporting date  
[Events After the Reporting Date par .17]

2016/17  
R'000

Nature of event  
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.

**Total**

*Include discussion here where deemed relevant*

39. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017  
[Capital Assets par .96]

Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
-----------------------	-------------------------	-----------------	-----------------	-----------------------

HERITAGE ASSETS  
**Heritage assets**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

MACHINERY AND EQUIPMENT	415,650	(400)	151,853	765	566,338
<b>Transport assets</b>	178,231	(891)	5,139	765	181,714
<b>Computer equipment</b>	36,317	9517	1,394	-	47,228
<b>Furniture and office equipment</b>	20,276	21,401	2,810	-	44,487
<b>Other machinery and equipment</b>	180,826	(30,427)	142,511	-	292,910

**SPECIALISED MILITARY ASSETS**

**Specialised military assets**

**BIOLOGICAL ASSETS**

**Biological assets**

Capital Work-in-progress  
**(Effective 1 April 2016)**

**TOTAL MOVABLE TANGIBLE CAPITAL ASSETS**

<b>415,650</b>	<b>(400)</b>	<b>151,853</b>	<b>765</b>	<b>566,338</b>
----------------	--------------	----------------	------------	----------------

*Include discussion here where deemed relevant*

Movable Tangible Capital Assets under investigation  
*[Capital Assets par . 105]*

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

**Heritage assets**  
**Machinery and equipment**  
**Specialised military assets**  
**Biological assets**

Number  
Value  
R'000

*Provide reasons why assets are under investigation and actions being taken to resolve matters*

39.1

Additions

*[Capital Assets par .96(c)]*

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

Cash\*

Non-cash\*\*

(Capital Work in Progress

Received current, not paid

Total

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

R'000	R'000	R'000	current costs and finance lease payments)	(Paid current year, received prior year)	R'000
-------	-------	-------	---	--	-------

HERITAGE ASSETS					
<b>Heritage assets</b>					

MACHINERY AND EQUIPMENT	161,887	120	(9,845)	(309)	151,853
-------------------------	---------	-----	---------	-------	---------

<b>Transport assets</b>					
Computer equipment	5,448			(309)	5,139
Furniture and office equipment	1,340	54			1,394
Other machinery and equipment	2,743	67			2,810
	152,356		(9,845)		142,511

SPECIALISED MILITARY ASSETS	-	-	-	-	-
<b>Specialised military assets</b>					

BIOLOGICAL ASSETS	-	-	-	-	-
<b>Biological assets</b>					

TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	<b>161,887</b>	<b>120</b>	<b>(9,845)</b>	<b>(309)</b>	<b>151,853</b>
--	----------------	------------	----------------	--------------	----------------

*Include discussion here where deemed relevant*

\*[Leases paragraph .17 & .18, .33]

\*\*[Leases paragraph .17 & .18, .33]

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

39.2 Disposals  
[Capital Assets par .96(d)]  
DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
HERITAGE ASSETS				
<b>Heritage assets</b>				
MACHINERY AND EQUIPMENT		765	765	
<b>Transport assets</b>		<b>765</b>	<b>765</b>	
Computer equipment				
Furniture and office equipment				
Other machinery and equipment				
SPECIALISED MILITARY ASSETS				
<b>Specialised military assets</b>				
BIOLOGICAL ASSETS				
<b>Biological assets</b>				
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS		765	765	

*Include discussion here where deemed relevant.*

39.3 Movement for 2015/16  
[Capital Assets par .96(b)]  
MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS					
<b>Heritage assets</b>					
MACHINERY AND EQUIPMENT		40	66,194	-	415,650
<b>Transport assets</b>		(4)	49,949	-	178,231

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Computer equipment	34,069	26	2,222	-	36,317
Furniture and office equipment	17,815	17	2,444	-	20,276
Other machinery and equipment	169,246	1	11,579	-	180,826
SPECIALISED MILITARY ASSETS					
Specialised military assets					
BIOLOGICAL ASSETS					
Biological assets					
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS					
	349,416	40	66,194	349,416	415,650
<i>Include discussion here where deemed relevant</i>					

39.3.1 Prior period error

[Accounting Policies, Estimates and Errors par .30 and Capital Assets par .100]

Nature of prior period error Relating to 20XX/XX [affecting the opening balance]	Note	2015/16 R'000
Affected in the opening balances is the Disposal and Opening balances of 16/17 financial year.		40
Transports Assets		
Computer Equipment	(4)	
Furniture & Other Machinery	26	
	18	
Relating to 2015/16		
Total prior period errors		40

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

*Include discussion here where deemed relevant*

39.4	Minor assets [Capital Assets par .97]									
	MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000			
	Opening balance Value adjustments				27,410		27,410			27,410
	Additions				1,393		1,393			1,393
	Disposals									-
	<b>TOTAL MINOR ASSETS</b>				<b>28,803</b>		<b>28,803</b>			<b>28,803</b>

	Number of R1 minor assets									
	Number of minor assets at cost									
	<b>TOTAL NUMBER OF MINOR ASSETS</b>				<b>28,947</b>		<b>28,947</b>			<b>28,947</b>

Number of R1 minor assets  
Number of minor assets at cost

**TOTAL NUMBER OF MINOR ASSETS**

*Include discussion here where deemed relevant*

Minor Capital Assets under investigation  
[Capital Assets par .105]

Number  
Value  
R'000

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

**Specialised military assets**  
**Intangible assets**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Heritage assets  
Machinery and equipment  
Biological assets

61

62

*Provide reasons why assets are under investigation and actions being taken to resolve matters*

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Specialise d military assets R'000	Intangibl e assets R'000	Heritag e assets R'000	Machin ery and equipm ent R'000	Biologic al assets R'000	Total R'000
Opening balance				24,971		24,971
Prior period error			-			-
Additions				2,439		2,439
Disposal s				-		-
<b>TOTAL MINOR ASSETS</b>				<b>27,410</b>		<b>27,410</b>

	Specialise d military assets	Intangibl e assets	Heritag e assets	Machin ery and equipm ent	Biologic al assets	Total
Number of R1 minor assets				12,066		12,066
Number of minor assets at cost				16,651		16,651
<b>TOTAL NUMBER OF MINOR ASSETS</b>				<b>28,717</b>		<b>28,717</b>

*Include discussion here where deemed relevant*

**39.4.1 Prior period error**  
[Accounting Policies, Estimates and Errors par .30 and Capital Assets par .100]

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

	Note	2015/16 R'000
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Nature of prior period error  
**Relating to 20WW/XX [affecting the opening balance]**

--

**Relating to 2015/16**

--

**Total prior period errors**

*Include discussion here where deemed relevant*

39.5	Movable assets written off <i>[Capital Assets par .98]</i> MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2017	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	Specialised military assets R'000	R'000	R'000	R'000	R'000	R'000

**Assets  
written off**

TOTAL  
MOVABLE  
ASSETS  
WRITTEN  
OFF

	MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2016	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	Specialised military assets R'000	R'000	R'000	R'000	R'000	R'000

**Assets  
written off**

TOTAL  
MOVABLE  
ASSETS  
WRITTEN  
OFF

*Include discussion here where deemed relevant*

39.6	Movable capital assets <i>[Capital Assets par .104]</i> MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	Specialised military assets	R'000	R'000	R'000	R'000	R'000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

No. of  
Assets  
Value  
of the  
assets  
(R'000)

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017

Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
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No. of  
Assets  
Value  
of the  
assets  
(R'000)

*Include discussion here where deemed relevant*

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2016

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
--	-------------------------------	-----------------------------	--	-------------------------------	----------------

No. of  
Assets  
Value  
of the  
assets  
(R'000)

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2016

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
--	-------------------------------	-----------------------------	--	-------------------------------	----------------

No. of  
Assets  
Value  
of the  
assets  
(R'000)

*Include discussion here where deemed relevant*

40. Intangible Capital Assets  
[Capital Assets par . 99]  
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31  
MARCH 2017

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE					
MASTHEADS AND PUBLISHING TITLES					
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS					
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS					
SERVICES AND OPERATING RIGHTS					
Capital Work-in-progress <b>(Effective 1 April 2016)</b>					
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>					

***Include discussion here where deemed relevant***

Intangible Capital Assets under investigation

Number  
Value  
R'000

Included in the above total of the intangible capital assets per the asset register are assets 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 matter.***

40.1 Additions

[Capital Assets par .99(c)]

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2017

Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, receive	Total

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

	R'000	R'000	R'000	d prior year) R'000
SOFTWARE				
MASTHEADS AND PUBLISHING TITLES				
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS				
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS				
SERVICES AND OPERATING RIGHTS				
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS				

*Include discussion here where deemed relevant*

40.2 Disposals

[Capital Assets par .99(d)]

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE				
MASTHEADS AND PUBLISHING TITLES				
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS				
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS				
SERVICES AND OPERATING RIGHTS				
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS				

*Include discussion here where deemed relevant*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
40.3 Movement for 2015/16 [Capital Assets par .99(b)] MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016					
SOFTWARE					
MASTHEADS AND PUBLISHING TITLES					
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS					
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS					
SERVICES AND OPERATING RIGHTS					
TOTAL INTANGIBLE CAPITAL ASSETS					
<i>Include discussion here where deemed relevant</i>					

	Note	2015/16 R'000
40.3.1 Prior period error [Accounting Policies, Estimates and Errors par .30 and Capital Assets par .100]		
Nature of prior period error Relating to 20WW/XX [affecting the opening balance]		
Relating to 2015/16		
Total prior period errors		
<i>Include discussion here where deemed relevant</i>		

41. Immovable Tangible Capital Assets [Capital Assets par .101] MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017	
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DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

	Opening balance R'000	Value adjustments	Additions	Disposals	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3,382,782	45,389	1,124,591	2,788	4,549,974
<b>Dwellings</b>	628,938	(6,826)	7,875	1,638	628,349
<b>Non-residential buildings</b>	2,659,861	144,523	1,116,716	1,150	3,919,950
<b>Other fixed structures</b>	93,983	(92,308)	-	-	1,675
HERITAGE ASSETS	298,375	997	17,507	-	316,879
<b>Heritage assets</b>	298,375	997	17,507	-	316,879
LAND AND SUBSOIL ASSETS	233,106	269,678	706	760	502,730
<b>Land</b>	233,106	269,678	706	760	502,730
<b>Mineral and similar non- regenerative resources</b>	-	-	-	-	-
Capital Work-in-progress <b>(Effective 1 April 2016)</b>	120,210		163,513		283,723
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	4,034,473	316,064	1,306,317	3,548	5,653,306

**Include discussion here where deemed relevant**

Immovable Tangible Capital Assets under investigation  
[Capital Assets par . 105]

Number Value

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

R'000

Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:

**Buildings and other fixed structures**  
**Heritage assets**  
**Land and subsoil assets**

85

*Provide reasons why assets are under investigation and actions being taken to resolve matters.*

## 41.1 Additions

[Capital Assets par .101(c)]

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR**  
**THE YEAR ENDED 31 MARCH 2017**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>					
<b>Dwellings</b>	201,672	1,124,591	(201,672)	-	1,124,591
	11,195	7,875	(11,195)		7,875
<b>Non-residential buildings</b>	72,284	1,116,716	(72,284)		1,116,716
<b>Other fixed structures</b>	118,193	-	(118,193)		-
<b>HERITAGE ASSETS</b>					
<b>Heritage assets</b>	-	17,507	-	-	17,507
<b>LAND AND SUBSOIL ASSETS</b>					
<b>Heritage assets</b>	-	706	-	-	706

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Land	706	706
Mineral and similar non-regenerative resources		-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	201,672	1,142,804 (201,672) - 1,142,804

*Include discussion here where deemed relevant*

41.2 Disposals  
[Capital Assets par. 101(d)]  
DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposals	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	2,788	2,788	
<b>Dwellings</b>				
Dwellings		1,638	1,638	
<b>Non-residential buildings</b>				
Non-residential buildings		1,150	1,150	
<b>Other fixed structures</b>				
Other fixed structures		-	-	
HERITAGE ASSETS				
Heritage assets				
LAND AND SUBSOIL ASSETS				
LAND AND SUBSOIL ASSETS		760	760	

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

Land	760	760	
Mineral and similar non-regenerative resources		-	
<b>TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>3,548</b>	<b>3,548</b>

*Included in the disposal for non cash is ERF 148 Malamulele A for R120000.00 and portion 122 Nylstroom Town and townlands 419 KR for R18000.00*

*Included in the disposal for non cash is Thohoyandustria 298 MT for R1.00 ( Industrial site at Thohoyandou)*

*Included in the disposal for no cash is Portion 6 of Grootvalley 529 KR for R7600000.00 and Portion 112 Nylstroom Town & Townlands for R1500000.00*

*Included in the disposal for non cash is ERF 208 Louis trichardt for R900000.00 and portion 111 of Nylstroom town & town lands 419 KR for R2500000.00*

41.3 Movement for 2015/16

*[Capital Assets par .101(b)]*

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>3,278,832</b>	<b>(700)</b>	<b>105,528</b>	<b>878</b>	<b>3,382,782</b>
<b>Dwellings</b>	619,003	(700)	11,513	878	628,938
<b>Non-residential buildings</b>	2,565,846		94,015	-	2,659,861
<b>Other fixed structures</b>	93,983		-	-	93,983

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

HERITAGE ASSETS

Heritage assets	192,772	-	105,603	-	298,375
	192,772	105,603	-	-	298,375

LAND AND SUBSOIL ASSETS

Land	228,091	-	6,351	1,336	233,106
Mineral and similar non-regenerative resources	228,091	6,351	1,336	233,106	-

TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS

	3,699,695	119,510	217,482	2,214	4,034,473
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*Include discussion here where deemed relevant*

41.3.1 Prior period error

[Accounting Policies, Estimates and Errors par .30 and Capital Assets par .100]

Nature of prior period error Relating to 20WW/XX [affecting the opening balance]	Note	2015/16 R'000
Included in the disposals is Portion 2 of ERF 648 Pietersburg is disposed for cash at R700 000.00		119,510
capital work in progress		(700)
Relating to 2015/16		120,210

Total prior period errors

	119,510
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*Include discussion here where deemed relevant*

41.4 Immovable assets valued at R1 [Capital Assets par .101(e)]

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	14	2	36	52
TOTAL	14	2	36	52

*Include discussion here where deemed relevant*

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2016

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets				
TOTAL				

*Include discussion here where deemed relevant*

41.5 Immovable assets written off  
[Capital Assets par. 103]

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2017

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
Assets written off				
TOTAL IMMOVABLE ASSETS WRITTEN OFF				

*Include discussion here where deemed relevant*

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Buildings and other Heritage assets	Land and subsoil assets	Total
Assets written off			
TOTAL IMMOVABLE ASSETS WRITTEN OFF			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Assets written off TOTAL IMMOVABLE ASSETS WRITTEN OFF	fixed structures R'000	subsoil assets R'000	R'000
			R'000

*Include discussion here where deemed relevant*

41.6 S42 Immovable assets  
[Capital Assets par . 104]  
Assets subjected to transfer in terms of S42 of the PFMA – 2016/17

	Number of assets	Value of assets R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>11</b>	<b>51,328</b>
<b>Dwellings</b>	7	14,977
<b>Non-residential buildings</b>	4	36,351
<b>Other fixed structures</b>		
<b>HERITAGE ASSETS</b>	-	-
<b>Heritage assets</b>		
<b>LAND AND SUBSOIL ASSETS</b>	-	-
<b>Land</b>		
<b>Mineral and similar non- regenerative resources</b>		

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

TOTAL	11	51,328
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*Include discussion here where deemed relevant*

Assets subjected to transfer in terms of S42 of the PFMA – 2015/16

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES		
Dwellings		
Non-residential buildings		
Other fixed structures		
HERITAGE ASSETS		
Heritage assets		
LAND AND SUBSOIL ASSETS		
Land		
Mineral and similar non-regenerative resources		
TOTAL		

*Include discussion here where deemed relevant*

41.7 Immovable assets additional information  
[Capital Assets par. 101(f)]

	2016/17	2015/16
	Area	Area
a) Unsurveyed land		
	Estimated completion date	Note
	<b>Annexure 9</b>	<b>Annexure 9</b>
b) Properties deemed vested	Number	Number
Land parcels		
Facilities		
<b>Schools</b>	183	1,508
<b>Clinics</b>	15	19

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

Hospitals	3	4
Office buildings	2	-
Dwellings	17	30
Storage facilities	-	-
Other	20	106

	Duration of use	Number	Annexure 9	Number
c) Facilities on unsurveyed land				
Schools		4,311		2,986
Clinics		535		564
Hospitals		82		135
Office buildings		209		248
Dwellings		-		-
Storage facilities		-		-
Other		190		-

	Duration of use	Number	Annexure 9	Number
d) Facilities on right to use land				
Schools				
Clinics				
Hospitals				
Office buildings				
Dwellings				
Storage facilities				
Other				
e) Agreement of custodianship				
			Annexure 9	Number

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

- Land parcels
- Facilities
- Schools**
- Clinics**
- Hospitals**
- Office buildings**
- Dwellings**
- Storage facilities**
- Other**

*Include discussion where deemed relevant*

42.	Principal-agent arrangements			
42.1	Department acting as the principal <b>[Accounting by Principals and Agents par .68(b)]</b>	2016/17	2015/16	Fee paid
		R'000	R'000	

Include a list of the entities acting as agents for the department and the fee paid as compensation to the agent

**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 [Accounting by Principals and Agents par . 63]*

*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.*

*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. [Accounting by Principals and Agents par . 68c]*

*For each of the individual principal-agent arrangements include a discussion of the resources that are under the custodianship of the agent and whether or not those resources have been recognised or recorded by the agent. [Accounting by Principals and Agents par . 68(a)]*

42.2 Department acting as the agent

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

42.2.1	Revenue received for agency activities <b>[Accounting by Principals and Agents par .64(b)]</b>	2016/17 R'000	2015/16 R'000
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Include a list of the entities for which the department acts as an agent and the amounts received for these agency duties

<b>Total</b>		
--------------	--	--

**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**  
[Accounting by Principals and Agents par . 63]  
**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.**

42.2.2 Reconciliation of funds and disbursements – 2016/17  
**[Accounting by Principals and Agents par .65(a) and (b)]**

Category of revenue or expenditure arrangement	per	Total funds received	Expenditure incurred against funds R'000
		R'000	R'000
<b>Total</b>			

**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.**  
[Accounting by Principals and Agents par .64(a) and (c)]

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

42.2.3 Reconciliation of carrying amount of receivables and payables – 2016/17  
[Accounting by Principals and Agents par .66(a) and (b)]

Receivables

Name of principal entity	Opening balance	Revenue principal is entitled to	Less: Write-offs/settlements/waivers	Cash received on behalf of principal	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>Total</b>					

Payables

Name of principal entity	Opening balance	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing Balance
	R'000	R'000	R'000	R'000
<b>Total</b>				

43. Changes in accounting estimates  
[Accounting Policies, Estimates and Errors par .21]  
**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	Value derived using	R-value impact of change
-------------------------	---------------------	--------------------------

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

original estimate <b>R'000</b>	amended estimate <b>R'000</b>	in estimate <b>R'000</b>
--------------------------------------	-------------------------------------	--------------------------------

**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**

Value derived using the original estimate <b>R'000</b>	Value derived using amended estimate <b>R'000</b>	R-value impact of change in estimate <b>R'000</b>
--	--	---

**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 <b>R'000</b>	Value derived using amended estimate <b>R'000</b>	R-value impact of change in estimate <b>R'000</b>
--	--	---

**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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Line item 4 affected by the change  
Line item 5 affected by the change

*Provide a description of the estimated impact on future periods*

44.	Prior period errors		
44.1	Correction of prior period errors	Note	2015/16
			R'000

**Revenue: (E.g. Annual appropriation,  
Departmental revenue, Aid assistance, etc.)**

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.*

	Note		2015/16
			R'000

**Expenditure: (E.g. Compensation of  
employees, Goods and services, Tangible  
capital assets, etc.)**

**Net effect**

*Provide a description of the nature of the prior period error as well as why the correction was required.*

	Note		2015/16
--	------	--	---------

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

R'000

**Assets: (E.g. Receivables, Investments,  
Accrued departmental revenue, Movable  
tangible capital assets, etc.)**

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.**

Note 2015/16

R'000

**Liabilities: (E.g. Payables current, Voted  
funds to be surrendered, Commitments,  
Provisions, etc.)**

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.**

Note 2015/16

R'000

**Other: (E.g. Irregular expenditure, Fruitless  
and wasteful expenditure, etc.)**

ACRUED DEP REV FROM R60799 TO R72 547

11,748

Line item 2 affected by the change

Line item 3 affected by the change

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Net effect	11,748
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Provide a description of the nature of the prior period error as well as why the correction was required.

45. Inventory (Effective from date determined in a Treasury Instruction)	Note	2016/ 17	2015/ 16
	Annexure 6	R'000	R'000
Opening balance		65,711	12,162
Add/(Less):			
Adjustments to prior year balances		36,484	22,757
Add:			
Additions/Purchases - Cash			33,184
Add: Additions - Non-cash			-
(Less): Disposals		(26,519)	-
(Less): Issues		49,483	(16,024)
Add/(Less): Adjustments			13,632
Closing balance		125,159	65,711

46. Transfer of functions

**Provide a description of the changes as a result of the transfer or receipt of functions**

[Financial Statement Presentation par .46(a)]

46.1 Statement of Financial Position

[Financial Statement Presentation par .46(b)]

	Note	Bal per dept 2015/16 AFS before transfer <b>2015/16</b> <b>R'000</b>	Functions per dept (transferred) / received <b>2015/16</b> <b>R'000</b>	Functions per dept (transferred) / received <b>2015/16</b> <b>R'000</b>	Functions per dept (transferred) / received <b>2015/16</b> <b>R'000</b>	2015/16 Bal after transfer <b>2015/16</b> <b>R'000</b>
<b>ASSETS</b>						
Current Assets						
<b>Unauthorised expenditure</b>						
<b>Cash and cash equivalents</b>						
<b>Other financial assets</b>						
<b>Prepayments and advances</b>						
<b>Receivables</b>						
<b>Loans</b>						
<b>Aid assistance prepayments</b>						
<b>Aid assistance receivable</b>						
Non-Current Assets						
<b>Investments</b>						
<b>Receivables</b>						
<b>Loans</b>						
<b>Other financial assets</b>						
<b>TOTAL ASSETS</b>						
<b>LIABILITIES</b>						
Current Liabilities						
<b>Voted funds to be surrendered to the Revenue Fund</b>						

**Departmental revenue and NRF Receipts to  
be surrendered to the Revenue Fund**  
**Bank Overdraft**  
**Payables**  
**Aid assistance repayable**  
**Aid assistance unutilised**

--	--	--	--	--

Non-Current Liabilities  
**Payables**

--	--	--	--	--

TOTAL LIABILITIES

--	--	--	--	--

NET ASSETS

--	--	--	--	--

	Note	Bal per dept 2015/16AFS before transfer 2015/16  R'000	Functions per dept (transferred) / received 2015/16  R'000	Functions per dept (transferred) / received 2015/16  R'000	Functions per dept (transferred) / received 2015/16  R'000	2015/16Bal after transfer  2015/16  R'000
Contingent liabilities						
Contingent assets						
Commitments						
Accruals						
Payables not recognised						
Employee benefits						
Lease commitments – Operating lease						
Lease commitments – Finance lease						
Lease commitments – Operating lease revenue						
Accrued departmental revenue						
Irregular expenditure						
Fruitless and wasteful expenditure						
Impairment						
Provisions						
Movable tangible capital assets						
Immovable tangible capital assets						
Intangible capital assets						

**Provide a description of actions taken to ensure compliance with the PFMA S42**

*[Financial Statement Presentation par .46(c)]*

**Provide a reference to the proclamation or declaration giving effect to the transfer or receipt of functions**

*[Financial Statement Presentation par .46(d)]*

**Indicate whether there was an agreement drawn up, and provide a description of roles, responsibilities and accountability arrangements.**

*[Financial Statement Presentation par .46(e)]*

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

47. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION		SPENT							2015/16	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Over spending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>PROV ROADS EPWP GRANT</b>	1,020,138 4,826				1,020,138 4,826	1,020,138 4,826	992,531 4,826	27,607	97% 100%	7,120 994,764	7,120 969,733
	1,024,964				1,024,964	1,024,964	997,357	27,607		1,001,882	976,853

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.

DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

48. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2015/16
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department %	Division of Revenue Act R'000

Summary by province

Eastern

Cape

Free State

Gauteng

Kwazulu-

Natal

Limpopo

Mpumalanga

Northern

Cape

North West

Western

Cape

TOTAL

Summary by grant

grant

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

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1. *[Grant name]*

Eastern  
Cape  
Free State  
Gauteng  
Kwazulu-  
Natal  
Limpopo  
Mpumalan  
ga  
Northern  
Cape  
North West  
Western  
Cape

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2. *[Grant name]*

Eastern  
Cape  
Free State  
Gauteng  
Kwazulu-  
Natal  
Limpopo  
Mpumalan  
ga

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

Northern  
Cape  
North West  
Western  
Cape

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*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*

**DEPARTMENT OF PUBLIC WORKS, ROADS AND INFRASTRUCTURE**

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
CAPRICORN DISTRICT	34,232			34,232	33,090		
	20,632			20,632	23,906		
MOPANI DISTRICT	3,666			3,666	2,987		
	8,066			8,066	6,093		
SEKHUKHUNE DISTRICT	2,770			2,770	2,316		
	2,378			2,378	1,450		
WATERBERG DISTRICT							
VHEMBE DISTRICT							
PD: VEHICLE LICENCES							
<b>TOTAL</b>	<b>71,744</b>			<b>71744</b>	<b>69,842</b>		

*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*

DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2015/16
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds With held	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
						0					

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**

**DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE**

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

ANNEXURE 1B  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transferred	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>PROV DA: ROAD AGENCY LIMPOPO</b>	1,054,935			1,054,935	1,054,935	100%	836,595
<b>TOTAL</b>	<b>1,054,935</b>			<b>1,054,935</b>	<b>1,054,935</b>		<b>836,595</b>

ANNEXURE 1C  
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2015/16
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transferred	Amount not transferred	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>TOTAL</b>								

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2015/16
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Capital R'000	Current R'000	Appropriation Act R'000
Public Corporations									
<b>Transfers</b>									
<b>Subsidies</b>									
Total									
Private Enterprises									
<b>Transfers</b>									
<b>Subsidies</b>									
Total									
<b>TOTAL</b>									

DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION							
Transfers							
Subsidies							
TOTAL							

DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 1F  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Transfers							
Subsidies							
TOTAL							

DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1G  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
INJURY ON DUTY	600			600	402	67%	209
	16,192			16,192	19,637	121%	24,627
LEAVE GRATUITY	1,879			1,879	1,853	99%	733
	17,000			17,000	16,192	95%	953
BURSARIES (NON EMPLOYEES)							
CLAIMS AGAINST THE STATE							
					38,084		
	35,671			35,671			26,522
Subsidies							
TOTAL					38,084		26,522
	35,671			35,671			

**DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE**

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

ANNEXURE 1H  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
<b>Received in cash</b>			
<b>Subtotal</b>		_____	_____
<b>Received in kind</b>			
<b>Subtotal</b>		_____	_____
<b>TOTAL</b>		_____	_____

DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 11  
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE  R'000	REVENU E  R'000	EXPENDI- TURE  R'000	PAID BACK ON/BY 31 MARCH  R'000	CLOSING BALANC E  R'000
<b>Received in cash</b>						
CETA GRANT	LEARNING PROGRAMME	324	3,810	3,561		573
MARCETA GRANT	LEARNING PROGRAMME	-	754	754		
<b>Subtotal</b>		<hr/> <hr/>				
<b>Received in kind</b>						
		<hr/>				

**DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE**

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

<b>Subtotal</b>	<b>324</b>	<b>4,564</b>	<b>4,315</b>	<b>573</b>
<b>TOTAL</b>	<b>324</b>	<b>4,564</b>	<b>4,315</b>	<b>573</b>

**DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE**

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1J  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

	2016/17	2015/16
NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	R'000	R'000

Made in kind

TOTAL

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 1K  
STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr 2016 R'000	May 2016 R'000	Jun 2016 R'000	Jul 2016 R'000	Aug 2016 R'000	Sept 2016 R'000	Oct 2016 R'000	Nov 2016 R'000	Dec 2016 R'000	Jan 2017 R'000	Feb 2017 R'000	Mar 2017 R'000	Total R'000
EPWP Incentives	-	-	708	856	896	1,002	923	40	63	125	213	-	4,826
PROV ROAD MAINTA	3,222	259,025	22,782	215,902	92,585	17,032	16,492	25,336	245,224	25,720	11,568	57,643	992,531
<b>TOTAL</b>	3,222	259,025	23,490	216,758	93,481	18,034	17,415	25,376	245,287	25,845	11,781	57,643	997,357



**DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE**

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 16/17	% Held 16/15	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed  Yes/No
				2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	
<b>National/Provincial Public Entity</b>												
<b>Subtotal</b>												
<b>Other</b>												
<b>Subtotal</b>												
<b>TOTAL</b>												

DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 2B  
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
<b>Controlled entities</b>									
<b>Subtotal</b>									
<b>Non-controlled entities</b>									
Associates									
Subtotal									
Joint Ventures									
Subtotal									
Other non controlled entities									

**DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE**

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

Subtotal

**TOTAL**

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DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 3A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

Guarantor institution	Guarantee in respect of	Original guarantee capital amount	Opening balance 1 April 2016	Guarantees drawn during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	<b>Motor vehicles</b>								
	<b>Subtotal Housing</b>								
	<b>Subtotal Other</b>								
	<b>Subtotal</b>								
	<b>TOTAL</b>								

DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 3A (continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – FOREIGN

Guarant or institutio n	Guarantee in respect of	Original guarantee d capital amount	Openin g balanc e 1 April 2016	Guarante es draw downs during the year	Guarantee s repayment s/ cancelled/ reduced/ released during the year	Revaluatio ns	Closin g balanc e 31 March 2017	Guarantee d interest for year ended 31 March 2017	Realised losses not recoverabl e i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	<b>Motor vehicles</b>								
	<b>Subtotal Housing HOUSING GUARANTE E</b>	111							
	<b>Subtotal Other</b>								
	<b>Subtotal</b>	111							
	<b>TOTAL</b>	111							

DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 3B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

Nature of Liability	Opening Balance 1 April 2016 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2017 R'000
<b>Claims against the department</b>					
Unpaid services	14,817	2,390	13,922		3,285
loss of earnings					
Cession agreements					
Interests on final account					
Damage of property					
Motor collision	2,366	815			3,181
Imjury on property -School child	79	54			
Short payment of leave gratuity					133
Damage cost by potholes	2,000				2,000
Other	8				8

**DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE**

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

	25,511	5,477	101	30,887
	14,516	9,276		23,792

<b>Subtotal</b>	<hr/>	<hr/>	<hr/>	<hr/>
	59,297	18,012	14,023	63,286

**Environmental Liability**

<b>Subtotal</b>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-

**Other**

**DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE**

9

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

UNCONFIRMED RATES & TAXES	228,126	64,009	-	292,135
<b>Subtotal</b>	<hr/> 228,126	<hr/> 64,009	<hr/> -	<hr/> 292,135
<b>TOTAL</b>	<hr/> 227,847	<hr/> 82,021	<hr/> 14,023	<hr/> 355,421

DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 3B (continued)

Nature of Liabilities recoverable	Opening Balance 1 April 2016 R'000	Details of Liability and Recoverability	Movement during year R'000	Closing Balance 31 March 2017 R'000

TOTAL

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DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 4  
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	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
<b>Department</b>								
DEPARTMENT OF HEALTH	28				28			
	28				28			

**Other Government Entities**

**DEPARTMENT OF PUBLIC WORKS, ROADS & INFRASTRUCTURE**

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

**TOTAL**

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**\* 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.

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

ANNEXURE 5  
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
SOUTH AFRICAN POLICE SERVICES		2				2		
<b>Subtotal</b>	<hr/>							
<b>Non-current</b>	<hr/>							

(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

<b>Subtotal</b>	2	2
<b>TOTAL</b>	2	2

**OTHER GOVERNMENT ENTITY**

**Current**

<b>Subtotal</b>	2	2
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**Non-current**

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

<b>Subtotal</b>	2	2
<hr/>		
<b>TOTAL</b>	2	2
<hr/> <hr/>		

\* 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**

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

ANNEXURE 6  
INVENTORIES

Inventory [Per major category]	<i>Note</i>	Quantity	2016/17 R'000	Quantity	2015/16 R'000
<b>Opening balance</b>		1,028	65,711	255	12,162
<b>Add/(Less): Adjustments to prior year balance</b>				554	22,757
<b>Add: Additions/Purchases - Cash</b>		60,499	36,484	342	33,184
<b>Add: Additions - Non-cash</b>				-	-
<b>(Less): Disposals</b>				-	-
<b>(Less): Issues</b>		342	(26,519)	(273)	(16,024)
<b>Add/(Less): Adjustments</b>		77,628	49,483	150	13,632
 Closing balance					
		139,497	125,159	1,028	65,711

***Include discussion where deemed relevant***

ANNEXURE 7  
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>				
<b>Heritage assets</b>				
<b>MACHINERY AND EQUIPMENT</b>				
<b>Transport assets</b>				
<b>Computer equipment</b>				
<b>Furniture and office equipment</b>				
<b>Other machinery and equipment</b>				
<b>SPECIALISED MILITARY ASSETS</b>				
<b>Specialised military assets</b>				
<b>BIOLOGICAL ASSETS</b>				
<b>Biological assets</b>				
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	120,210	163,513	106,741	390,464
<b>Dwellings</b>	-	11,195		11,195
<b>Non-residential buildings</b>	55,572	34,125		89,697
<b>Other fixed structures</b>	64,638	118,193	106,741	289,572
<b>LAND AND SUBSOIL ASSETS</b>				
<b>Land</b>				
<b>Mineral and similar non-regenerative resources</b>				
<b>SOFTWARE</b>				
<b>Software</b>				
<b>MASTHEADS AND PUBLISHING TITLES</b>				
<b>Mastheads and publishing titles</b>				
<b>PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS</b>				
<b>Patents, licences, copyright, brand names and trademarks</b>				
<b>RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS</b>				
<b>Recipes, formulae, prototypes, designs, models</b>				

SERVICES AND OPERATING RIGHTS  
**Services and operating rights**

	<b>120,210</b>	<b>163,513</b>	<b>106,741</b>	<b>390,464</b>
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Age analysis on ongoing projects	Number of projects		2016/17
	Planned, Constructi on not started	Planned, Constructi on started	
<b>0 to 1 Year</b>			
<b>1 to 3 Years</b>			
<b>3 to 5 Years</b>			
<b>Longer than 5 Years</b>			
Total			

*Include discussion on projects longer than 5 years in Capital WIP*

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance 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					

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 and trademarks		
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS		
Recipes, formulae, prototypes, designs, models		
SERVICES AND OPERATING RIGHTS		
Services and operating rights		
TOTAL		

*Include discussion where deemed relevant*

ANNEXURE 8A  
 INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						

Subtotal

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**PROVINCIAL  
DEPARTMENTS**

Subtotal

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**PUBLIC ENTITIES**

Subtotal

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---

**OTHER ENTITIES**

Subtotal

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**TOTAL**

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ANNEXURE 8B  
INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
<b>Current</b>						
Subtotal						
Non-Current						
Subtotal						
<b>PROVINCIAL DEPARTMENTS</b>						
<b>Current</b>						
Subtotal						
Non-Current						

---

**Subtotal**

**PUBLIC ENTITIES**

**Current**

---

---

**Subtotal**

**Non-Current**

---

---

**Subtotal**

**OTHER ENTITIES**

**Current**

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**Subtotal**

**Non-Current**

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**Subtotal**

**TOTAL**

**Current**

**Non-current**

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**ANNEXURE 9  
IMMOVABLE ASSETS ADDITIONAL DISCLOSURE**

***The detail for note 41.7 may be included in this annexure.  
Wording to suit their specific circumstances in order to comply with the Immovable Asset Guide  
can be inserted here.***

***In addition to the detail for note 41.7 the department should address the information regarding:***

- 1. Surveyed but unregistered land parcels and***
- 2. Contingent assets.***