



public works

Department:
Public Works
PROVINCE OF KWAZULU-NATAL



ANNUAL REPORT

2018/2019





public works

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Public Works
PROVINCE OF KWAZULU-NATAL

ANNUAL REPORT 2018-19

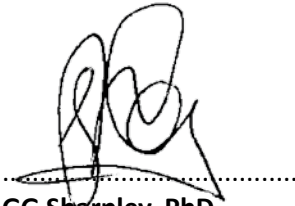
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OFFICIAL HAND OVER OF 2018 – 2019 ANNUAL REPORT

To: Honourable NP Nkonyeni MPL
MEC for Human Settlements and Public Works

I have the honour of submitting the Annual Report of the KZN Department of Public Works
for the period 1 April 2018 to 31 March 2019



GG Sharpley, PhD
Accounting Officer
Department of Public Works
Date: 31 August 2019



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PART A: GENERAL INFORMATION



1. DEPARTMENTAL GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS /ACRONYMS

A

ABET	-	Adult Basic Education & Training
AG	-	Auditor-General
AGSA	-	Auditor-General South Africa
APP	-	Annual Performance Plan
AO	-	Accounting Officer

B

BAS	-	Basic Accounting System
BBBEE	-	Broad Based Black Economic Empowerment

C

CARC	-	Cluster Audit & Risk Committee
CETA	-	Construction Education and Training Authority
CFO	-	Chief Financial Officer
CIDB	-	Construction Industry and Development Board
COGTA	-	Department of Cooperative Governance and Traditional Affairs

D

DARD	-	Department of Agriculture and Rural Development
DoE	-	Department of Education
DOPW	-	Department of Public Works

E

EPWP	-	Expanded Public Works Programme
------	---	---------------------------------

F

FRPC	-	Fixed Rate Period Contract
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G

GIAMA	-	Government Immovable Asset Management Act
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H

HOD	-	Head of Department
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I

IDIP	-	Infrastructure Delivery Improvement Plan
IPIP	-	Infrastructure Programme Implementation Plan
IPMP	-	Infrastructure Programme Management Plan

M

M&E	-	Monitoring and Evaluation
MEC	-	Member of Executive Council
MTSF	-	Medium Term Strategic Framework
MTEF	-	Medium Term Expenditure Framework
MPL	-	Member of Provincial Legislature

P

PFMA	-	Public Finance Management Act
PSP	-	Professional Service Providers

S

SLA	-	Service level Agreement
SDIP	-	Service Delivery Improvement Plan



Honourable NP Nkonyeni MPL
MEC for Human Settlements and Public Works

3. FOREWORD BY MEMBER OF EXECUTIVE COUNCIL

The report tendered here is for the last financial year of the fifth democratic government of the Department of Public Works in KwaZulu-Natal. Noting the transition to the sixth administration, it is incumbent on me to point out that the performance data presented herein was under the able political stewardship of my comrade in the Provincial Executive Council, MEC Ravi Pillay.

As an ANC-led government, whoever is deployed to whatever portfolio is obliged to align their work to the resolutions, policies and legislative mandates that pertain. As such, one can attest to the fact that this report reflects the imperatives of radical socio-economic transformation within the overall posture of a developmental state. Those priorities are ably articulated in the National Development Plan (NDP) and the Provincial Growth and Development Plan (PGDP).

Our resources have been consistently mobilised to eradicate poverty, inequality and unemployment where the state is an instrument of transformation. This report demonstrates the extent to which state infrastructure development has played key roles as both an economic driver as well as meeting the crucial obligations of service delivery to our people.

In the functioning of any government department or indeed private entity, there is always a mix of projects that have yielded the intended outcomes and those that might have come up short in some aspects. As Public Works, we are alert to consistently working to up our game and ensure that we earn the respect of client departments and citizens at large in giving credible expression to the mandate of being the implementing agent of choice for infrastructure projects in the Province.

In the financial year ending 31 March 2019, the Department completed significant projects for Education, Health and Transport in the main. Going forward into the new financial year infrastructure spend in the Province across all departments will likely be constrained by both budget cuts and the trying local and global economic climate. We will nevertheless endeavour to maximise the funds available by continuing to seek fair value. Additionally, we have an obligation to expand and extend our empowerment obligations especially to youth, women and people with disabilities.

The NDP enjoins us to demonstrate that we are a capable state with the capacity to meet our service delivery obligations. We acknowledge the diligence and dedication of the Head of Department and the team he leads as well as the recent interventions to recruit further built environment skills and expertise to enhance existing capacity. KwaZulu-Natal is a province at work and Public Works has ably demonstrated its stake in that effort.



Neliswa Peggy Nkonyeni MPL
MEC for Human Settlements and Public Works
31 August 2019



4. REPORT OF THE ACCOUNTING OFFICER

Overview of the Operations of the Department

This report is presented at the conclusion of the fifth democratic administration and is informed by its key policy positions. Prominent among these has been the advancement of radical socio-economic transformation with the targeted eradication of poverty, inequality and unemployment. In pursuit of this objective, the Department has consistently sought alignment with the National Development Plan and the Provincial Growth and Development Plan.

The performance data presented reflects the advances in among others creating access for young professionals; the empowerment of black African and women contractors hitherto denied access to government contracts as well as job creation through the Expanded Public Works Programme (EPWP). While the outcomes may not necessarily be at the levels initially projected, they do represent significant progress.

Eyesizwe Contractor Development Forum

The Eyesizwe Contractor Development Forum is a flagship intervention aimed at radically changing the profile of the infrastructure and built environment sector. From its vantage point as the “implementing agent of choice”, the Department has performed an enabling role for emerging contractors to benefit from government contracts.

While the administration, implementation and available funding for the programme has presented challenges, it is a concept worthy of further investment and development.

Among the aims of Eyesizwe are to:

- Enhance job creation and eradicate poverty through infrastructure development;
- Stimulate wealth creation amongst historically marginalized persons;
- Strengthen and develop Small, Medium and Micro Enterprises (SMMEs) that will be able to participate meaningfully in the mainstream economy;
- Extend a database of KwaZulu-Natal contractors over the range of CIDB gradings able to undertake and deliver construction, maintenance and refurbishment works.

In the year under review, the Department has been able to enlist a number of partnerships including those with banks and training institutions to better equip contractors to be successful in their business ventures.

We are optimistic as the quantum of projects allocated to Public Works increases so too will the proportion of contracts going to the Programme. The Department hosted an awards ceremony to recognise those contractors who had made headway and was pleased to find that some had jumped several grades up the CIDB grading system. That alone demonstrates that the programme is having impact. The challenge however is to have that impact on a considerably larger scale than we have been able to achieve thus far.

Implementing Agent of Choice

The Department’s mandate is that of the Province’s “Implementing Agent of Choice”. In practice, there are a number of other players in the infrastructure development space. There are also Department’s which manage their own projects.

The challenge confronting the Department is to ably demonstrate that it has the requisite skills and capacity for it to be the first point of contact for any Provincial government department.

Shifts in the policy terrain have also created a State Infrastructure Development Agency (SIDA). Public Works has been central to the conceptualisation and articulation of this agency and anticipates that it will have a powerful impact on state-run construction projects. There will necessarily be implications for the manner

in which the Department interprets its mandate once the SIDA is fully functional. With infrastructure being a key factor in driving economic development, there is every prospect for the Department to assume a new and creative strategic orientation.

Leases

Property management is a major programme of the Department. Leases for every facet of need for provincial government departments from office accommodation to service centres are entered into. Given the quantum of leases and the rental income to the landlords, the Department has been keen to promote access and equity in this sector. Very little if any significant transformation has occurred in property ownership in the Province over the past twenty-five years of freedom and democracy. In addition, there is the worrying trend of a burgeoning rental bill. The rental market is clearly distorted and in need of urgent correction.

A further concern is that municipal property valuations have revalued state properties to the extent that rates bills far exceed that which has been budgeted for. In this area as well, it is imperative that the Department engage with municipalities to ensure that we are able to manage property rates more effectively.

The Archie Gumede Conference Centre located in eThekweni Region is used extensively by Local, Provincial and National Government Departments in addition to other Government related activities such as Commissions of Enquiry. No rental fees are levied. The facility has yielded significance savings in the context of Government austerity measures. When measured against market related venue charges, we estimate that Government saved approximately R 5.936 million in the 2018/19 financial year by using the conference facility.

Provincial Government Precinct

The provincial executive council is keen to have this project get off the ground through a creative funding model. With pressures on the Treasury and little prospect of raising the required quantum of funding from other state entities, it has become clear that an incremental approach in the development of the precinct will have to be followed. In the coming financial year, it is anticipated that those Departments which have the resources could commence construction on the identified site in Pietermaritzburg.

Bursary and Internship Programme

In spite of the provisions of free higher education for poor students, the Department still maintains an active bursary programme that targets the built environment professions. The programme is managed out of the Office of the Premier. While the allocated sums and the numbers of students reached is not high, the focus on the specific disciplines has yielded results.

The internship programme simultaneously brings critical skills to the Department while also creating opportunities for young people to obtain valuable work experience. The Department laments the attrition rate among interns but is encouraged by the fact that it plays a key role in growing the population of built environment professionals in both the public and private sectors.



Overview of the financial results of the Department Spending Trends

Departmental receipts

Departmental Receipts	FINANCIAL YEAR END 2017/18			FINANCIAL YEAR END 2018/19		
	ESTIMATE	ACTUAL	VARIANCE	ESTIMATE	ACTUAL	VARIANCE
	R'000	AMOUNT COLLECTED R'000	OVER/UNDER R'000	R'000	AMOUNT COLLECTED R'000	OVER/UNDER R'000
Tax Receipts	0	0	-	0	0	-
Casino taxes	0	0	-	0	0	-
Horse racing taxes	0	0	-	0	0	-
Liquor licences	0	0	-	0	0	-
Motor vehicle licences	0	0	-	0	0	-
Sale of goods and services other than capital assets	8294	5844	2450	9465	8366	1099
Transfers received	0	0	-	0	0	-
Fines, penalties and forfeits	0	0	-	0	1198	-1198
Interest, dividends and rent on land	285	1954	-1669	1048	1966	-918
Sale of capital assets	4520	720	3800	2628	496	2132
Financial transactions in assets & liabilities	911	513	398	862	0	862
Total	14010	9031	4979	14003	12026	1977

Programme Expenditure

PROGRAMME NAME	FINANCIAL YEAR END 2017/18			FINANCIAL YEAR END 2018/19		
	FINAL	ACTUAL	VARIANCE	FINAL	ACTUAL	VARIANCE
	APPROPRIATION R'000	EXPENDITURE R'000	OVER/UNDER R'000	APPROPRIATION R'000	EXPENDITURE R'000	OVER/UNDER R'000
Administration	385,322	384,513	809	415,347	415,347	0
Property Management	700,814	700,814	0	806,924	806,924	0
Provision of Buildings, Structures and Equipment	456,681	451,304	5,377	458,740	453,307	5,433
Total	1,542,817	1,536,631	814,377	1,681,011	1,675,578	5,433

The budget allocated to the Departments vote increased by 8.3% from R1, 543 billion to R 1, 681 billion in 2018/19.

Virements Post Adjustments Estimates/Roll over

The department largely spent its 2018/19 Final Appropriation at 99,7 per cent, with minimal underspending of R5,433 million. The department undertook the virements listed below. The virements were possible largely because there was under-spending across all programmes against compensation of employees, mainly due to delays in filling of critical vacant posts, because of lengthy recruitment processes. In addition, there were savings against Goods & Services resulting from cost-cutting implemented on items such as contractors, advertising, minor assets and consumables: stationery, printing and office supplies. These savings are moved to offset spending pressures in the various programmes and economic categories.

From Programme 3: The R39.890 million was utilised to reduce unanticipated over-expenditure under Programme 1: Administration (R8.559 million) and Programme 2: Property Management (R31.331 million) as follows:

- R1.145 Million to Compensation of employees to Programme 1: Management (Sub-programme) in respect of higher than anticipated staff costs.
- R117 000 to Goods and Services Programme 1: Ministers Support (sub-programme) to cater for unanticipated increased costs. Relating to fleet services in respect of fuel, oil and grease.
- R2.399 million to Goods and services Programme 1: Management (sub-programme) to cater mainly

for unanticipated increased costs relating to administrative fees, auditor general costs, communication services, legal services fees as well as fleet service cost.

- R2.471 million to Transfers and subsidies to: Households Programme 1: Management (sub-programme) to address pressures mainly under staff exits as well as other transfers in respect of an acknowledgement of liability for an out of court claim settlement against the department.
- R1.879 million to Machinery and Equipment Programme 1: Management (sub-programme) to address pressures related to the procurement of telecommunication equipment in respect of networking and information technology security switches as well as the purchase of an additional motor vehicle for the Office of the HOD.
- R361 000 to Software and other intangible assets Programme 1: Management (sub-programme) to offset over-spending relating to the higher than anticipated cost of purchasing Microsoft software licences based on the rand dollar exchange.
- R187 000 to Payments for financial assets Programme 1: Management (sub-programme) ascribed to inter-departmental accounts which were written-off.
- R31.331 million to Transfers and subsidies to: Provinces and municipalities Programme 2 to address spending pressures under Transfers and subsidies to: Provinces and municipalities, as a result of higher than anticipated increases in property rates for the Ethekewini Metro, Umzinyathi, Zululand, UMkhanyakude, King Cetshwayo and Ilembe and municipalities.

Within Programme 2: Property Management as follows:

- R3.843 million to Transfers and subsidies to : Provinces and municipalities Programme 2 to address spending pressures under Transfers and subsidies to: Provinces and municipalities, as a result of higher than anticipated increases in property rates for the Ethekewini Metro, Umzinyathi, Zululand, UMkhanyakude, King Cetshwayo and Ilembe and Municipalities.
- R116 000 to Transfers and subsidies to: Households Programme 2 to Cater for Higher than anticipated staff exit costs.

Within Programme 3: Provision of Buildings, Structures and Equipment, savings of R971 000 against Compensations of employees R3.113 against Goods and services and R2.098 million against Payments for Capital assets were utilised to address spending pressures within the programme, as explained below:

- R971 000 to Transfers and subsidies to: Households Programme 3: Personnel and admin related (sub-programme) to cater for social benefits in respect of higher than anticipated payments in respect of staff exits.
- R3.113 million of Goods and services Programme 3: Buildings and structures (sub-programme) in respect of an increased number of unplanned maintenance and repair requests in the EThekewini, and Midlands Regions.
- R2.098 million to Payments for financial assets Programme 3: Buildings and Structures (sub-programme) ascribed to inter-departmental accounts in respect of infrastructure projects, which were written-off.

Requested roll-overs to 2019/20

The department did not request any roll-overs to the 2019/20 financial year.

Equitable share

As at 31 March 2019 the department spent R1.676 million which is about 99.7% of the budget, resulting in savings of R5.433 million. These savings relate to slower than anticipated progress by contractors on certain capital infrastructure projects. The department continues to monitor progress on these projects closely. It must be noted that various virements were undertaken in line with the provision of the PFMA and Treasury Regulations mainly to cater for spending pressures relating to higher than budget property rates increases.



Future plans of the Department

Prominent in the future plans of the Department is the development of the Provincial Government Precinct in Pietermaritzburg that will house the Legislature and head offices of Provincial Departments. There has been considerable preparatory work undertaken by a team headed by Treasury. The proposed funding models have however been a very real constraint necessitating a fresh and creative approach. It is anticipated that the development will be on an incremental basis as and when individual departments have the necessary financial resources.

Public Private Partnerships

There are no public-private partnerships to report on.

Discontinued activities / activities to be discontinued

There are no discontinued activities to report on.

New or proposed activities

As reflected above the only proposed new activity relates to the Provincial Government Precinct.

Supply chain management

SCM processes are managed strictly according to prevailing policy and legislation.

Gifts and Donations received in kind from non related parties

There are no gifts or donations to report on during the period under review.

Exemptions and deviations received from the National Treasury

None.

Events after the reporting date

None.

Acknowledgement/s or Appreciation

The Accounting Officer acknowledges with grateful thanks the political stewardship of the MEC for Human Settlements and Public Works as well as the individuals who served as heads of the Department in an acting capacity while a vacancy existed. The diligence and commitment of staff at all levels is also duly appreciated.

Conclusion

This annual report is presented as a collective expression of performance data of the year under review. The accounting officer nevertheless assumes overall accountability.

GG Sharpley, PhD
Accounting Officer
Department of Public Works
Date: 31 August 2019

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

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

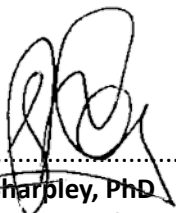
All information and amounts disclosed throughout the Annual Report are consistent. The Annual Report is complete, accurate and is free of any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury, and this has been confirmed by the KwaZulu-Natal Provincial 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 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 Statement. 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 2019.



GG Sharpley, PhD
Accounting Officer
Department of Public Works
Date: 31 August 2019



6. STRATEGIC OVERVIEW

VISION

An inclusive economy through sustainable infrastructure development and property management.

MISSION

To improve the life of the people in KwaZulu-Natal through sustainable infrastructure development and property management

CORE VALUES

The KwaZulu-Natal Department of Public Works has been guided by the following values:

Transparency

- We all share ideas and information freely and promote a culture of openness and transparency in all our work.
- We will facilitate access to information; always engage the communities and stakeholders in our decision making.
- We will respect the views of others and seek to first understand and there is a better way to be monitored.
- We will respect the views of others, seek to understand their opinion/s and open ourselves to monitoring.

Excellence

- We are dedicated to providing high quality, appropriate progression and timely responses for all our services
- We will seek and embrace effective leadership, innovative solutions, creativity and support, orientation to change and progressive thought.
- We will encourage effectiveness and reward efficiency and ingenuity.

Motivated Workforce

- We will treat all people with dignity, respect and fairness.
- Our employees are our most valuable resource and we will invest in their growth.
- Each employee's contribution is essential to our collective success.

Sustainability

- We will act with foresight to ensure the long term health and wellbeing of the community we serve.
- We will seek a balanced approach to deliver on our mandate, programmes and services in an economically sound, environmentally sustainable and socially responsible way.

Integrity

- We will seek public trust by being honest, competent and consistent in our actions.
- We will strive for the highest standards of moral and ethical conduct.

Team Work

- We will work together to achieve common goals
- We will share information freely, and collaborate with our stakeholders and actively engage them in our decision making and initiatives.

Accountability

- We commit the Department staff and service providers to be accountable to the public and other stakeholders for services rendered and commitments made

7. LEGISLATIVE MANDATES

The Constitution does not impose any specific mandate on the Department of Public Works, it is like all departments subject to the general provisions contained therein.

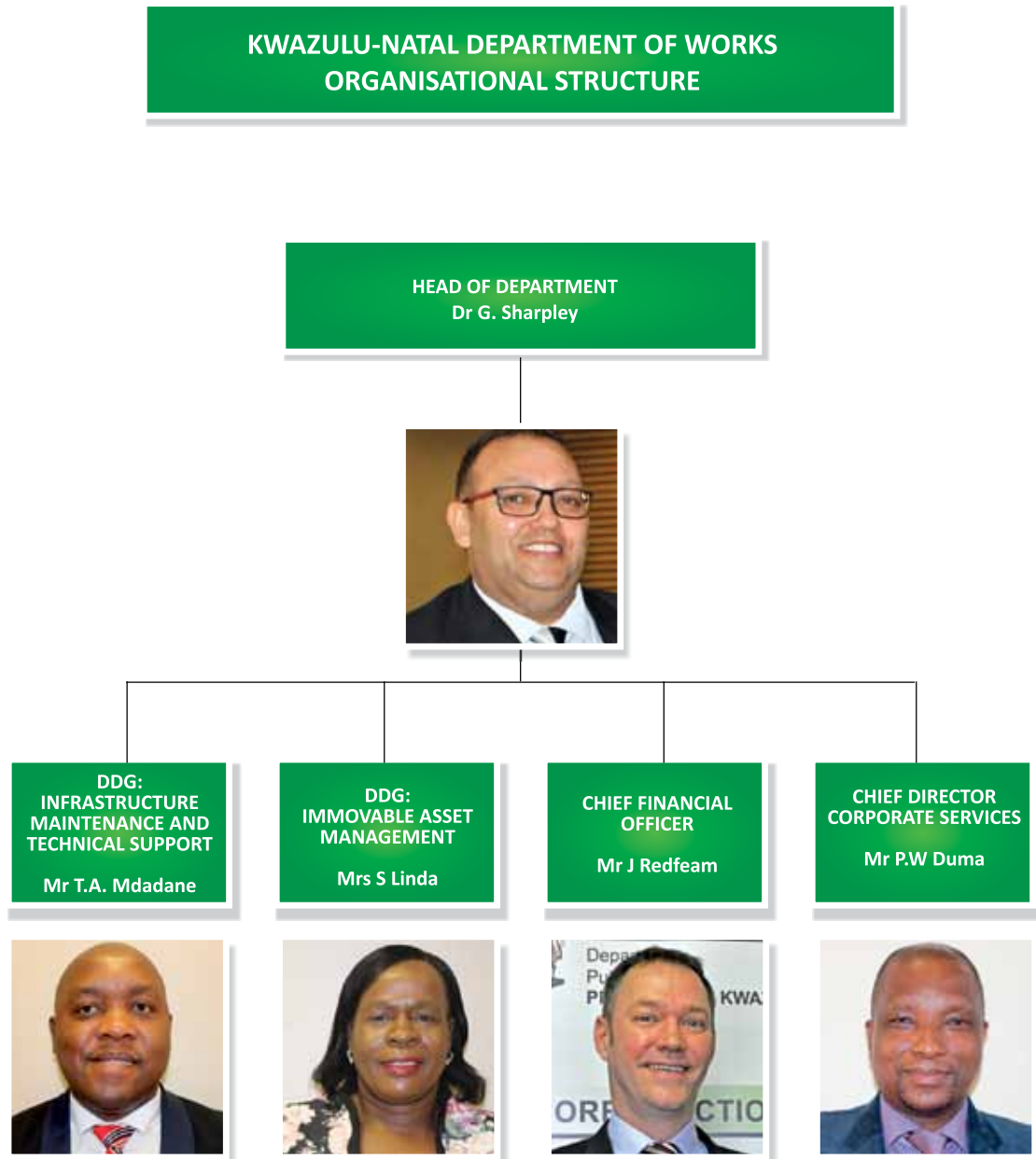
Schedule 4, Part A of the Constitution provides that Public Works is a functional area of concurrent national and provincial legislative competence only in respect of the needs of provincial government departments in the discharge of their responsibilities to administer functions specifically assigned to them in terms of the constitution or any other law.

Within the broad statutory mandates of government institutions, the following mandates guide the KZN Public Works department's core functions:

- The Construction Industry Development Board Act No. 38 of 2000;
- Property Valuers Professional Act No. 47 of 2000;
- National Building Regulations and Building Standards Act No. 103 of 1977;
- Council for the Built Environment Act No. 43 of 2000;
- Engineering Profession Act No. 46 of 2000;
- Architectural Profession Act No. 44 of 2000;
- Quantity Surveying Profession Act No. 49 of 2000;
- Project and Construction Management Professions Act No. 48 of 2000;
- Occupational Health and Safety Act No. 85 of 1993;
- Occupational Injuries and Diseases Act No. 130 of 1993;
- State Land Disposal Act No. 48 of 1961;
- Deeds Registry Act No. 47 of 1937;
- Expropriation Act No. 63 of 1975;
- Prevention of Illegal Eviction from, and unlawful occupation of land Act No. 19 of 1998;
- National Environmental Management Act No. 107 of 1998;
- KwaZulu-Natal Land Administration & Immovable Asset Management Act, No. 2 of 2014
- The KwaZulu-Natal Heritage Act 10 of 1977,
- Broad Based Black Economic Empowerment Act No. 53 of 2003;
- Promotion of Administrative Justice Act No. 3 of 2000;
- Promotion of Access to Information Act No. 2 of 2000;
- Labour Relations Act No. 66 of 1995;
- Employment Equity Act No. 55 of 1998;
- South African Qualification Authority Act No. 58 of 1995;
- Skills Development Act No. 97 of 1998;
- Public Finance Management Act No. 1 of 1999;
- Preferential Procurement Policy Framework Act No. 2 of 2000
- Basic Conditions of Employment Act No. 75 of 1997; and
- Government Immovable Asset Management Act No. 19 of 2007



8. ORGANISATIONAL STRUCTURE AS AT 31 MARCH 2019



9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC in the KZN Public Works Department.



PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings on the reported performance information against the predetermined objectives for selected programmes presented in the Annual Performance Report.

Refer to page 101 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

During the year under review, the department continued to service provincial government departments through provision of infrastructure to enable service delivery. All provincial departments have embraced the role entrusted to the department as custodian of immovable assets in the province and ensure compliance with GIAMA through submissions of U-AMPS annually. A challenge remains in ensuring that budget allocations to departments are based on the C-AMP submitted to Provincial Treasury to facilitate timeous and effective maintenance of government infrastructure. Competition for skilled personnel remains a major challenge within the build sector. The Occupation Specific Determination (OSD) has proven to be beneficial in attracting interns into the sector due to attractive packages however the department is unable to retain these skills on registration of these candidates as professionals in the respective disciplines due to changes in the legislative frameworks. This defeat the objective of increasing capacity with the Department. In 2018-2019, client departments entrusted a total budget of R1.5 billion to the department for infrastructure development and maintenance.

Some of the historically disadvantaged groupings, particularly black owned enterprises, are by and large excluded from the mainstream infrastructure development and property management opportunities. African participants is primarily through micro and small enterprises (grade1-4) characterised by low levels of sustainability , lack of access of financial resources, professional and other support mechanism. The is little or no penetration of the industry by women, and youth owned enterprises , as a result of half-hearted attempts to voluntary address B-BBEE compliance unless compelled to do so by tender specifications

The consolidation of the immovable asset register remains a key priority and significant progress has been made in ensuring its completeness ensuring that all Provincial state immovable assets are properly accounted for. Innovative interventions that seek to leverage on the vast immovable asset portfolio to accelerate empowerment of historically disadvantaged groupings will be implemented aggressively, taking advantage of the role of Public Works in the Provincial government. Due to limited availability of suitable, appropriately located infrastructure in the province, the provincial government has to lease a significant share of office accommodation for client departments. The profile for landlords across the province shows dominance of Indians, followed by whites and miniscule of Blacks. This is an opportunity to realise an opportunity meaningful transformation in the sector through strategic disposal of immovable assets to achieve economic transformation.

Beyond implementation of initiatives aimed at contractors to improve their progression to within the CIDB grades, the department has also prioritised the integration of transformation objectives in the appointment of professional service providers. Owing to the specialised nature of the construction services that the Department of Public Works provides to its client Department, there is a need for a database of capable professional service providers who can be appointed with minimum delays. These consultants or specialised



professional services are engaged principally to provide specialised services for limited periods without any obligation of permanent employment on a project by project basis ; ensure transfer of skills and expansion of a knowledge base within the department whilst executing an assignment ; as well as provide independent ,expert advice on the most suitable approaches and methodologies to planning and implementation of projects.

The Department embarked on Operational Vula to formulate a comprehensive business and operational plan to open up economic opportunities for mass based social enterprises and cooperatives to benefit from capital-intensive state - led infrastructure programmes, as well as the state buying power. Operational Vula is about the distribution of income collected by the government such that people in the lower end of the hierarchy are assisted to participate fully in the mainstream economy through employment or commercial opportunities. Careful management of these economic factors will assist with the quest for macroeconomic stability of the nation. The main critical intention is to integrate historically disadvantaged groups into the main stream economy, especially through small enterprise productivity and transformation. Operational Vula specifically seeks to resolve the lack and /or limited participation of black people in the South African economy through developing small, micro and medium enterprises and cooperatives.

In line with the five-year strategic plan for 2015-2020, the department has an opportunity to deliver on several national strategic priorities by utilizing developed programmes, already in the Provincial Programme of Action. (e.g. Expanded Public Works Programme; Youth Environmental Services; Izandla Ziyagezana; Eyesizwe Emerging Contractor Development; Internship; Bursary; and Learnership programmes), and further make these to be an integral part of the Premier's Flagship Programme.

2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan (SDIP). The SDIP aims to address the following two service improvement areas: Provision of Buildings ,Structures and Equipment (Operations) and Property Management

Service 1: Provision of Buildings ,Structures and Equipment : Integrated planning in the delivery of immovable assets and infrastructure

The key service was chosen due to the challenges that are being encountered with regards to planning for infrastructure which is fragmented in the sense that the IPIPs are being approved towards the middle or end of financial year which affects the Department of Public Works in delivering projects on time. The aim of having it as a key service is to ensure that there is integrated planning in the delivery of immovable assets and infrastructure and also ensuring that Public Works remains a preferred service for the KwaZulu-Natal Provincial Administration.

Below are the highlights of the Service Delivery Improvement Plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement 2018/19
Integrated planning in the delivery of immovable assets and infrastructure	<p>Citizens</p> <p>KZN Department of:</p> <p>Public Works(DPW)</p> <p>Education(DOE)</p> <p>Health(DOH)</p> <p>Arts and Culture(DAC)</p> <p>Agriculture and Rural Development(DARD)</p> <p>Human Settlements (DH)</p> <p>Legislature (KZN L)</p> <p>Office of the Premier(OTP)</p> <p>Transport(DOT)</p> <p>Cooperative Government and Traditional Affairs (COGTA)</p>	<p>In the financial year, 2017/18 there was no IPIP approved by March 2017.</p> <p>Improved planning is required (as key driver for measuring delivery performance in relation to provision of building infrastructure)</p>	<p>In the financial year 2018/19, IPIP approved by March 2019</p>	<ol style="list-style-type: none"> 1. DOE - The 2018/2019 IPIP was approved by the client in August 2018. 2. DOH - The 2018/2019 IPIP was approved by the client on the 22/07/2018. 3. DPW - The 2018/2019 IPIP was approved by HOD: KZN DOPW on 02/10/2018. 4. KZN Legislature - The 2018/2019 IPIP was approved by the client on the 25/07/2018. 5. DOT - The 2018/2019 IPIP was approved by the client, with comments, on the 31/08/2018. DPW has attended to the comments, and submitted to the client on the 14/09/2018. 6. DAC – The 2018/19 IPIP was not developed because the client did not submit the 2018/19 IPMP. A reminder was sent on the 21st of Feb 2019 and no response received to date. 7. DARD - The 2018/2019 IPIP was submitted to the client for approval on the 03/08/2018 and it is not yet approved. A reminder was sent on the 21st of Feb 2019 and no response received to date. 8. OTP – The client has indicated that they will not be submitting the 2018/19 IPIP 9. COGTA - The 2018/19 IPIP has not been developed because the client has not submitted the 2018/19 IPMP. A reminder was sent on the 21st Feb 2019 and no response received to date. 10. DSD - The 2018/2019 IPIP was approved on the 07/02/2019.



Area of improvement in terms of applicable legal standards	Current/actual arrangements	Desired arrangements	Actual achievements
Legal standards if applicable (including Standard Operating Procedures SOPS)	In the financial year, 2017/18 there were seven (7) SDAs in place by March 2017. To ensure that Service Delivery Agreements are approved timeously.	09 User Departments with signed and valid SDA by March 2019	<p>1. DOE - 2018/2021 SDA for DOE was submitted to DOPW Legal Services on the 22/10/2018 for vetting.</p> <p>2. DOH - The Service Delivery Agreement (SDA) expired on the 31st of March 2014 however an interim SDA is in place and it is valid until the new SDA is finalized.</p> <p>3. DAC - The approved SDA is valid for 2017/18; 2018/19 to 2019/20. To lapse on the 31 March 2020.</p> <p>4. DARD - The approved SDA is valid for 2017/18; 2018/19 to 2019/20. To lapse on the 31 March 2020</p> <p>5. KZN Legislature - The approved SDA is valid for 2016/17; 2017/18 to 2018/19. To lapse on the 31 March 2019.</p> <p>6. OTP - Revision of the Service delivery agreement for the office of the Premier was submitted to Legal services on the 12/04/2018 for vetting.</p> <p>7. DOT - The approved SDA is valid for 2017/18; 2018/19 to 2019/20. To lapse on the 31 March 2020.</p> <p>8. COGTA - The approved SDA is valid for 2017/18; 2018/19 to 2019/20. To lapse on the 31 March 2020.</p> <p>9. DSD - The approved SDA is valid from 01/04/2016 to 31/03/2019.</p>

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Consultation</p> <p>There are Monthly Provincial Infrastructure Delivery Committee (PIDC) in place; however, there is room for improvement to the content of the meetings, especially on matters of Planning.</p> <p>Improvement on an Integrated Infrastructure Planning process where both DPW and the client departments are well represented is required.</p> <p>6 PIDC meetings were held for the Other Clients Portfolio.</p> <p>8 PIDC meetings were held for the Education Portfolio.</p> <p>11 PIDC meetings were held for the Health Portfolio.</p>	<p>11 PIDC Meeting held with User Departments by March 2019</p>	<p>Other Client Departments</p> <p>5 Meetings were held on the 12 April 2018, 10 May 2018, 07 June 2018, 12 July 2018 and 13 September 2018.</p> <p>The attendance of the meeting is supposed to be attended by 6 clients (Department of Art & Culture, Department of Agriculture, The Department of Transport, Provincial Legislature, Office of the Premier)</p> <p>The Department of Social Development has a dedicated meeting which is co-ordinated and chaired by the client Department and</p> <p>A special meeting was held with the Management of the Provincial Legislature on the 04/06/2018 and 03/07/2018.</p> <p>Due to non-attendance by the Department of Arts & Culture in the first 3 meetings. A Special meeting was held with the Client on the 19th June 2018, to discuss progress on Projects for this Client.</p> <p>Due to non-attendance of the meetings by the Department of Agriculture, a Special meeting was held with the Client on the 21/06/2018 and 03/09/2018.</p>
		<p>Department of Education PIDC meeting</p> <p>4 Meetings were held on the 13 April 2018, 13 July, 10 August 2018 and 14 September 2018.</p> <p>Department of Health PIDC meeting</p> <p>11 Meetings were held on the 19 April 2018, 17 May 2018, 21 June 2018, 19 July 2018, 20 September 2018, 18 October 2018, 15 November 2018, 13 December 2018, 17 January 2019, 27 February 2019 and 27 March 2019</p>
<p>Access</p> <p>Some internal stakeholders involved in project/programme management do not have access to the current system (WIMS).</p> <p>The WIMS system is being phased out.</p>	<p>100% access and training to internal stakeholders involved in project/programme to Fixed Asset Register System (FARS)</p>	<p>Access to WIMS has been granted to all internal stakeholders involved in project/programme management.</p> <p>There are currently 389 internal stakeholders who have access to WIMS, which includes all the Works Inspectors /District Managers/Project/Programme/Portfolio Managers. User trainings are provided as and when requested by users and helpdesk support is available for all departmental users.</p> <p>The FARS system has not yet been implemented and once it has been implemented, all the Works Inspectors/ District Managers/Project/Programme/Portfolio Managers will be trained on the new systems</p>



Current/actual arrangements	Desired arrangements	Actual achievements
<p>Courtesy</p> <p>Satisfaction Survey not done to assess gaps on service rendered and impact made by having SDIP in place.</p>	<p>Satisfaction Survey to be conducted to client departments</p>	<p>During Departmental MANCO Meeting held on the 5th of March 2018 a decision was taken that a client satisfaction survey be conducted targeting client departments.</p> <p>A committee represented by stakeholders from all critical units was established and approved by the Head of Department.</p> <p>Priority was given to services from Immovable Asset Management, Infrastructure Technical Maintenance Services and Expanded Public Works.</p> <p>Letters signed by the Acting Head of Department were sent to all HOD's and DG together with survey questionnaire by 30 June 2018.</p> <p>Twelve (12) departments were prioritised for this exercise and eight (08) departments responded which marks 66% achievement.</p> <p>Out of eight (08) departments that responded three (03) responded to Immovable Asset Management services and five (05) to Infrastructure Technical Maintenance Services.</p> <p>The result of the survey was tabled at the Departmental Strategic Planning Session held on the 05 October 2018.</p> <p>A consolidated report survey findings with recommendations was forwarded to the Branches: Immovable Asset Management and Infrastructure Maintenance and Technical Support for necessary attention on the 14th of November 2018</p> <p>Follow ups has been made with both units in terms of implementation of recommendations as per report. Still awaiting feedback</p>
<p>Openness and Transparency</p> <p>(Information is currently being shared as a courtesy measure as well as for Openness and transparency, to various / all stakeholders, on the Departmental Website)</p> <p>4 x Quarterly Performance Report</p> <p>1 x Annual Performance Report</p>	<p>Maintain Standard Report</p>	<p>4 X Quarterly Performance Report</p> <p>1X Annual Performance Report is scheduled to be submitted by 31 August 2018</p>
<p>Redress</p> <p>Improve contracts management for the purpose of reducing Variation Orders and Extension of time claim</p>	<p>0 Variation Orders to exceed 20% of the total project cost (per project)</p>	<p>There are a total of 116 active projects on construction stage at the end of the financial year, and there are 4 projects which have exceeded the 20% of Variation Orders of the total project cost.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
Value for money: To improve delivery of infrastructure construction projects (within time, cost and quality requirements) To improve client satisfaction and perception of value for money	% of projects completed within contract duration, cost and quality	Projects completed within contract duration For the financial year 2018/19, the Annual Performance Plan has a target of 49 Projects to be completed within the contract duration and twenty three (23) Projects have been completed within the contract duration. Projects completed within contract budget Out of 121 projects to be completed within the contract budget a total of ninety-three (93) projects have been completed within the contract budget.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Ineffective implementation of signage guide	Proper signage throughout the department	Implementation of directional signage informing clients how to access offices e.g. Head Office signage, UThukela District signage
Departmental website not continuously updated	Updated website	The departmental Website is updated with activities taking place throughout the department in the form of Articles. Audios etc. Regional offices/Directorates organograms programmes offered by the department. Updated departmental contact details

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
No integrated Complaints/Compliments Management System in place	Integrated Complaints Management System be in place	Complaints procedure in place Departmental Hotline in place Website allows for clients to complain/ ,compliments and make suggestions online
Suggestion/Compliments and complaint boxes not in all offices	Suggestion/Compliments and complain Boxes be all offices	Audit has been conducted in the following offices i.e. King Cetshwayo District Office, Harry Gwala District Office, Ilembe District Office, Oliver Tambo Building, UThukela District Office and Ethekwini Regional Office All have suggestion/complaints/compliments boxes and for Oliver Tambo Building Auxiliary Services have been engaged on the matter



2.3. Organisational Environment

Provision of effective and efficient construction, maintenance and related support services by the provincial Department of Public Works is essential for the rendering of quality services to citizens of KwaZulu-Natal province. The number of government facilities in the Province has increased substantially over the last decade resulting in increased infrastructure needs by Client Departments. The stability and retention of staff at the executive level has ensured capacitation of staff and clarity in the Department's strategic direction. A significant number of SMS has emerged from within the institution, which has enriched organisational memory and knowledge management practices

The Department has recently reviewed its organisational structure to align to the Infrastructure Delivery Management System (IDMS) and to cater for its role as EPWP Provincial Coordinator. The re-alignment process is aimed at better positioning and strengthening the capacity of the Department to implement on its mandate as well as the NDP, PGDS and PGDP.

2.4 Key Policy Developments and Legislative Changes

There were no significant revisions to the Department's legislative or other mandates during the planning and implementation periods of the 2018/19 Annual Performance Plan. However, in line with Radical Socio-Economic Transformation and the new PPPFA Regulations, the Department is to review the following policy:

- Eyesizwe Emerging Contractor Development Programme

3. STRATEGIC OUTCOME ORIENTED GOALS

Strategic Goals	Goal Statement
Improved service delivery through Integrated Property Planning and Management	<ul style="list-style-type: none"> • To meet the funded short and medium term accommodation and property management needs of provincial client departments through various forms of acquisition and disposal as well as consultatively implementing an efficient asset management cycle in line with prescribed sector and municipal property policies.
Improved service delivery through Integrated Infrastructure Planning and Implementation	<ul style="list-style-type: none"> • To meet the funded short and medium term building infrastructure needs of provincial client departments through erection of new buildings and repairs or renovation of existing buildings as per the agreed client plans and budget allocations
Expansion of Government – Led Job Creation Through Work Opportunities	<ul style="list-style-type: none"> • To maximize the creation of work opportunities through application of labour intensive methods in all the construction projects contracted to the department as per the stated EPWP targets, including targets of the diversified EPWP programme into the property and construction sectors.
Effective Management and Good Governance	<ul style="list-style-type: none"> • To ensure a high level of departmental performance by providing leadership in the areas of Strategic planning, management development, risk management, monitoring and evaluation and total security management, • To improve work ethics, professionalism and service delivery within the department • To build capacity • To ensure effective financial and risk management
Radical economic transformation through infrastructure and property delivery	<ul style="list-style-type: none"> • To improve the life of the majority of South Africans from ownership, control and management of productive assets. • To achieve a substantial change in a racial and gender composition of ownership controlling management in the property and infrastructure sector

3.1 PROPERTY MANAGEMENT

In the current MTSF, the Department has contributed to the National Development Plan and significant achievements made are in line with the outcomes approach adopted by Cabinet in 2009. One of the Strategic Goal relates to improved service delivery through Integrated Property Planning and Management and the department is the custodian of immovable assets and has ensured the following key strategic achievements:

- A total of 216 hired properties were audited for space utilisation against the target of 200 (108%) to ensure that the buildings are optimally utilised.
- A total of 216 hired properties were audited for functional assessments against the target of 200 (108%) to ensure that the buildings are fully functional.
- A total of 100 state - owned facilities were audited for space utilisation against a target of 100 (100%) to ensure that the state buildings are optimally utilised.
- The Department hired 82 properties (office accommodation needed by the provincial departments) against the targeted 120 properties (68%). The Department has commenced with the proposal to have district precincts which will reduce the number of leases and ensure that government function from suitably constructed offices to render services effectively and efficiently
- The expenditure for 2018-2019 financial year was R364 338 015,14m. This reduction is mainly due to outstanding rental payments which could not be processed due to delays in receiving approvals. The Department aims to reduce this further over the next 5 years and is focused on the following:
 - Establishment of government office parks in under-resourced areas.
 - Reallocation of un/under-utilised state owned buildings and vacant land.
 - Purchase of buildings currently leased.
 - Benchmarking commencement rentals and reduced escalation rates.
- The Department paid property rates payments to the value of R728m, The initial budget allocation was R594 for the year. It must be noted that during the financial year, the Provincial Treasury further allocated an amount of R 92 million and there was further R39.1 million reprioritised internally. Due to high spending pressures, the Department overspent by R2.7 million, which equates 0.38% of the entire property rates budget allocation.
- A total of 15 properties were disposed against a target of 15 (100%). There were 15 properties let against a target of 15 (100%). In so doing, the Department ensured that priority is given to government objectives.
 - 13 vacant stand-alone buildings have been reallocated to other National and Provincial users for refurbishment and use as office accommodation as opposed to hiring private buildings.
 - 1 Hospital Tuckshop let to a private organisation and 1 property let to an NGO, Youth for Christ, for the upliftment of underprivileged children and youth development
 - 11 properties in extent 16 447ha were donated to the Department of Rural Development and Land Reform for land claim settlement purposes.
 - 1 land parcels including a building in extent 3,4848ha was donated to the Majuba TVET College
 - 1 land parcel including a building was disposed by way of sale to the National Department of Public Works for use by the Department of Labour.
 - 1 building disposed by way of sale to a private person at market related value via open bid.
 - 1 land parcel disposed by way of sale to a private person
- The Department acquired 20 new land parcels to support improved service delivery against a target of 15 (133%).

EXPROPRIATION

The Department has successfully paid R100m towards the compensation for the acquisition of St Marys Hospital. The final balance of R42m will be paid before 1 April 2020.

The matter is at conveyancing stage for registration and transfer.

On the above strategy, one strategic goal relates to job creation as unemployment is identified as one of the major structural constraints within the Province hence the Branch has the following programme : -



IZANDLA ZIYAGEZANA LAND CLEARING PROGRAMME

This programme is aimed at ensuring sustainable work opportunities thus contributing positively to the lives of the local poor communities. The employment of the above beneficiaries includes people with disabilities that ensures they are brought into the business mainstream.

To date, the Department through this Programme has created 515 work opportunities of which: 404 Women, 211 Youth and 7 people with disabilities (some woman are also youth) from the following Districts:

- Ugu- 40
- Harry Gwala-33
- Uthukela-56
- Umzinyathi- 36
- UMgungundlovu- 47
- Ethekeini- 145
- ILembe 12
- Zululand-52
- King Cetshwayo-72

In addition to creating jobs, the Department has finalised a policy document on Co-operatives to render Facilities Maintenance Services. To date the Department has a database of 35 Co-operatives who have registered for this service.

Contracts to the value of R368,000.00 has already been awarded to Co-operatives.

3.2 PROVISION OF BUILDINGS, STRUCTURES AND EQUIPMENT (OPERATIONS)

Furthermore, In line with strategic goals : Improved service delivery through integrated Infrastructure Planning and Implementation and Radical economic transformation through infrastructure and property delivery, Programme 3: Provision of buildings, structures and equipment (Operations) had the following key strategic achievements :

- In the 2018/2019 financial year, the Department of Public Works achieved an overall Infrastructure spending of 84%
- The following are noteworthy projects executed and completed on behalf of our client Departments in the 2018/19 financial year include:
 - Mkhamba Gardens Primary School- Construction of New School
 - Siyabonga Secondary School – Upgrades and additions
 - Waterfall Primary – Upgrades and additions
 - Banguni Secondary School – Upgrade and additions
 - Completion of phase 13a Storm damage projects
- The Department of Public Works has contributed into the initiative to eradicate unsafe and inappropriate sanitation facilities by completing 63 Sanitation projects on behalf of the Department of Education in 2018/19 FY.

The **“GREENING BUILDING POLICY”** of all public buildings imperative in pursuing KwaZulu Natal vision 2035. The Department has formulated the KZN Green Building Policy and is currently finalising the Green Building Implementation Plan, which are critical regulatory and operational tools for advancing the **“GREEN BUILDING PROGRAMME”**. The Department prioritises green growth as articulated in the Medium Term Strategic Framework.

The Department participates in a sector initiative lead by the National Department of Public Works.

The initial pilot project at the Department’s Head office building 191 Prince Alfred Street has yielded significant results. The intervention has achieved energy savings amounting to 541 660kwh (90% of the target) and water savings amounting to 11 million litres (183% of the target) during 2018-2019. Essentially, the water saving is the equivalent of supply to 150 households that rely on the basic entitlement allocated to indigent households.

The Department had made strides to align itself towards the achievement of Outcome 4: “Decent employment through inclusive growth”, the Department managed to create 6 157 Work Opportunities against a target of 6 000 and 987 Full Time Equivalents (FTEs) against a target of 600 FTEs by end of March 2019 through the EPWP Programme. In the 2018/19 financial year, the Department implemented the EPWP Maintenance Programme across all District Municipalities including the eThekweni Metro, and the beneficiaries were recruited through Operation Sukuma Sakhe.

A total of 83 beneficiaries received Accredited Training on Plant Production for a duration of two months and it ended by end of July 2018. In addition during the plant production training the beneficiaries were given an extra unit standard (Manage business operation) which will assist them a lot when they own their businesses. The Provincial EPWP Programme is coordinated by the Department of Public Works. A total of 223 940 Work Opportunities and 92 709 Full Time Equivalents have been reported in the Province by Provincial Departments, Municipalities and National Departments against a nationally set target of 191 423 Work Opportunities and 69 113 FTEs in the 2018/19 financial year. A total of 66 public bodies have reported on EPWP in the Province. Four (04) interventions were implemented to support Public bodies in form of Dora Workshops, Strategic Planning Session, EPWP Reporting System Training and KZN EPWP Indaba 2018.

The successes of EPWP have not gone without constraints and limitations. Limited funding has been a major constrain in terms of maximizing employment opportunities, for the poorest of the poor, unskilled and the unemployed. It is also a challenge that Infrastructure plans are not concluded on time due to delays on the side of client Departments. However, the Department continues to engage all relevant stakeholders not only towards ensuring that infrastructure planning is done in accordance with Infrastructure Delivery Management System (IDMS), but also towards leveraging funding for job creation.

4. PERFORMANCE INFORMATION BY PROGRAMME

The activities of the KZN Public Works Department are organized in the following programmes:

- Programme 1: Administration
- Programme 2: Property Management
- Programme 3: Provision of buildings, structures & equipment (Operations)

4.1 PROGRAMME 1: ADMINISTRATION

Purpose: This programme undertakes to provide support to the Member of the Executive Council, provide strategic leadership and management, financial and corporate services:

The strategic objectives, annual targets and actual performance for 2018 -2019 for the administration programme are detailed below:

Strategic Objectives are as follows:

4.1.1. Enhance good governance and accountability through sound strategic management and general support through legal advisory services, security, financial and human resource management.

Strategic Objectives /Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Variance from planned target to actual achievement 2018/2019	Reason for variance
Enhance good governance and accountability through sound strategic management and general support through legal advisory services, security, financial and human resource management	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report		



Performance Indicators

Programme 1: Administration - Corporate Services

PROGRAMME 1: ADMINISTRATION - CORPORATE SERVICES								
Strategic Objective	Programme Performance Indicator	Audited Performance			Actual Performance Against Target		Variance from planned target to actual achievement 2018/2019	Reasons for variance
		2015/2016	2016/2017	2017/2018	Annual Target 2018/2019	Actual 2018/2019		
Enhance good governance and accountability through sound strategic management and general support through legal advisory services, security, financial and human resource management	1.1 Number of departmental planning processes achieved	New Indicator	New Indicator	2	1	1	0	Target achieved
	1.2 Number of departmental performance reviews undertaken	New Indicator	New Indicator	New Indicator	2	2	0	Target achieved
	1.3 % MPAT standards achieved at level 3	New Indicator	New Indicator	New Indicator	100% MPAT standards achieved at level 3	66% MPAT standards achieved at level 3 and above	-34%	Target not achieved The Evaluations, EPMDs and Risk Management scored below MPAT Level 3. KRA 1 Moderation re-submissions were not re-assessed during the Final Assessment.
	1.4 % posts filled by staff with disabilities	1.7%	1.7%	1.7%	2%	3.9%	1.9%	Target over-achieved Due to the EE targets that were prioritised during the recruitment process
	1.5 % representation of women at SMS	36%	36%	39%	50%	41%	-9%	Target not achieved There was only 1 vacant SMS position during the 2018/2019 Financial Year. It was filled by a woman. For any new vacant SMS posts, women will be prioritized.

Strategy to overcome areas of under performance

The appointment of professionals has proved to be a challenge due to the prospective candidates declining offers when their demands for higher salaries are not met. However, it was resolved to simplify the advertisements by specifying the approved criteria for affording salaries commensurate with post registration experience. That has improved the selection process and reduced the number of applications that in keeping with the qualification criteria.

Only two posts in the SMS level were filled which caused a steady increase in percentage of females in the SMS level. There are five (5) posts of SMS that would be evaluated, advertised and be filled in the next few months. Females would be prioritised in the filling of those posts and it is the Department's commitment to achieve 50% of females in SMS level in two year's time.

The Premier has approved the advertisement of 136 posts and selection panels would be advised to ensure that people with disabilities are considered for some of the posts. In order to expedite the filling of posts, it has been resolved not to wait for the results of the vetting during the personnel suitability checks but to proceed with the selection process. However, the appointment letter to the recommended candidate would contain a rider that if there was any negative adverse security check results, the appointment would be terminated.

The indicator on the Management Performance Assessment Tool (MPAT) will not be factored on the 2019/2020 due to the Department of Planning, Monitoring and Evaluation discontinuing with the MPAT Programme therefore Departments both nationally and provincially will no longer be assessed by this tool.



Programme 1: Administration – Financial Management

Strategic objective	Programme Performance Indicator	Audited Performance			Actual Performance Against Target		Variance from planned target to actual achievement 2018/2019	Reasons for variance
		2015/2016	2016/2017	2017/2018	Annual Target 2018/2019	Actual 2018/2019		
Enhance good governance and accountability through sound strategic management and general support through legal advisory services, security, financial and human resource management	1.6 % of budget variation on quarterly and annually expenditure	2%	2%	2%	2%	2%	0	Target achieved
	1.7 Unqualified audit outcome	Unqualified audit report	Unqualified audit report	Unqualified audit outcome	Unqualified audit outcome	Unqualified audit outcome	0	Target achieved
	1.8 % of internal audit recommendations implemented	New	New	New	100%	88%	-12%	Target not achieved Certain of the recommendations were not implemented due to capacity constraints caused by vacant posts & funding.
	1.9 % of external audit recommendations implemented	New	New	New	100%	83%	-17%	Target not achieved Certain of the recommendations were not implemented due to capacity constraints caused by vacant posts & funding.

Strategy to overcome areas of under performance

The Department as a whole acknowledges all recommendations for both internal and external audits. The Department either agrees with findings and institutes the recommendations and action plans as listed in the audit reports or disagrees, as there is evidence that is in line with the recommendations or relevant legislature. The Department follows up and monitors on implementation of recommendations and action plans throughout the year and aims to ensure that all findings are cleared within the timeframe. The percentage of underperformance as indicated by the Indicator Definition Descriptions for 2018/19, were not easily measurable. Going forward for 2019/20, the Indicator Definition Descriptions have been revised to enable realistic monitoring of performance output.

Linking performance with budgets

Programme 1: Expenditure

Programme Name	2017/2018			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1						
Administration	385 322	384 513	809	415 347	415 347	-
Total	385 322	384 513	809	415 347	415 347	-



4.2 PROGRAMME 2: PROPERTY MANAGEMENT

Purpose: The purpose of this programme is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, management, maintenance and disposal) optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery.

The strategic objectives, annual targets and actual performance for 2018 -2019 for Property Management programme are detailed below:

Strategic Objectives are as follows :

4.2.1 Improve Immovable Asset Management and Custodianship of all Provincial Asset and Facilities

4.2.2 Provide suitable accommodation for Provincial Departments effectively

Strategic Objectives

Strategic Objectives / Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Variance from planned target to actual achievement 2018/2019	Reason for variance
Improve Immovable Asset Management and Custodianship of all Provincial Asset and Facilities	100% compliance with GIAMA	100% compliance with GIAMA	100% compliance with GIAMA		
Provide suitable accommodation for Provincial Departments effectively	70% Accommodation provided within agreed time period	70% Accommodation provided within agreed time period	68%	-2%	Due to the delays in receiving instructions and delays in receiving compulsory/ mandatory documents from landlords

Performance Indicators

PROGRAMME 2 : PROPERTY MANAGEMENT							
Strategic objective	Performance Indicator	Audited Performance			Actual Performance Against Target		Reasons for Variance
		2015/2016	2016/2017	2017/2018	Annual Target 2018/2019	Actual 2018/2019	
Improve immovable asset management and custodianship of all provincial assets and facilities	(Immovable Assets) 2.1 Number of Immovable Assets verified in the IAR in accordance with the mandatory requirement of National Treasury (Sector Measure)	1500	1100	955	1022	1022	0 Target achieved
	2.2 U-AMP submitted to Provincial Treasury in accordance with GIAMA	1	1	1	1	1	0 Target achieved
	(Planning) 2.3 C-AMP submitted to Provincial Treasury in accordance with GIAMA (Sector Measure)	1	1	1	1	1	0 Target achieved
	2.4 Number of properties registered in the name of the KZN Provincial Government	83	259	237	228	250	+22 Target over-achieved Due to the additional R293 transfers that were finalized for uMhlathuze Local Municipality
	2.5 Number of State owned facilities audited for space utilization	316	200	200	100	108	+8 Target over-achieved Due to an accelerated effort invested in Quarter 4, to make up for the deficit from the previous quarter's performance.
	2.6 Number of hired facilities audited for space utilization	186	184	197	200	216	+16 Target over-achieved Due to an accelerated effort invested in Quarter 4, to make up for the deficit from the previous quarter's performance.
	2.7 Number of hired facilities audited assessed for functional performance	New indicator	New indicator	New indicator	200	216	+16 Target over-achieved Due to an accelerated effort invested in Quarter 4, to make up for the deficit from the previous quarter's performance.



PROGRAMME 2 : PROPERTY MANAGEMENT									
Strategic objective	Performance Indicator	Audited Performance			Actual Performance Against Target		Variance from planned target to actual achievement 2018/2019	Reasons for Variance	
		2015/2016	2016/2017	2017/2018	Annual Target 2018/2019	Actual 2018/2019			
	2.8 % of total budget spent on approved property rates invoices from municipalities	R524m	R553m	R594 million	100%	100.38% R728 million	0.38%	Target over-achieved The IAM Branch overspent the allocated budget by R32 million due to spending pressures in respect of previous financial year's outstanding property rates to EThekweni Municipality. Savings have been identified within the Department CEO's budget to offset the over-expenditure.	
Provide suitable accommodation for provincial departments effectively	2.9 Number of properties let	26	20	27	15	15	0	Target achieved	
	2.10 Number of lease agreements concluded	111	157	100	120	82	-38	Target not achieved Due to the delays in receiving instructions from Clients Departments on their accommodation needs and also due to landlords delays in submitting to the Department all the compulsory / mandatory returnable documents during the contracting phase.	
	2.11 Number of properties disposed	1	3	24	15	15	0	Target achieved	
	2.12 Number of properties acquired	24	18	5	15	20	+5	Target over-achieved Due to properties which were at an advanced stage of acquisition in 2017/2018 financial year, that were registered during in the 1st quarter of 2018/2019 financial year.	

Strategy to overcome areas of under performance

The strategy will be to get human resources rationalised and have officials to operate at head office for a specific period until the backlog is completed.

Linking performance with budgets

Programme 2: Expenditure

Programme Name	2017/2018			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 2						
Property Management	700 814	700 814	-	806 924	806 924	-
Total	700 814	700 814	-	806 924	806 924	-



4.3 PROGRAMME 3: PROVISION OF BUILDINGS, STRUCTURES & EQUIPMENT (OPERATIONS)

Purpose: The strategic thrust of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services are:

- Improving integrated service delivery in the provision of buildings and structures;
- Creating of jobs through the EPWP and provincial coordination of EPWP

The strategic objectives, annual targets and actual performance for 2018 - 2019 for the Provision of buildings, structures & equipment (Infrastructure Maintenance and Technical Support) programme are detailed below:

Strategic Objectives are as follows :

4.3.1 Enhance infrastructure planning and implementation

4.3.2 Improve efficiency, innovation and variety of government led job creation

4.3.3 Increase Access to economic opportunities to broaden the base of targeted groups for economic empowerment

4.3.4 Deliver sustainable infrastructure aligned with the green agenda

Strategic Objectives

Strategic Objectives /Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Variance from planned target to actual achievement 2018/2019	Reason for variance
Enhance infrastructure planning and implementation (Effective Planning and implementation of Infrastructure Plans)	New	60% of projects (New ,rehabilitation and refurbishment completed within agreed time period by 2019)	49% (New ,rehabilitation and refurbishment completed within agreed time period by 2019)	-11%	Due to change of scope and non-performance by the contractors. Furthermore there were delays at procurement stage and some projects were withdrawn by the client department
	New	80% of projects completed within approved budget	77% of projects completed within approved budget	-3%	Due to change of scope and non-performance by the contractors. Furthermore there were delays at procurement stage and some projects were withdrawn by the client department
Improve efficiency, innovation and variety of government led job creation (implementation ,coordination and monitoring of EPWP in line with EPWP Phase 3 business plan	6134	6000 work opportunities created by Public Works	6157	+157	The EPWP programme is a poverty eradication programme, the programme advocates for the maximum participation and benefit of beneficiaries from poor households hence the over achievement. Addition budget was also allocated during 3rd quarter to maximise job creation.
	100%	100% reporting on EPWP targets by public bodies within the Province	100% reporting on EPWP targets by public bodies within the Province	0	
Increase Access to economic opportunities to broaden the base of targeted groups for economic empowerment (Growth in the number of new small contractors)	New	200	1609	+1409	Due to it is a demand-driven indicator is derived from Provincial Infrastructure Action Work Group 3. The Department's Database was opened for application and closed for 3 years . The database reported is from the Department of Transport as their registration is ongoing.
	New	600, 000 kWh	541 660kWh	-58 340kWh	The target was estimated according to the energy usage of similar facilities. The Department is currently in the process of procuring equipment to generate a more accurate baseline.
Deliver sustainable infrastructure aligned with the green agenda	New	6000 Kl	10 968kl	+4968kl	The target was estimated according to the water usage of similar facilities. The Department is currently in the process of procuring equipment to generate a more accurate baseline.

Programme 3: PROVISION OF BUILDINGS, STRUCTURES AND EQUIPMENT(OPERATIONS)								
Strategic Objective	Programme Performance Indicator	Audited Performance			Actual Performance Against Target		Variance from planned target to actual achieve-ment 2018/2019	Reasons for Variance
		2015/2016	2016/2017	2017/2018	Annual Target 2018/2019	Actual 2018/2019		
Improve immovable asset management and custodianship of all provincial assets and facilities	[Facilities Management] 3.1 Number of condition assessments conducted on state owned buildings. (sector measure)	61	250	460	194	202	+8	Target over-achieved Due to more schools that were visited and assessed for contingency purposes
Enhance infrastructure planning and implementation	[Designs] 3.2 Number of infrastructure designs ready for tender (Sector measure)	44	20	13	21	31	+10	Target over-achieved Due to additional projects outside of the Annual Performance Plan list that were attained
	Construction (Planned Capital Projects) 3.3 Number of capital infrastructure projects completed within the agreed time period. (Sector Measure)	12	107	38	33	19	-14	Target not achieved Due to delays at procurement stage, change of scope and withdrawal by client departments.
Enhance infrastructure planning and implementation	Construction (Planned Capital Projects) 3.4 Number of capital infrastructure projects completed within the agreed budget. (Sector Measure)	81	182	89	92	70	-22	Target not achieved Due to the withdrawal of the project by the client department.



Programme 3: PROVISION OF BUILDINGS ,STRUCTURES AND EQUIPMENT(OPERATIONS)								
Strategic Objective	Programme Performance Indicator	Audited Performance			Actual Performance Against Target		Variance from planned target to actual achievement 2018/2019	Reasons for Variance
		2015/2016	2016/2017	2017/2018	Annual Target 2018/2019	Actual 2018/2019		
Enhance infrastructure planning and implementation	MAINTENANCE 3.5 Number of planned maintenance projects completed within the agreed contract period. (Sector Measure)	8	86	32	16	10	-6	Target not achieved Due to change of scope and non-performance by the contractor.
	Maintenance 3.6 Number of planned maintenance projects completed within agreed budget (Sector Measure)	14	97	50	29	23	-6	Target not achieved Due to change of scope and non-performance by the contractor.
	Maintenance 3.7 Number of planned maintenance projects Awarded. (Sector Measure)	7	89	24	13	19	+6	Target over-achieved The Annual Target was over-achieved due to additional project outside of the APP list that was attained.
Improve efficiency , innovation and variety of government led job creation	COMMUNITY DEVELOPMENT 3.8 Number of EPWP Work Opportunities created by the Provincial Department Public Works/Roads (Sector Measure)	6286	6145	6134	6000	6157	+157	Target over-achieved Due to the additional budget which was provided during end of Quarter 3, thus resulting in increased work opportunities being created and job creation being maximized.
	3.9 Number of Full Time Equivalents (FTE's) created by the Provincial Department of Public Works / Roads (Sector Measure)	873	1782	830	600	987	+387	Target over-achieved Is due on the basis of the extra number of days worked by the beneficiaries on the various infrastructure projects

Programme 3: PROVISION OF BUILDINGS, STRUCTURES AND EQUIPMENT(OPERATIONS)								
Strategic Objective	Programme Performance Indicator	Audited Performance			Actual Performance Against Target	Variance from planned target to actual achievement 2018/2019	Reasons for Variance	
		2015/2016	2016/2017	2017/2018				
					Annual Target 2018/2019	Actual 2018/2019		
	Co-ordination and Compliance Monitoring 3.10 Number of public bodies reporting on EPWP targets within the Province (Sector Measure)	73	72	68	66	75	+9	Target Over Achieved
Improve efficiency, innovation and variety of government led job creation	3.11 Number of EPWP Work Opportunities reported in the EPWP-RS by the public bodies aligned to the approved EPWP Phase iii business plan (Sector Measure)	New	New	New	191 423	223 940	+32 517	Target over-achieved Due to projects that were supposed to start in 2017/2018 financial year, but were delayed due to procurement processes within public bodies and were then implemented in 2018/2019 financial year.
	3.12 Number of interventions implemented to support public bodies in the creation of targeted number of work opportunities in the Province (Sector Measure)	3	4	3	4	4	0	Target achieved
	3.13 Number of beneficiary empowerment interventions (Sector Measure)	3	3	3	3	3	0	Target achieved



Programme 3: PROVISION OF BUILDINGS ,STRUCTURES AND EQUIPMENT(OPERATIONS)									
Strategic Objective	Programme Performance Indicator	Audited Performance			Actual Performance Against Target		Variance from planned target to actual achievement 2018/2019	Reasons for Variance	
		2015/2016	2016/2017	2017/2018	Annual Target 2018/2019	Actual 2018/2019			
	3.14 Growth in the number of new small contractors	New Indicator	New Indicator	New Indicator	200	1609	+1409	Target over-achieved The Department's Database was opened for application and closed for 3 years . The database reported is from the Department of Transport as their registration is ongoing.	
Improve efficiency , innovation and variety of government led job creation	3.15 Number of emerging contractors trained	New Indicator	New Indicator	New Indicator	200	348	+148	Target over-achieved The Department had projected to conduct only internal training due to budgetary constraints. NHBRC and Ethekwini Municipality confirmed their commitment & funding after DPW planning hence the increased number of contractors trained.	
Deliver sustainable infrastructure aligned with the green agenda	3.16 Reduction of energy operational consumption (kilowatt hours) per year	New Indicator	New Indicator	New Indicator	600,000 kWh reduction of energy operational consumption by 31 March 2019	541 660kWh	-58 340kWh	Target Not Achieved The target was estimated according to the energy usage of similar facilities. The Department is currently in the process of procuring equipment to generate a more accurate baseline.	

Programme 3: PROVISION OF BUILDINGS ,STRUCTURES AND EQUIPMENT(OPERATIONS)							
Strategic Objective	Programme Performance Indicator	Audited Performance			Actual Performance Against Target	Variance from planned target to actual achievement 2018/2019	Reasons for Variance
		2015/2016	2016/2017	2017/2018			
	3.17 Reduction of water operational consumption (Kilolitres) per year	New Indicator	New Indicator	New Indicator	6000 kl reduction of water operational consumption by 31 March 2019 10 968kl	+4968kl	Target over-achieved The target was estimated according to the water usage of similar facilities. The Department is currently in the process of procuring equipment to generate a more accurate baseline.

Strategy to overcome areas of under performance

It is recommended that the quarterly strategic sessions for 2019/20 financial year Programme Implementation should be conducted for an effective and efficient Infrastructure Delivery. Each project/ programme to be assessed at its own merit.

**Performance Indicators****Linking performance with budgets****Programme 3: Expenditure**

Programme Name	2017/2018			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 3						
PROVISION OF BUILDINGS, STRUCTURES & EQUIPMENT	456 681	451 304	5 377	458 740	453 307	5 433
Total	456 681	451 304	5 377	458 740	453 307	5 433

Linking performance with budgets

The table below illustrates actual expenditure for Vote 14 for 2018/19, per programme. Also given in the tables are the Adjusted Appropriation, any virements made after the tabled Adjustments Estimate, and the Final Appropriation.

Summary of expenditure by programme - Vote 14 - 2018/19						
R thousand		Adjusted	Virement Post Adj. Est.	Final	Under/	% spent
	Actual	Appropriation		Appropriation	(Over)	
	R'000	R'000	R'000	R'000	R'000	%
	(1)	(2)	(3)	(4) = (2) + (3)	(5) = (4) - (1)	(1) / (4)
1. Administration	415 347	406 788	8 559	415 347	-	100.0
2. Property Management	806 924	775 593	31 331	806 924	-	100.0
3. Provision of Buildings, Structures & Equip.	453 307	498 630	(39 890)	458 740	5 433	98.8
Total	1 675 578	1 681 011	-	1 675 578	5433	99.7

As is reflected in the above table, the Department of Public Works spent R1, 675 million of the 2018/19 Final Appropriation, with spending at 99.7 per cent at the end of the financial year.

- Programme 1: Administration fully spent their allocated budget.
- Programme 2: Property Management fully spent their allocated budget.
- Programme 3: Provision of Buildings, Structures and Equipment was under-spent by R5,433 million with expenditure at 98.8 per cent of the Final Appropriation mainly attributed to slower than anticipated progress on capital infrastructure projects under New infrastructure assets, as well as Refurbishment and rehabilitation



5. TRANSFER PAYMENTS

Transfer payments as reflected in the Annual Financial Statement are in respect of payment of property rates to municipalities, transfer to households in respect of severance packages and departmental agencies and accounts in respect of skills development levy and workman's compensation.

6. CONDITIONAL GRANTS AND EARMARKED FUNDS

The table below shows the actual expenditure incurred in 2018/19 on national conditional grants by the department, against the 2018/19 Final Appropriation.

Summary of conditional grants - Vote 14 - 2018/19						
R thousand	Actual	Final Appropriation	Adjustments	Final Appropriation	Under/ (Over)	% spent
	(1)	(2)	(3)	(4)=(2)+(3)	(3)=(2)-(1)	(1)/(2)
EPWP Integrated Grant for Provinces	6,023	6,023	0	6,023	0	100
Total	6,023	6,023	0	6,023	0	100

The department spent R6,023 million on its 2018/19 budget of the EPWP Integrated Grant for Provinces. This grant is utilised for projects such as the Youth Employment Service programme that mainly deals with greening activities, vegetable gardening, tree propagation and recycling, etc.



PART C: GOVERNANCE



1. INTRODUCTION

The Departmental leadership recognises the need to conduct the Department of Public Works affairs with upmost integrity and maintaining the highest standards of governance in accordance with generally accepted good corporate practises. To this end, the Department has a number of governance structures and process in place to ensure effective, efficient and economical utilisation of state resources.

2. RISK MANAGEMENT

The Department continued to monitor and manage the impact of identified risks and to ensure timeous corrective action is taken to mitigate the impact of these risks.

The Department's Risk and Ethics Committee provides strategic direction, oversight and leadership in terms of the monitoring and reporting on internal / external audit, risk management, anti-corruption, integrity management, ensuring good governance through developing an ethical culture within the Department.

The Department reported quarterly on progress to the Audit Committee who is responsible for the oversight and evaluating of the Department's performance with regard to the Internal Control and the Risk Management function.

The Departmental Risk Management process includes conducting a Strategic Risk Assessment including Operational Risk Assessments. To further strengthen Risk Management throughout the Department Operational Regional Risk Assessments which included each business unit were also conducted. The Departmental Risk Management process includes identifying emerging risks and continued monitoring of implementation of all mitigating strategies as identified in the Departmental Risk registers.

The Department's delegations were also reviewed to ensure that they are fully compliant with the Public Service Act and Public Service Regulations and that the delegations are clearly defined to different levels regional offices.

3. FRAUD AND CORRUPTION

A Zero-tolerance Fraud Prevention Policy is in place in the Department that contains clear response mechanisms to report, investigate and resolve incidents of fraud and corruption which impact on the Department.

The Department considers fraud prevention as an integral part of an overall Departmental Risk Management Strategy. The Department specifically focuses on fraud prevention through the conducting of fraud awareness workshops, early detection, investigation and resolution of all reported cases.

Fraud and Ethics Awareness workshops were conducted to sensitise all new officials as to what pertains to Ethical conduct, Fraud and Corruption and the channels for reporting to further promote a culture of zero tolerance towards corruption.

4. MINIMISING CONFLICT OF INTEREST

The Department endeavours to comply 100% with all the requirements of the DPSA to ensure that employees accurately declare financial interests on an annual basis.

5. CODE OF CONDUCT

As in the previous financial year, the Department continued to hold workshops to implement the Public Service Code of Conduct as developed by DPSA. This is aimed at upholding high standards and ensuring ethical behaviour by employees. The Department also has the following prescripts in place to assist Managers/ Supervisors with step by step processes in implementing the following prescripts: Guide on Informal Discipline, Abscondment Procedure & Grievance Handling Timeframes.

- Employee Relations Sub-directorate have targeted to conduct 08 workshops. We ended up conducting 14 workshops, including the Regions and their Districts.

This is supplemented by the Public Service Coordinating Bargaining Council (PSCBC) resolutions such as Disciplinary Procedure (Resolution 1 of 2003) and Grievance Procedures (Resolution 14 of 2002) in the public service to deal with disciplinary matters as well as formal complaints from employees.

- There were thirty seven (37) misconduct cases implemented, thirty six (36) misconduct cases were finalised and one (01) case outstanding. Out of the thirty seven (37) cases received, thirty five cases (35) were finalised within prescribed time, which marks a 95% achievement.
- There were thirty two (32) grievances lodged, twenty eight (28) grievances were finalised and four (04) grievances are pending. That marks 88% percent achievement.
- There were twenty (20) disputes cases lodged. Twelve (12) cases were finalised in favour of the Department. Eight disputes cases were pending. That marks 60% percent achievement

In order to prevent, minimise or resolve complaints and grievances with a view of enhancing service delivery at all levels the Department has established and implemented the Labour Relations Consultative Forum.

- As per our Operational Plan we have to conduct twenty (20) WLRSC meeting and two (02) PWLRSC.
- We have manage to conduct eight (08) WLRSC and one (01) PWLRSC.

Furthermore, the Department has established a Women-in-Leadership Forum to champion the cause of women empowerment in all aspects of the Department's business including generating a pool of suitable female candidates to compete for SMS positions. It also serves to promote the achievement and sustaining of the 50% target of women at SMS.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Act, 1993 (Act 85 of 1993) imposes a responsibility on the Department to ensure the physical safeguarding of its infrastructure sites, as well as ensuring the physical health and safety of the contractor and his/her employees. To this end, the minimum requirements relating to how this risk should be managed on infrastructure sites has been standardised and built into the Construction Tender Document suites prescribed by the CIDB.

6.1 Workplace Safety (EHW)

The Department prioritizes issues of Health, Safety and the Environment and has a fully functional OHS Committee, which convenes on regular basis to review health, safety and environmental matters.



In support of effective emergency evacuation, the department has trained 29 employees on First Aid Level one, Basic Fire Fighting and Legal Liability, Safety Health Representatives training. The evacuation procedure was approved by Head of Department. Nil Evacuation exercises were conducted. 6 SHERQ awareness sessions. Occupational Health and Safety awareness sessions were conducted for staff.

Other key issues including incidents that affected Departmental performance. Legal appointments were done in line with Occupational Health & Safety Act

7. PORTFOLIO COMMITTEES

The Department has regular engagements with the Public Works Portfolio Committee. Most matters and concerns raised by the Portfolio Committee have been addressed by the Department during the year under review.

The table below reflect matters that have been addressed.

NO	DATE	KEY MATTERS & REPORTS PRESENTED
1.	13 March 2018 (Workshop For Public Works Portfolio Committee)	<ul style="list-style-type: none">• 2018/19 Final Annual Performance Plan• 2018/19 Draft Budget• Update on implementation of Preferential Procurement Regulations• Report on Property Disposals• EPWP status report
2.	24 July 2018	<ul style="list-style-type: none">• 4th quarter report 2017/18 (financials & non-financials)• 1st quarter report 2018/19 (financials & non-financials)• Report on Property Lease (EThekweni District)• 2017 Women's Parliament Resolutions• 1ST Draft APP 2019/20• IAM Transformation Policy
3.	21 September 2018	<ul style="list-style-type: none">• 2017/18 Annual Report• 1st Draft APP 2019/20• 1st Draft Budget 2019/20• Responses: 2017 Senior Citizens Parliament Resolutions• Responses: 2017 People with Disabilities Parliament Resolutions
4.	30 October 2018	<ul style="list-style-type: none">• Oversight at 8 Main Street, Kokstad – Leased building
5.	15 November 2018	<ul style="list-style-type: none">• Oversight at No. 653 New Republic Street, Phongola (Building Hired by the DOE)• 2nd Quarter Report (financials & non-financials)• 2nd Draft APP

8. SCOPA RESOLUTIONS

OFFICE OF THE HEAD OF DEPARTMENT

The Chairperson: SCOPA
KwaZulu-Natal Provincial Legislature
Private Bag X 9112
PIETERMARITZBURG
3200

Attention Hon M Govender

SUBJECT: HEARINGS ON 2017/18 REPORTS OF THE AUDITOR-GENERAL – VOTE 14 PUBLIC WORKS

Resolution 105/2018: Department of Public Works: Material Impairments

Noting that:

The Department disclosed an impairment of R115.6 million relating to Inter-Departmental Accounts (IDA) due to delays in receiving payments from client departments.

A Joint Task Team has been set up with Provincial Treasury and the Department of Public Works to review the IDAs and facilitate the payment of accounts with the different departments. The team has been tasked to assess the transactions in the accounts and conclude on the amounts to be recovered or written-off.

The team is currently busy with the Department of Health and Education and it is envisaged this process will be finalized before year-end.

The Committees resolves:-

That the Accounting Officer reports to the Committee and Portfolio Committee by 31 January 2019 on progress made regarding the assessment of transactions in the IDAs and amounts recovered or written off.

The Department response:-

The Department has had numerous engagements with Provincial Treasury (PT) and the Provincial Treasury task team established to assess IDA transactions, The Provincial Treasury task team is currently engaging with the client departments namely Health, Education, Human Settlements and SASSA and have indicated that they will provide the department with a report by mid-February 2019.

Resolution 106/2018: Department of Public Works: Investigations

Noting that:-

Provincial Treasury conducted 16 investigations covering the period 2011 to 2018. Six investigations have been completed and ten were still in progress at financial year-end.

The investigations are based on allegations of irregularities relating to tender processes, leases and appointments, fraud relating to the Works Information System and the illegal sale of state land.

The Committee resolves:-

That the Accounting Officer reports to the Committee by 31 January 2019 on:

The findings and recommendations of all completed investigations, steps taken to implement the recommendations, the outcomes and time frames for finalization of implementation



The anticipated time frames for completion of the outstanding investigations and once completed, the findings and recommendations as well as the steps taken to implement the recommendations, with time frames for finalization

The Department response:-

All investigations are conducted by Provincial Treasury (PT). The status of the 16 cases reflecting the finalised and current status is attached as Annexure A.

TRANSVERSAL RESOLUTIONS

Resolution 110/2018: Transversal resolution: Human Resources Management: Vacancies

Noting:

The high number of vacancies which exist in Senior Management positions within departments and public entities and the adverse effect this is having on the findings of the Auditor-General particularly on financial and performance management, compliance with laws and regulations, leadership and governance.

Certain departments and public entities were experiencing difficulties in their recruitment processes, including delays due to verification of qualifications and vetting of applicants and having to re-advertise posts repeatedly due to the unavailability of suitable candidates for the position.

The Committee resolves:-

That the Accounting Officers of the relevant departments and Accounting Authorities report to the Committee by 31 January 2019 on the following:

A list of vacant senior management posts in their respective departments.

An updated report on a number of filled posts and vacant posts and the anticipated time frame for filling of posts.

That the Portfolio Committees monitor the filling of all vacant funded posts in departments, especially key positions and senior management positions.

The Department response:-

A list of vacant SMS posts is attached as Annexure B.

An analysis of filled and vacant posts as approved by the Premier is attached as Annexure C. It is a challenge to project a timeframe considering the delays experienced in obtaining vetting results and cases where successful candidates decline offers made to them.

Resolution 111/2018: Transversal Resolution: Irregular expenditure

Noting that:

Irregular expenditure of R9.917 billion incurred in the 2017/18 financial year was 100% due to non-compliance with SCM legislation.

The main areas of non-compliance were:

Procurement without a competitive bidding or quotation process

Non-compliance with procurement process requirements

Non-compliance with legislation on contract management

The Committee resolves:-

That Accounting Officers and Accounting Authorities submit a report by 31 January 2019 on:

The reasons for the irregular expenditure.

Who was responsible for making or permitting the irregular expenditure.

Steps taken against officials responsible for irregular expenditure.

Measures put in place to prevent a recurrence.

An assessment of the effectiveness of the measures put in place.

The Department response:

Irregular Expenditure for Department of Public Works 2017/18 amounts to R11,3 million and not R9,9 billion as stated in the resolution. The table below details the Irregular Expenditure and its current status.

No.	Incident	Amount	Status
1	Comm 13 - Finding 3: NCR: Points awarded for B-BBEE where the contractor indicated an intention to sub-contract Carry-over from 2016-17	1, 616 ,331.00	<p>Carry over from 2016/17 financial year</p> <p>The bidder was allocated 10 preference points as a level 1 BBBEE contributor even though she declared the intention to sub-contract 30% to an EME an (Exempted Micro Enterprise) with a BBBEE level 3 which is below than the main contractor. The main contractor should have been given 0 points for failing to sub-contract to an equal or higher BBBEE contributor.</p> <p>The main contractor did not submit with his tender the original or a certified copy of the sworn affidavit and audited AFS confirming that the sub-contractor is an EME. Subsequently the Region provided a sworn affidavit showing the sub-contractor as a level one BBBEE contributor. The sworn affidavit of the sub-contractor showing level one contradicted the main contractors bid document showing the sub-contractor as level 3.</p> <p>The pre-screening, evaluation and adjudication was incorrectly done as the wrong BBBEE points were allocated. Zero points should have been allocated for the main contractor for this non-compliance.</p> <p>Investigation finalised.</p> <p>The matter was referred to Chief Director: Corporate Services on the 23 March 2018 for the 10 officials to be cautioned, counselled or trained in terms of the relevant Supply Chain Management prescripts.</p> <p>The recommendations were that the Bid Committee members to be trained</p> <p>Application to condone in process of being done as there was value for money.</p> <p>Case regarded as Finalised</p>
2	DPW: Participants paid that were not selected, screened and approved to participate in the Youth Environmental Service Programme	18 000.00	<p>This related to 2 EPWP participants that were screened as part of the Operation Sukuma Sakhe programme by the relevant OSS structures.</p> <p>At the time of the audit certain documentation was not on file due to documents been removed for National Auditor General audit, however these documents were subsequently retrieved and filled and available.</p> <p>Since the audit the Department has implemented in the 2018/19 fy that all invoices are submitted with beneficiary lists, timesheets and data collection forms for verification purpose in order to eliminate discrepancies. Further, the Department has developed an invoice checklist in line with the EPWP requirements and this is also used for payment and filing purposes. The EPWP section on quarterly basis is conducting Data records and Quality Sessions to verify the reported beneficiaries against the validated beneficiaries on the EPWP reporting system and the EPWP project file checklist.</p>



3	DPW: Service level Agreement between Department of Public Works and Wildlands Conservation Trust not fully implemented and enforced	9 749 400.00	<p>This relates to the continued use of Wildlands Trust as an implementing agent for EPWP after the original Provincial Memorandum of Understanding (MOU) had expired.</p> <p>The original Memorandum of Understanding (MOU) was renewed in accordance with the requirements stipulated in the agreement and as such the department is of the opinion that due process was followed and this does not constitute irregular expenditure.</p> <p>The matter was also referred to Provincial Treasury who concurred with the department that the original Memorandum of Understanding (MOU) made provision for and extension and that due process was followed.</p> <p>This matter will be discussed with the Auditor General in the 2018/19 Audit.</p> <p>The agreement with Wildlands Trust has since been terminated.</p>
	Total	11 383 731.00	

Resolution 113/2018: Transversal resolution: Procurement and contract management

Noting that:-

Some of the commodities designated for local content and production were procured from suppliers who did not submit declarations on local production and content as required by the preferential procurement regulations of 2017, issued in terms of the PPPFA.

Some contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.2.1 and 8.2.2.

The preference point system was not applied in the procurement of some goods and services above R30 000 as required by section 2(a) of the PPPFA and treasury regulations 16A6.3(b).

Some awards were not adjudicated by a bid adjudication committee as required by treasury regulations 16A6.1.

The Committee resolves:-

That the Accounting Officers of the relevant departments and Accounting Authorities of relevant public entities report by 31 January 2019 on:

- [1] Monitoring and control measures which are in place to ensure that SCM requirements are complied with.
- [2] Disciplinary measures taken against those who appoint service providers without following SCM processes and treasury regulations.

The Department response:

In terms of our bid conditions and returnables, the department does apply the provision of local content. We have not received any adverse findings in this regard.

In respect of extension of contracts, the contracts that were extended or modified without the approval of delegated officials was limited to the renewal of the lease agreements and has since been corrected. There are client departments that indicate a need to remain in the same premises and this had resulted in some deviations.

The non-compliance of the preference point system above R30 000 has since been addressed through the updating of our checklists and various workshops. The deviations have also since been reported to Provincial Treasury for noting and approval.

With regards to bids not being adjudicated at committees. This is not applicable to DPW as all bids that require committee approvals are processed accordingly.

Resolution 114/2018: Transversal resolution: Payments not made within 30 days

Noting that:-

Payables in certain departments and public entities exceeded the required payment term of 30 days from the date of receipt of an invoice, as required by Treasury Regulation 8.2.3.

Most departments do not comply with the 30 days' payment policy and the amounts incurred would therefore have constituted unauthorized expenditure had the amounts due been paid in a timely manner.

The Committee resolves:-

That the Accounting Officers of the relevant departments and Accounting Authorities report by 31 January 2019 on:

Strategy put in place to ensure that invoices are tracked and that payments are made within the required term of 30 days.

Steps taken against officials who are responsible for failure to pay service providers on time.

The Department response:-

Invoices received are recorded by the department in a manual register, are monitored and reported to Provincial Treasury on a monthly basis.

It must be noted that the department pays most suppliers within 30 days with the exception of invoices for municipalities relating to property rates. This is due to lack of funding to keep up with increases imposed by municipalities in this regard as well as the time taken to verify property rates due to the volume of invoices received.

Resolution 115/2018: Transversal resolution: Consequence management

Noting that:-

Government employees doing business with the state.

Notwithstanding the root cause of irregular expenditure and fruitless and wasteful expenditure being non-compliance with SCM Legislation, many Departments are not implementing "Consequence Management" and in some instances transgressions by officials are either not investigated at all, despite findings by the Auditor-General thereon or are not dealt with adequately.

The Committee resolves:-

That the Accounting Officers of the relevant departments and Accounting Authorities report by 31 January 2019 on:

Investigations pertaining to transgressions by officials that have been concluded or are in progress.



Details of the transgressions investigated.

Time frames for completion of pending investigations.

Disciplinary steps taken.

Steps taken to recover monies/losses and progress thereon.

Criminal matters opened and progress thereon.

The Department response:

No	Nature of Transgression	Investigation Y/N	Timeframe to Complete	Disciplinary Action Y/N	Outcome	Recovery Y/N	Criminal Y/N
1	Official doing business with the state, four (04) officials involved	Y	Completed	Y	Two (02) officials were sanctioned a final written warning, one (01) official was found not guilty and one (01) official was exonerated by the investigation.	N/A	N
2	Failure by twelve (12) members of the Bid Evaluation Committee (BEC), ensuring that scoring was fair, consistent, correctly calculated and applied	Y	Completed	Y	Corrective counselling	N	N
3	Varied the awarding of tenders without documented reasons and Poor management of projects, six (06) officials involved	Y	Completed	Y	One (01) official was sanctioned three (03) months suspension without pay and a final written warning and five officials were sanctioned two months suspension without pay and final written warning.	N	N
4	Points awarded for B-BBEE where the contractor indicated an intention to sub-contract. Ten (10) officials involved.	Y	Completed	N	Officials to be subjected to training	N	N
5	DPW: Participants paid that were not selected, screened and approved to participate in the Youth Environmental Service Programme	N	To be Investigated	N/A	N/A	N/A	NA

No	Nature of Transgression	Investigation Y/N	Timeframe to Complete	Disciplinary Action Y/N	Outcome	Recovery Y/N	Criminal Y/N
6	DPW: Service level Agreement between Department of Public Works and Wildlands Conservation Trust not fully implemented and enforced	N	To be investigated within 90 days	N/A	N/A	N/A	N/A
7	HO - Professional Service Provider (PSP) appointment with invalid tax clearance certificate. (carry-over from 2015-16 - Case 6 - Item 24 - 2015-16 AG Management Report)	Y	Completed	N	N/A	N/A	Y
8	MR: Three quotations not obtained	Y	Completed	N	Training recommend	N	N

Resolution 117/2018: Transversal Resolution: Supply Chain Management

Noting that:-

Most departments and public entities do not comply with SCM requirements.

Procurement is conducted without competitive bidding or quotation processes.

There is non-compliance with legislation, procurement requirements and contract management.

The Committee resolves:-

That the Accounting Officers of departments and Accounting Authorities report by 31 January 2019 on:

Reasons for non-compliance.

Steps taken against those responsible for non-compliance with SCM requirements and steps taken to recover monies lost.

The Department response:-

Whilst some discrepancies have been noted, these items have been discussed under resolution 113/2018 and the necessary corrective action has been put in place.

All our procurement is done in line with the PPPFA regulations. Any deviations are motivated and approved by Provincial Treasury prior to the award.

With regards to the non-compliance with legislation, procurement requirements and contract Management, these have been addressed under resolution 113/2018



Resolution 118/2018: Transversal resolution: Investigations

Noting that:-

Most departments and public entities have investigations that have been completed or are in progress.

Some investigations are referred to Provincial Treasury or to independent investigative firms.

Most investigations have been going on for a long period of time without being finalised.

The Committee resolves:-

That the Accounting Officers of departments and Accounting Authorities of public entities report to the Committee by 31 January 2019 on the following:

- [1] Investigations which are currently underway in the departments and public entities and the deadline set for completion of these investigations.
- [2] Investigations which were completed in the 2016/17 and 2017/2018 financial years.
- [3] Steps taken to implement the recommendations contained in the reports on investigations, including the disciplinary and criminal cases initiated and recovery of monies by way of civil proceedings.

The Department response:-

All investigations are conducted by Provincial Treasury. The status of finalised and current investigations is attached as Annexure A.

.....
GG Sharpley, PhD
Accounting Officer
Department of Public Works
Date: 31 August 2019

ANNEXURE A

Resolution 106/2018 – Department of Public Works Investigations

Status Report on Forensic Investigations

Completed cases	In progress	Total
9	7	16

NR	Investigations Requests	Status	Progress	Summary of Disciplinary
1	FR19/2011 - Alleged fraud, corruption other irregularities Real property management, lease rental	Completed Report received on the 2 April 2014. Recommendation implemented on the 16 November 2015	Finalised Legal currently attending to the recoveries and eviction.	Recommendations implemented & Disciplinary Action finalised The Presiding officer imposed a sanction of Final Written Warning and Transfer to another component.
2	FR55/2013 – Possible irregular sick note	Completed Report received on the 22 October 2014	Finalised	No disciplinary action recommended
3	FR22/2011- Alleged refusal to receive bids submitted by Zwelakithi Investments by the Southern Region office and other irregularities Bid Number ZNT 2254W and Bid Number 227/2W	Completed Report received on the 12 December 2016	Finalised Provincial Treasury to open criminal case	All allegations against officials were found to be unfounded
4	FR15/2014 – Allegations of fraud and corruption in the awarding of Tender to Jorano Investment CC	Completed Report received in July 2016	Finalised The investigation revealed that the department processes were not compromised in any way and thus, no irregularity was committed.	No further action required
5	FR22/2014 – Investigation against various employees at Thukela District Office	Completed Report received on the November 2015 Recommendation implemented on the 16 September 2016	Finalised	Disciplinary action against 3 officials were held. 2 officials hearing was held and a sanction of final written warning was issued. 1 official charges were withdrawn



NR	Investigations Requests	Status	Progress	Summary of Disciplinary
6	FR15/2015 - Possible fraudulent activities on WIMS - Criminal case registered with SAPS as CAS Ladysmith (586/10/15)	Completed Report received in June 2016 Recommendation implemented on the: 25 August 2016 20 September 2016 26 September 2016 27 September 2016 28 September 2016 29 September 2016	Finalised The criminal matter has been registered with SAPS as CAS Ladysmith(586/10/15) State Attorney was instructed to apply for default judgment against the service provider. Letter received from State Attorney on the 12 December 2018 indicating that the client will be paying a monthly instalment of R4000.00 per month as from the end of January 2019. Settlement proposals are currently being considered by the Department.	Disciplinary action taken against all 7 officials identified 1 Official - sanction of dismissal imposed. 2 Officials - sanction of 3 months' suspension without pay and a final written warning was issued. 1 Official - sanction of 1-month suspension without pay and a final written warning was issued 3 Officials - sanction of a final written warning was issued Criminal case has been opened for 2 Officials. All disciplinary cases regarded as finalized.
7	FR34/2013 - Alleged irregularities within SCM. Ref (ZNT 00003 BAT 9/1/P1354). Investigation requested by Bid Appeals Tribunal into affairs of PANDEV re directorship	Completed Report received on the 27 June 2018	Finalised Legal service evaluated the report and determined steps to be taken against PANDEV into opening a criminal case of fronting and to notify National Treasury to black list Pandev With regard to the blacklisting, Department in the process of notifying contractor of the allegations of fronting and will determine the way forward once any representations are received. Provincial Treasury is in the process of registering a case with SAPS.	All allegations against departmental officials were found to be unfounded
8	FR09/2015 - Irregular procurement process conducted on Security Services: Cestial Trading cc t/a Vulindlela and Ulwazi Group	Completed Report received on the 2 June 2015	Finalised	The investigation report recommended that the HOD caution implicated BEC members and subject them to rigorous training. Furthermore the HOD has revised the BEC members
9	FR25/2017 – Allegations of stolen fuel card	Completed Report received on the 8 February 2018	Finalised As there was a criminal syndicate element to this case this case has been reported to the SAPS – CASE PMB 244/01/2018	

In progress

7 cases forwarded to Provincial Treasury

NR	Investigations Requests	Status In-progress Cases / date	Progress	Summary of Disciplinary
1	FR28/2015 - Investigation on alleged procurement irregularities by contractors & Works Inspectors at the DoPW inflating quotes, EThekweni Region	In progress	Referred to Provincial Treasury for investigation	Unknown
2	FR 42/2016 - Investigation on allegations of fraud and corruption in hiring of accommodation (brought forward by Sintucom Trading c) (North Coast Region)	In progress 31 March 2019	Referred to Provincial Treasury for investigation	Unknown
3	FR06/2017 - Alleged corruption and fraud by a tenderer: ZNT5816W	In progress 31 March 2019	Referred to Provincial Treasury for investigation	Unknown
4	FR07/2017 - Alleged illegal sale of Provincial State land at Public Works	In progress On going	Matter is also under investigation by the SAPS Commercial Crimes Unit number 4/06/2017 The criminal investigation is ongoing. Legal proceedings have been instituted to obtain possession of the properties.	Unknown
5	FR20/2017 Alleged fraudulent payments (Trudon Ltd)	In Progress 31 March 2019	Referred to Provincial Treasury for investigation	Unknown
6	FR26/2017 Allegations that Janora Trading has relationship with DPW on the awarding of lease contracts	In Progress	Referred to Provincial Treasury for investigation	Unknown
7	FR33/2017 Alleged fraudulent use of signature of officials (eThekweni Region)	In Progress 3 March 2019	Referred to Provincial Treasury for investigation	Unknown



ANNEXURE B

Vacant key personnel positions 2018/19 as at January 2019

POST	NO	OFFICE
Head of Ministry	1	Head Office
Director: Office of the HOD	1	Head Office
Chief Director: Infrastructure Programme	1	Head Office
Chief Director: EPWP	1	Head Office
Chief Director: Acquisition & Disposal	1	Head Office
Chief Director: Provincial Information, Property Development & Valuations	1	Head Office
Director: Programme Management (Health)	1	Head Office
Director: Programme Management (Other)	1	Head Office
Director: Departmental EPWP	1	Head Office
Chief Director: Region	4	Southern, Midlands, North Coast & EThekwin
Director: Infrastructure Programme (Regions)	4	Southern, Midlands, North Coast & EThekwin

9. PRIOR MODIFICATIONS

The Department received an unqualified audit opinion for 2017/18 financial year.

10. INTERNAL CONTROL UNIT

N/A

11. INTERNAL AUDIT AND AUDIT COMMITTEE

Internal Audit implements a Risk-based Internal Audit plan annually. It performs a support role to management by ensuring periodic audits and reports are produced based on evaluation of the Department's system of internal controls and risk management processes. Internal Audit also assesses the Department's ability to comply with legislative requirements as well as performance of its function in accordance with the mandate and commitment made in the strategic plan.

The Audit Committee has been appointed in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) ("PFMA") as amended and members discharge their functions in accordance with the PFMA, Treasury regulations and Audit Committee Charter. Members have at each Audit Committee meeting engaged management on, among others, matters relating to performance and financial management weakness identified by internal and external auditors during the financial year.



12. REPORT OF THE AUDIT & RISK COMMITTEE

VOTE 14 – PUBLIC WORKS

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts, and is pleased to present its report for the financial year ended 31 March 2019.

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Public Works is served by the Economic Cluster Audit & Risk Committee.

The Committee has adopted appropriate formal terms of reference contained in its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter; and reports that it has discharged all of its responsibilities as contained therein.

1. Audit Committee Members and Attendance

The PARC and Economic CARC is comprised of the members listed hereunder who have met as reflected below, in line with the approved terms of reference.

#	Name of Member	PARC Meetings Attended	Economic CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	8 of 8	4 of 4
2.	Mr V Ramphal	8 of 8	3 of 4**
3.	Mr M Tarr	8 of 8	4 of 4
4.	Mr P Christianson	8 of 8	N/A*
5.	Ms T Njozela	8 of 8	N/A*
6.	Mr D O'Connor	8 of 8	N/A*
7.	Ms N Sithole	8 of 8	N/A*

* refers to PARC members who did not serve on the Economic CARC

** Mr Ramphal was absent on day 2 of the Q4 Eco Cluster meeting

2. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls around the following areas:

- Immovable Tangible Capital Assets
- Impairment of receivables
- Procurement and contract management
- Expenditure Management - Irregular Expenditure
- Performance Information
- Disclosure of fruitless and wasteful expenditure
- Network Vulnerability Assessment

The Committee considered the agreed-upon management interventions to improve the control environment relating to these areas and requested the timeous implementation thereof to avoid repeat audit findings in the future.

3. Effectiveness of Internal Audit

The Committee has, through the PARC and CARC monitoring processes, assessed the PIAS' activities. PIAS reports on the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the Department were considered during the quarterly CARC meetings.

The PIAS planned to conduct twenty (20) audit assignments for the period under review, of which fourteen (14) were finalised, two (2) were cancelled, one (1) was rolled over, and three (3) were carried over to the 2019/20 financial year with the approval of the Audit Committee.

The Committee noted with extreme concern that only 70% of the operational audit plan for the year had been completed, due to the financial and human resource limitations imposed upon PIAS. The Committee urged the management of Provincial Treasury and PIAS to urgently address the factors which had negatively impacted the performance of PIAS during the year under review in order to ensure that it continues to fulfil its mandate and add value to the department.

4. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the Risk Management Operational Plan.

As at 2018/2019 financial year-end, the status of the Department's risk register was as follows:

	Risk Grouping	Total				
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	0	3	3	10	3	19
Number of Identified Action Plans	0	10	6	12	4	32
Number of Completed Action Plans.	0	7	4	12	4	27
% Completion of Action Plans	-	70%	67%	100%	100%	84%

The Department is commended for the high completion rate of its risk mitigation plans; the positive progress it has made on control improvement plans relating to risk management maturity, business continuity management, fraud prevention management and occupational health and safety management; and on being one of the few departments that have demonstrated linkages of risk registers to performance indicators.

Notwithstanding the above, the Committee is, however, concerned about the slow progress made by the Department's risk management committee members in completing the prescribed risk management on-line training. The Department is urged to focus on risk management training and awareness during the 19/20 financial year so that the culture of risk management could be embedded through formalised risk management training.

5. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review, in terms of the PFMA and the Division of Revenue Act.

Based on the reports of the Auditor General, the Committee notes with concern the deficiencies identified in the reliability of reported performance information due to the failure of the Department to implement adequate systems to collect, collate, verify and retain performance related data. The management of the De-



partment has been urged to urgently implement the appropriate improvement strategies in order to address the identified shortcomings.

The Committee also notes the concerns raised by the Auditor General with respect to the utilisation of conditional grants.

6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions where concerns have been noted around procurement and contract management processes and the failure to prevent irregular expenditure, as a result of non-compliance with supply chain management prescripts; and
- Reviewed the conclusions regarding the reliability and usefulness of performance information and determined that record keeping has to be improved to enable the production of accurate performance information.

7. Forensics Investigations

During the period under review, the Committee noted that there were twenty one (21) forensic investigations from 1 April 2018 to 31 March 2019, all relating to alleged nepotism, fraud and corruption, supply chain management and procurement irregularities and mismanagement of funds, which was referred to the PIAS for investigation.

Eleven (11) of these investigations relating to Phase 1 were completed and ten (10) are still in progress.

From the eleven (11) matters completed three (3) matters were closed, and for six (6) matters had disciplinary actions recommended and the remaining two (2) matters had no disciplinary recommendations.

The Committee further noted that one (1) matter is currently under criminal investigation by the South African Police Service (SAPS), whilst two (2) matters are still in the process of being registered for criminal investigation.

The department and the PIAS are urged to promptly finalize the outstanding investigations, and work together to implement recommendations made in the finalised investigations.

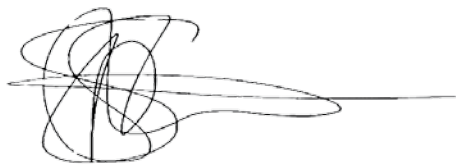
8. Auditor-General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the major issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee agrees with and accepts the Auditor General's qualified opinion 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.

9. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Mr SP Simelane
Acting Chairman: Provincial Audit and Risk Committee

06 September 2019



PART D: HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCES OVERSIGHT STATISTICS

HUMAN RESOURCE MANAGEMENT – 2018/19

The statistics and information published in the Human Resources Management part of the Annual Report are required in terms of Regulation 31 of the Public Service Regulations, 2016 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The tables were obtained from Department of Public Service and Administration (DPSA). Any input or clarification required should be directed to:-

Henk Serfontein
Department of Public Service and Administration
Henk_S@dpsa.gov.za

For a detailed description and explanation of the terminology used in this section of the report, please consult the publication from the DPSA entitled 'A guide to understanding the oversight report of departmental annual reports'. A copy of the guide is available from all departments or can be accessed from the DPSA website (www.dpsa.gov.za).

All departments are required to develop a Service Delivery Improvement Plan (SDIP). The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

1. Service delivery

All departments are required to develop a Service Delivery Improvement Plan (SDIP). The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
1. Recruitment and selection of prospective employees.	General public, other state employees, Departmental employees.	Same	As per approved HRM SOPS	The recruitment process is currently taking approximately eight months to finalise, considering the advertising process and the implementation of vetting and qualification verification.
2. Management of employment changes within the Department (staff mobility)	Departmental employees and other Government employees.	Same	As per approved HRM SOPS	- Service terminations finalized within the officials last month of service. - Finalisation of transfers within one month of request.
3. Human Resource Development	Departmental employees; Prospective employees; Accredited Training service providers	Same	As per approved HRM SOPS	Development and implementation of WSP.
4. Development and implementation of Employee Health and Wellness (EHW)	- Departmental employees. - Immediate family members	Contractors and consultants employed by the Department.	As per approved HRM SOPS	Approved and implemented Policies for EHW



5. Mainstreaming equity (gender, disability) throughout the Department's policies, programmes and practices.	<ul style="list-style-type: none"> - Departmental employees - Office of the Premier - Department of Labour - Prospective employees - Department of Public Service & Administration 	Contractors and consultants employed by the Department.	Compliance with National targets in terms of 50:50 gender representation and 2% disability and Race as per Economically Active Population in KZN	<p>All 5 Offices with the Department have their equity plans which serve as input to Departmental Employment Equity Plan.</p> <p>Annual Employment Equity report was submitted to Department of Labour .</p> <p>Employment Equity Committee meetings convene to monitor compliance.</p> <p>Public Works Offices are also accessible to people with disabilities throughout the province.</p> <p>Audit conducted within the Departmental staff to identify needs and provide assistive devices.</p> <p>36% women at SMS senior management level against the National target of 50%.</p>
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Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
1. Consultative forums; Roadshows/workshops internal circulars; newsletters/ Departmental Website.	Departmental employees	Same	<ul style="list-style-type: none"> - Elimination of communication barriers - Awareness of Department Policies and Procedures amongst staff

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
* Establishment of Help desk for EHW Services	Trained EHW focal persons
* Help desk services for SMME's	Accurately completed tender documentation. Awareness and training for SMME's
* Conversion of state building for easy access to people with disabilities.	Buildings converted by the Department as well as for client departments.
Strategy for Reasonable Access also developed.	Upon approval of the strategy, it will be implemented in the Department.

Table 1.4 – Service information tool

Types of information tool	Actual achievements
Departmental website, newsletters, advertisements, circulars and standing radio slots	Posting of tender documents, vacancy advertisement, SOP's Policies, Translation of policies into Isizulu

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements
<ul style="list-style-type: none"> • Fault logging office per region • Whistle blowing toll free lines • Suggestion boxes • Approved Grievance Procedure 	Facilities exist for complaints to be received and resolved. Service commitment charter is in place and implemented.

2. Expenditure – (01/04/2018 – 31/03/2019)

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 2.1 – Personnel costs by programme, 2018/19

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)	Employment
Prog 1: Administration	415,347	303,060	2,169	1,805	100%	304	1646
Prog 2: Real Estate	806,924	54,662	575	4,080	100%	413	1646
Prog 3: Prov of buildings	453,307	259,643	12,231	51,925	98.8%	352	1646
Total	1,675,578	617,365	14,975	57,800	99.7%	332	1646

TABLE 2.2 – Personnel costs by salary bands, 2018/19

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average Cost per Employee(R)	Total Personnel Cost	Number of employees
Lower skilled (Levels 1-2)	3,312	0.50	157,714	617,365	21.00
Skilled (Levels 3-5)	177,185	27.90	236,747	617,365	750.00
Highly skilled production (Levels 6-8)	195,885	30.80	401,404	617,365	488.00
Highly skilled supervision (Levels 9-12)	175,371	27.60	701,484	617,365	250.00
Senior management (Levels 13-16)	33,977	5.4	121, 3464	617,365	28.00
Contract (1-2)	331	0.10	0	617,365	0.00
Contract (3-5)	440	0.10	220,000	617,365	2.00
Contract (6-8)	6,443	1.00	402,688	617,365	16.00
Contract (9-12)	23,195	3.70	626,892	617,365	37.00
Contract (13-16)	2 467	0.40	1233500	617,365	2.00
Contract Other	3,156	0.50	60,692	617,365	52.00
Periodical Remuneration	4415	0.70	1,740	617,365	2538.00
Total	617,365	98.60	149,660	617,365	1646.00

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.



TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2018/19

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1 Administration	244,424	79.80%	209	0.10%	11,770	3.80%	20,630	6.70%
2 Real Estate	45,007	79.70%	0.0	0%	1,709	3.00%	2,979	5.30%
3 Provide building Structure & Equipment	215,570	80.30%	111	0%	8,791	3.30%	13,143	5.10%
Total	505,001	79.50%	320	0.10%	22,270	3.50%	36,753	5.80%

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2018/19

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Cost Per Salary Band
	Amount (R'000)	Salaries as a % of personnel Cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost	
Lower skilled (Levels 1-2)	2,291.00	68.80	10	0.10	291	8.70	353	10.60	3,328
Skilled (Levels 3-5)	128,242	72.30	135	0.10	11,962	6.70	18,291	10.30	177,485
Highly skilled production (Levels 6-8)	154,860	78.70	171	0.10	7,022	3.70	12,707	6.50	196,698
Highly skilled supervision (Levels 9-12)	149,392	82.70	0		2,713	1.50	11,810	2.70	180,640
Senior management (Levels 13-16)	30,423	85.50	0		212	0.60	4,846	1.50	35,590
Contract (1-2)	331	100.00	0		0	0	518	0	331
Contract (3-5)	429	99.80	0		0	0	0	0	440
Contract (6-8)	6,438	99.80	0		0	0	0	0	6,463
Contract (9-12)	22,707	95.20	0		69	0.30	0	0	23,924
Contract (13-16)	2,327	91.70	0		0	0	38	0.20	2,519
Contract Other	3,153	99.40	0		0	0	0	0	3,158
Periodical Remuneration	4,415	100.00	4.0		1	0	0	0	4,415
Total	505 001.00	79.60	320	0.10%	22,270	3.50	36,753	5.80	617,365

NB. Total cost per salary band includes R29k iro periodical remuneration.

3. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored.

Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2019

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1 Administration	916	859	6.20%	40
2 Real Estate	127	120	5.50%	9
3 Provide building Structure & Equipment	718	667	7.10%	46
Total	1,761	1,646	10.7%	95

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2019

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	49	21	25.9%	0
Skilled (Level 3-5)	803	750	2.5%	10
Highly skilled production (Levels 6-8)	534	488	11.7%	0
Highly skilled supervision (Level 9-12)	287	250	12.3%	2
Senior management (Levels 13-16)	30	28	3%	49
Contract (Levels 1-2)	0	52	0	0
Contract (Levels 3-5)	1	2	0	10
Contract (Levels 6-8)	16	16	0	14
Contract (Levels 9-12)	37	37	0	16
Periodic remuneration	2	2		28
Total	1,674	1,646	10.6%	108

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2019

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Engineer	20	14	30	0
Architect	15	11	26	0
Quantity Survey	21	18	14.2	0
Construction Project Manager	37	28	24.3	0
Total	93	71	28.6	0

**3.4 FILLING OF SMS POSTS****TABLE 3.4.1 SMS POST INFORMATION AS AT 31 MARCH 2019**

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
Head of Department	1	1	0	0	0
Salary level 16	1	1	0	0	0
Salary Level 15	4	4	3%	0	0
Salary Level 14	1	0	0%	1	0
Salary Level 13	23	22	97%	1	0
Total	30	26	98.9%	1	0

TABLE 3.4.2 SMS INFORMATION AS AT 01 APRIL 2019

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
Head of Department	1	1	0%	0	0
Salary level 16	1	1	0%	0	0
Salary Level 15	4	4	1%	0	0
Salary Level 14	1	0	0%	1	0
Salary Level 13	23	22	1%	1	0
Total	30	29	97.8%	1	0

TABLE 3.4.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

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
Head of Department	1	1	0	0	0
Salary level 16	1	1	0	0	0
Salary Level 15	4	4	1%	0	0
Salary Level 14	1	0	0%	1	0
Salary Level 13	23	22	1%	1	0
Total	30	29	97.8%	1	0

TABLE 3.4.4 Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant in the period 1 April 2018 to 31 March 2019.

Reasons for vacancies not advertised within six months
Not applicable

Reasons for vacancies not filled within six months
Not applicable

TABLE 3.4.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months after becoming vacant in the period 1 April 2018 to 31 March 2019.

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
Delays experienced in finalizing competency assessments, and results for vetting of personal information and verification of qualifications.

4. Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 – Job Evaluation, 1 April 2018 to 31 March 2019

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could be vacant.

Salary band	Number of posts	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)	32	0	0	0	0	0	0
Contract (1-2)	0	0	0	0	0	0	0
Contract (3-5)	2	0	0	0	0	0	0
Contract (6-8)	16	0	0	0	0	0	0
Contract (9-12)	37	0	0	0	0	0	0
Contract (Other)	52	0	0	0	0	0	0
Skilled (Levels 3-5)	786	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	517	4	0.7	0	0	0	0
Highly skilled supervision (Levels 9-12)	287	18	6.5	0	0	0	0
Senior Management Service (level 13 -16)	30	3	10	0	0	0	0
Periodic Remuneration	2						
Total	1761	21	16.6	0	0	0	0

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2018 to 31 March 2019

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



The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 4.3 – Employees whose salary level exceeds the graded determined by job evaluation, 1 April 2018 to 31 March 2019 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Xxx				
Xxx				
Xxx				
Xxx				
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2010/11			None	
Percentage of total employment				

Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2018 to 31 March 2019 (in terms of PSR 1.V.C.3)

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

[If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 4.3]

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2017/18	0
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5. Employment Changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These “critical occupations” should be the same as those listed in Table 3.3).

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2018 to 31 March 2019

Salary Band	Number of employees per band as on 1 April 2018	Appointments	Service Terminations	Turnover rate
Lower skilled (Levels 1-2)	19	0	50	0.40
Skilled (Levels 3-5)	810	9	46	6.9
Highly skilled production (Levels 6-8)	526	40	7	1.2
Highly skilled supervision (Levels 9-12)	247	28	21	6.50
Senior Management Service (Level 13 – 16)	30	2	0	3.2
Contract (1-2) Permanent	5	0	4	100
Contract (3-5) Permanent	1	0	0	0
Contract (6-8) Permanent	24	0	24	45.80
Contract (9-12) Permanent	35	0	19	82.90
Contract (Other)	39	0	0	0
Periodical Remuneration	2		0	0.25
Total	1738	79	171	9.40

Turnover rate: $\frac{\text{No of employees} + \text{Appointments}}{\text{No of terminations}} = X$

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2018 to 31 March 2019

Occupation:	Number of employees per occupation as on 1 April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineer	15	0	0	0
Architect	15	5	3	20
Quantity Surveyor	16	1	1	0.5
Construction Project Manager	39	4	25	60
Total	85	10	29	31.9



Table 5.3 identifies the major reasons why staff left the department.

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total Terminations	% of Total Employment	Total	Total Employment
Death	13	7.6	0.77	171	1646
Resignation	53	31.00	3.14	171	1646
Expiry of Contract	56	32.75	1.94	171	1646
Discharged due to ill-health	1	0.58	0.06	171	1646
Dismissal – misconduct	2	1.17	0.10	171	1646
Retirement	46	26.90	0.12	171	1646
Total	171	100%	2.73	171	1646
Total number of employees who left as a % of the total employment		10.14	10.14		

Table 5.4 – Granting of Employee Initiated Severance Packages

Category					
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled(Levels 3-5)	0	0	0	0	0
Highly skilled product (Levels 6-8)	0	0	0	0	0
Highly skilled supervision (Levels9-12)	0	0	0	0	0
Total	0	0	0	0	0

Table 5.5 – Promotions by critical occupation

Occupation	Employees as at 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Engineer	15	2	13.3	9	60
Architect	15	0	0	5	33.3
Quantity Surveyor	19	1	5.3	7	36.8
Construction Project Manager	42	0	0	0	0
Total	91	3	3.3	21	23

Table 5.6 – Promotions by salary band

Salary Band	Employees 1 April 2018	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	32	0	0	8	57
Skilled (Levels 3-5)	786	3	0.5	695	120.7
Highly skilled product (Levels 6-8)	517	21	0.7	320	65.60
Highly skilled supervision (Levels 9-12)	255	7	2.7	177	69.4
Snr management (Levels 13-16)	30	1	3.2	20	72.50
Contract (Levels 1-2)	0	0	0	0	0
Contract (Levels 3-5)	2	0	0	0	0
Contract (Levels 6-8)	16	0	0	8	6.7
Contract (Levels 9-12)	37	6	42.9	2	19.40
Contract (Other)	49	0	0	4	3.3
Periodic Remuneration	14	0	0	0	0
Total	1738	38	2.2	1234	71

6. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	15	0	4	1	11	0	1	1	33
Professionals	36	1	7	9	36	1	7	3	103
Technicians and assoc	94	0	10	5	137	2	18	13	279
Clerks	119	1	13	1	272	9	21	20	456
Service and sales workers	74	0	1	1	14	0	0	0	95
Craft and related trades workers	151	2	9	7	44	0	0	0	213
Plant and machine operators and assemblers	52	0	2	0	1	0	0	0	57
Elementary occupations	267	0	6	0	107	0	0	0	380
Other Perm	0	0	0	0	0	0	0	0	0
Total	808	4	52	24	622	12	47	37	1646
Employees with disabilities	19	0	0	2	7	0	2	0	30



6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	1	0	1	1	0	0	0	5
Senior Management	8	0	5	0	8	0	2	1	24
Professionally qualified and experienced specialists and mid-management	97	3	12	11	76	0	12	4	215
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	222	1	20	9	259	10	27	24	572
Semi-skilled and discretionary decision making	443	1	14	0	273	3	8	5	747
Unskilled and defined decision making	6	0	0	0	15	0	0	0	4
Contract	41	1	3	0	58	0	4	0	107
Total	819	7	54	21	690	13	53	34	1646

6.3 – Recruitment for the period 1 April 2018 to 31 March 2019

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	1	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	2	1	0	0	7	0	0	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	26	2	0	0	33	1	1	0	63
Total									79
Employees with disabilities	0	0	0	0	0	0	0	0	0

6.4 – Promotions for the period 1 April 2018 to 31 March 2019

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	10	0	4	0	4	0	1	2	21
Professionally qualified and experienced specialists and mid-management	83	1	9	8	42	0	9	2	154
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	137	1	12	6	159	0	18	14	347
Semi-skilled and discretionary decision making	241	0	0	0	160	0	0	0	401
Unskilled and defined decision making	6	0	0	0	5	0	0	0	11
Contract (Professionally qualified) Permanent	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled) Permanent	0	0	0	0	0	0	0	0	0
Total	478	2	25	15	370	0	28	18	1508

Employees with disabilities	11	0	0	1	3	0	0	0	15
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6.5 – Terminations for the period 1 April 2018 to 31 March 2019

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	4	0	1	0	3	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	23	2	3	2	29	1	1	1	62
Semi-skilled and discretionary decision making	4	0	0	0	0	0	0	0	4
Unskilled and defined decision making	27	0	0	1	21	0	1	0	50
Contract (Prof qualified) Permanent	13	0	3	0	3	0	0	0	19
Contract (Skilled technician) Permanent	11	0	0	0	7	2	1	3	24
Contract (Unskilled permanent)	1	0	0	0	3	0	0	0	4
Total	83	2	7	3	66	3	3	4	171
Employees with disabilities	0	0	0	0	0	0	0	0	0



6.6 – Disciplinary action for the period 1 April 2018 to 31 March 2019

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	5	0	0	0	11	0	0	0	16
Written Warning	2	0	0	0	0	0	0	0	2
Correctional Counseling	1	0	0	0	0	0	0	0	1
Verbal Warning	0	0	0	0	0	0	0	0	0
Suspended Without pay	5	0	0	0	1	0	0	0	6
Fine)	0	0	0	0	0	0	0	0	0
Demotion	0	0	0	0	0	0	0	0	0
Dismissal	1	0	1	0	0	0	0	0	2
Not guilty	8	0	0	0	1	0	0	0	9
Case withdrawn	0	0	0	0	0	0	0	0	0
Official resigned	1	0	0	0	0	0	0	0	1
Total	23	0	1	0	13	0	0	0	37

6.7 – Skills development for the period 1 April 2018 to 31 March 2019

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	76	0	12	6	108	0	8	5	215
Professionals	49	1	2	9	21	0	5	1	88
Technicians and associate professionals	30	0	8	1	26	1	5	0	71
Clerks	186	0	12	1	528	0	25	2	754
Service & sales workers	9	0	0	0	1	0	0	0	10
Skilled agricult & fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	79	0	0	0	23	0	0	0	102
Total	429	1	34	17	707	1	43	8	1240

6.8 Signing of Performance Agreements by SMS Members

Table 6.8.1 Signing of Performance Agreements by SMS members as at 31 March 2019

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of performance agreements signed	Signed performance agreements as a % of total number of SMS members
Head of Department	1	1	1	0
Salary level 16	1	0	0	0
Salary Level 15	4	4	4	2%
Salary Level 14	1	1	1	0
Salary Level 13	23	23	23	97%
Total	30	29	29	99%

Table 6.8.2 *Reasons for not having concluded Performance agreements for all SMS members on 31 March 2019*

Reasons
Not applicable

Table 6.8.3 *Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017*

Reasons
Not applicable



7. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 6.1), salary bands (table 6.2) and critical occupations (Table 6.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 01/04/2017 – 31/03/2018

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost R,000 (Actual)	Average cost per employee (R,000)
African Female	333	678	57.00	3,483.02	10.46
African Male	454	799	56.80	3,718.32	8.19
Asian Female	36	51	70.80	478.96	13.30
Asian Male	36	53	67.90	538.46	14.96
Coloured Female	8	13	61.50	70.76	8.85
Coloured Male	1	6	16.70	28.06	28.06
White Female	24	35	68.60	322.54	13.44
White Male	12	22	54.50	309.71	25.81
Employees with a disability	16	30	53.30	120.87	7.55
Permanent (Other)					
Total	920	1687	58.30	9,070.69	9.86

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2017 to 31 March 2018

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee R,000	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	11	86	12.80	44.03		0.01
Skilled (Levels 3-5)	512	723	70.80	2,815	5,3	0.3
Highly skilled production (Levels 6-8)	297	470	63.20	3,142.76		0.4
Highly skilled supervision (Levels 9-12)	129	231	55.80	2,531.09	21,1	0.3
Contract (Level 1-2)	0	40	0	0	0	0
Contract (Level 3-5)	0	5	0	0	0	0
Contract (Level 6-8)	0	2	0	0	0	0
Contract (Level 9-12)	3	43	9.1	86	28,7	0.02
Contract (Other)	0	0	0	0	0	0
Periodical Remuneration	0	14	0	0	0	0
Total	1072	1646	36.7	8,703	8,9	10.6

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2017 to 31 March 2018

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees as at 1 April 2017	% of total within occupation	Total Cost (R'000)	Average cost per employee
Engineer	2	13	15.38%	319.25	159.63
Architect	6	16	37.5%	319.25	53.20
Quant Surveyor	6	23	26.1%	319.25	53.20
Construction Project Manager	7	32	21.86%	319.25	45.60
Total	21	84	19.8%	663	31.57

TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	% of SMS Wage Bill	Total cost as a % of the total personnel expenditure	Personnel cost SMS(R'000)
	Number of beneficiaries	Number of employees	% of total within band				
Band A	21	30	70	374,47	24964.50	1.40	57.1
Band B	0	1	0	31,658	0	0	0
Total	21	30	70	374.47	24964.50	1.40	57.3



8. Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 – Foreign Workers, 1 April 2018 to 31 March 2019, by salary band

Salary Band	1 April 2018		31 March 2019		Change		Total Employment @Beginning of Period	Total Employment at End of period	Total Change in Employment
	Number	% of total	Number	% of total	Number	% change			
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	1	0.1	1	0.1	0	0	1	1	0
Highly skilled supervision (Levels 9-12)	5	0.3	4	0.3	-1	100	5	4	-1
Senior management (Levels 13-16)	0	0	0	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0	0	0	0
Contract (Levels 9-12)	1	0.1	1	0.1	0	0	1	1	0
Total	7	0.3	6	0.3	-1	100	7	6	-1

TABLE 8.2 – Foreign Worker, 1 April 2018 to 31 March 2019, by major occupation

Major Occupation	1 April 2018		31 March 2019		Change		Total	Total	Total
	Number	% of total	Number	% of total	Number	% change			
Professionals and managers	7	0.3	6	0.3	-1	14.7	6	7	-1
Technicians and associated professionals									
Total	7	0.3	6	0.3	16.7	6	7	-1	

9. Leave utilization for the period 1 January 2018 to 31 March 2019

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 January 2018 to 31 December 2018

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)	Total number of employees using sick leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	204	89.7	28	2.1	7	94	1327	183
Skilled (Levels 3-5)	4560	86.7	593	44.7	8	2,711	1327	3955
Highly Skilled production (levels 6-8)	3358	82.1	425	32	8	3,784	1327	2757
Highly Skilled Production (levels 9-12)	1422	85.1	197	14.8	7	2,708	1327	1210
Senior management (levels 13-16)	144	79.9	25	1.9	6	482	1327	115
Contract (Levels 1-2)	25	96	5	0.4	5	10	1327	24
Contract (Levels 3-5)	80	82.5	15	1.1	5	54	1327	66
Contract (Levels 6-8)	47	87.2	11	0.8	4	48	1327	41
Contract (Levels 9-12)	122	84.4	27	2	5	224	1327	103
Contract (Levels 13-16)	2	0	1	0.1	2	7	1327	0
Total	9964	84.8	1327	72%	8	10,122	1327	8454

**TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2018 to 31 December 2018**

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)	Total Days taken	Total employee using disability leave
Lower skilled (Levels 1-2)	124	100	7	4.2	18	55	124	165
Skilled (Levels 3-5)	1532	100	72	43.4	21	915	1532	165
Highly skilled production (Levels 6-8)	1432	100	65	39.2	22	1,675	1432	165
Highly skilled supervision (Levels 9-12)	370	100	20	12	19	719	370	165
Snr management (Levels 13-16)	16	100	1	0.6	16	53	16	165
Contract (Levels 9-12)	0	0	0	0	0	0	0	0
Contract (Level 13-16)	0	0	0	0	0	0	0	0
Total	3474	100	165	100	21.1	3,417	3474	165

Table 9.3 summarizes the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual Leave, 1 January 2018 to 31 December 2018

Salary Bands	Total days taken	Average days per employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	955	25.13	38
Skilled Levels 3-5)	24,102.17	25.94	929
Highly skilled production (Levels 6-8)	13,878	24.43	568
Highly skilled supervision (Levels 9-12)	5,739.92	21.66	265
Senior management (Levels 13-16)	900	21.95	41
Contract (Levels 1-2)	72	8	9
Contract (Levels 3-5)	178	10.47	17
Contract (Levels 6-8)	163	10.86	15
Contract (Levels 9-12)	798	17.34	46
Contract (Other)	79	26.3	3
Total	46,865.09	24	1931

TABLE 9.4 – Capped leave, 1 January 2018 to 31 December 2018

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31/12/2018	Number of employees who took Capped leave	Total number of capped leave available as at 31/12/2018	Number of employees as at 31/12/2018
Lower skilled (Levels 1-2)	2	2	80	1	1,605	20
Skilled Levels 3-5)	105	10	82	11	44,167	536
Highly skilled production (Levels 6-	116	15	100	8	23,594	235
Highly skilled supervision (Levels 9-12)	9	5	84	2	4,857	58
Total	232	11	87	22	74,223	1931

TABLE 9.5 – Leave payouts for the period 1 April 2018 to 31 March 2019

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2018/19 due to non-utilization of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2018/19	5,759	95	60.621
Current leave payout on termination of service for 2018/19	280	38	7.368
Total	6,039	133	45.406



10. HIV/AIDS & Health Promotion Programmes

TABLE 10.1 – 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
Staff between salary levels 1-7 involved in the line function i.e workshop staff, grass cutters, cleaners, due to accidents, which may occur on site. All professional and technical staff that interacts with this vulnerable group is at risk for exposure to TB and to other occupational hazards.	Safety training has been conducted for staff. Ensuring that Regions have dedicated Safety Officers to ensure safe work practices and procedures. Provision of protective clothing first aid kits. Provision of Safety Equipment to all professional staff and undertake safety training for professionals, which has commenced and will continue.

TABLE 10.2 – Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions of the Public Service Regulations, 2016? If so, provide her/his name and position.	✓		The EHW component falls under Human Resource Management (HRM). Mr GB Sithole: Director
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		8 dedicated staff members within the EHW component at both regions and Head Office: Deputy Director: Ms ZL Mtolo, Assistant Director: Ms NP Mlotshwa, EHW: Practitioner: Ms NH Khumalo, EHW Practitioner: Mr VS Masinga, Southern Region: Assistant Director: Ms NO Goba, Mrs Zama Ndebele Practitioner, North Coast Region: Ms T Ndlovu, Mr Tarzan Ntsele, EThekweni Region: Ms Nandipha Mathonsi, Assistant Director Mr S Dlodla and Midlands Region: Ms Dolly Hlongwane, Ms N Mabizela: Assistant Director. Financial restrictions, no dedicated budget allocated for EHW
3. Has the department introduced an Employee Health and Wellness or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		Employee Wellness Management (iro all chronic illnesses) HIV/AIDS and TB Management Health & Productivity Management iro bereavement, personal problems, stress, rehabilitation, financial wellness, etc. SHERQ, e.g medical surveillance
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.		✓	Reporting on the broad aspects of Employee Health and Wellness, including HIV/ AIDS is done through the Labour Relations/ Employment Equity Consultative (LAREE) Forum.
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.	✓		EHWP, HIV and AIDS Workplace Policy, Recruitment 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.	✓		Use of reference numbers for each employee instead of the name. Use of these numbers on all documentation and even on itineraries for use of vehicles to take employees to Doctors. Awareness training for all staff members to break the stigma and consequent discrimination.

11. Labour Relations

The following collective agreements were entered into with trade unions within the department.

TABLE 11.1 – Collective agreements, 1 April 2018 to 31 March 2019

Subject Matter	Date
Dispute Resolution Proceeding	0
Roles of Conduct of Proceeding before PSCBC	0
Long Service Reward	0
Establishment of Provincial Chambers of PSCBC	0
Agency Shop Agreement	0
Appointment for a period of arbitrators and conciliators	0
Organizational rights	0
	0

If there were no agreements, then use the following table

Total collective agreements	0
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2018 to 31 March 2019

Outcomes of disciplinary hearings	Number	% of total
Final written warning	24	65%
Official Resigned	2	5%
Not Guilty	1	3%
Suspended without pay	3	8%
Written warning	0	0
Verbal warning	0	0
Correctional counseling	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Case withdrawn	1	11%
Pending	1	3%
Total	32	100%

If there were no disciplinary hearings, then use the following table

Disciplinary hearings – 2018/19	N/a
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TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Negligence	2	5%
Intimidating Threats	0	0
Unsatisfactory work performance	0	0
Coming to work under influence of alcohol	0	0
Use of abusive language	1	3%
Abuse of State equipment viz. Telephone	0	0
Failure to adhere to official hours	0	0
Failure to comply with leave procedure	0	0
Failure to comply with given instructions	22	59%
Assault	0	0
Failure to attend a counseling session	0	0
Unauthorized absence	3	8%
Theft	0	0
Social grant	1	3%
Other	8	22%
Total	37	100%

TABLE 11.4 – Grievances lodged for the period 1 April 2018 to 31 March 2019

	Number	% of Total
Number of grievances resolved	28	88%
Number of grievances not resolved	4	12%
Total	32	100%

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2018 to 31 March 2019

	Number	% of Total
Number of disputes upheld	3	15%
Number of disputes dismissed	9	45%
Disputes pending	8	40%
Total	20	100%

TABLE 11.6 – Strike actions for the period 1 April 2018 to 31 March 2019

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

TABLE 11.7 – Precautionary suspensions – 01/04/ 2018 to 31/03/2019

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

12. Skills development:

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

12.1 – Training needs identified 1 April 2018 to 31 March 2019

Occupational Categories	Gender	Number of employees as at 1 April 2018	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legisl, snr offs and managers	Female	93	0	22	0	22
	Male	94	0	32	0	32
Professionals	Female	31	0	30	0	30
	Male	45	0	59	0	59
Technicians & assoc prof.	Female	67	0	32	0	32
	Male	101	0	38	19	57
Clerks	Female	475	0	173	33	206
	Male	228	0	82	4	86
Service & sales workers	Female	15	0	0	0	0
	Male	80	0	0	0	0
Skilled agric & fish workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trade Workers	Female	63	0	0	0	0
	Male	292	0	14	47	61
Plant & mach oper & assem	Female	3	0	0	0	0
	Male	61	0	13	0	13
Elementary occupations	Female	1	0	14	36	50
	Male	89	0	22	16	38
Sub Total	Female	748	0	271	93	362
	Male	990	0	260	86	346
Total		1738	0	529	179	708



12.2 – Training provided 1 April 2018 to 31 March 2019

Occupational Categories	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	93	0	118	3	121
	Male	94	0	92	3	95
Professionals	Female	31	0	64	1	65
	Male	45	0	85	6	91
Technicians and associate professionals	Female	67	0	65	0	65
	Male	101	0	89	0	89
Clerks	Female	475	0	219	75	294
	Male	268	0	165	54	219
Service and sales workers	Female	15	0	1	0	1
	Male	89	0	9	0	3
Community and personal service workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	63	0	13	0	13
	Male	292	0	54	0	54
Plant and machine operators and assemblers	Female	3	0	0	0	0
	Male	61	0	4	0	4
Elementary occupations	Female	1	0	6	0	6
	Male	89	0	32	0	32
Sub Total	Female	748	0	486	79	565
	Male	990	0	524	63	587
Total		1738	0	1010	142	1152

13. Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2018 to 31 March 2019

Nature of injury on duty	Number	% of total
Required basic medical attention only	04	99%
Temporary Total Disablement	0	0
Permanent Disablement	1	1%
Fatal	0	0
Total	05	100%



14. Utilization of Consultants 1 April 2018 to 31 March 2019

Table 14.1 – Report on consultant appointments using appropriated funds

No	WIMS No	PROJECT NAME	DISCIPLINE	SERVICE DESCRIPTION	CONSULTANT AWARDED	APPOINTMENT DATE
1	68451	North Coast Region	Electrical	Upgrade and additions	Ulungeni Consulting (Pty) Ltd	04/04/2018
2	68170	Legislature	Mechanical	Redesign and replacement of HVAC	Mekan Engineering Services	04/04/2018
3	66083	Northdale Hospital	Mechanical	assess the central air-conditioning system and electrical installation and provide recommendations	Mekan Engineering Services	04/04/2018
4	366058	Driefontein Clinic	Civil (PA)	Upgrade of sewer treatment plant	Map Africa	8/05/2018
5	648751	Prince Mshiyeni Hospital	Mechanical Engineer	MV Switchgear replacement	SSA	15/08/2018
6	685095	ST Chads CHC	Civil (PA)	New Construction	Map Africa	15/08/2018
7	69 1688	Mandla Mthethwa Comprehensive H/ School	Civil Engineer	Assessment and improvement of storm water management system	Map Africa	26/04/2018
8	68751	Prince Mshiyeni Hospital	Mechanical Engineer	MV Switchgear replacement	SSA	15/08/2018
9	69185	Mandla Mthethwa Comprehensive H/ School	Electrical	Remove of existing 100kva generator and relocate to other facility and 10n stallation of a new 300kva Genset	Mekan Engineering	27/08/2018
10	69295	ENYOKENI Royal Palace	ELECTRICAL / MECHANICAL	Construction of six rondavels	Mekan Engineering Services	03/09/2018
11	69295	ENYOKENI Royal Palace	CIVIL / STRUCTURAL	Construction of six rondavels	Anderson Vogt Consulting	03/09/2018
12	67484	Greys Hospital	Mechanical Engineer	Restoration of HVAC system	Mekan Engineering Services	16/11/2018
13	68751	Addington Hospital	QS	Renovations to Nurse's College Residences	NCM QS	20/09/2018
14	68751	Addington Hospital	Structural	Renovations to Nurse's College Residences	Thekweni Geocivils	20/09/2018
15	68751	Addington Hospital	Civil	Renovations to Nurse's College Residences	Thekweni Geocivils	20/09/2018
16	68751	Addington Hospital	Architect	Renovations to Nurse's College Residences	Arktek 4	20/09/2018
17	42541	Inkandla Local Office	Civil	Rehabilitation and upgrade of Local Office	Map Africa Consulting Engineers	20/09/2018
18	69189	Mandla Mthethwa Comprehensive H/ School	Electrical/ Mechanical	Install additional air conditioners , 20 staff houses, 5 units in Block D	Mekan Engineering	27/09/2018
19	62267	Masons/Copesville Clinic	land Surveyor	Application for re-zoning	MHP Geomatics Incorporated	20/11/2018

20	69233	Mondlo: Social Development	land Surveyor	Construction of new offices	MHP Geomatics Incorporated	20/11/2018
21	69 187	Mandla Mthethwa Comprehensive H/ School	Civil Engineer	Upgrade and additions	Map Africa	4/12/2018
22	69 187	Mandla Mthethwa Comprehensive H/ School	Mechanical,	Upgrade and additions	Empower Professional Services	18/12/2018
23	69 187	Mandla Mthethwa Comprehensive H/ School	Electrical	Upgrade and additions	Empower Professional Services	18/12/2018
24	67939	Addington: Nurse's College	mechanical engineer	Investigation of nurses' college	Mekan Engineering Services	4/12/2018
25	67939	Addington: Nurse's College	Electrical Engineer	Investigation of nurses' college	Hamsa Consulting Engineers	4/12/2018
26	55151	ERF 618: GAMALAKHE	Land Surveyor	Sub-divion and re-zoning	MHP GEOMATICS INC	10/12/2018
27	70205	Greenheights Primary School	Land Surveyor	Remedial Works Associated with collapsed Embankment	MHP GEOMATICS INC	10/12/2018
28	53786	ERF 1027 Argosy Farm Hopewell Clinic: Survey, sub-division nad rezoning of vacant land	Land Surveyor	Application for re-zoning	MHP GEOMATICS INC	10/12/2018
29	69765	Umgungundlovu, Ugu,	Mechanical Engineer	Rendering of mechanical services: maintenance services for 3 District offices	Mekan Engineering Services	7/01/2019
30	55925	Ulundi Cost Centre	QS, Civil, Structural, Mechanical, Land Surveyor, Geotech	Upgrade and additions	Ukuxza Consulting	21/01/2019
31	65202	35 Ridge road local house	Architect (PA)	conversion of Ugu Local House to office accommodation	Iqhaya Design Workshop	26/03/2018
32	69 187	Mandla Mthethwa Comprehensive H/ School	QS	Upgrade and additions	Pro QS Vryheid	27/02/2019

**Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of PREFERENTIAL PROCUREMENT REGULATIONS 2018****AWARDS MADE TO PROFESSIONAL SERVICE PROVIDERS (PSP) CURRENT TERM 2018/2019**

NO	FINAN- CIAL YEAR	VALUE OF FEES	ASIAN MAN	ASIAN WOMAN	BLACK MAN	BLACK WOMAN	COL- OURED MAN	COL- OURED WOMAN	WHITE MAN	WHITE WOMAN	YOUTH	DISAB- LED
1.	2018/19	R 6 049 574	17%	2%	43%	6%	0%	2%	30%	0%	1%	0%

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: In Months	Donor and Contract value in Rand
			NONE

Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
			NONE



PART E: FINANCIAL MANAGEMENT



Audit report for the year ended 31 March 2019

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 14: KwaZulu-Natal Department of Public Works

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the KwaZulu-Natal Department of Public Works set out on pages 111 to 204, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, 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 effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the KwaZulu-Natal Department of Public Works as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (DoRA).

Basis for qualified opinion

Immovable tangible capital assets

3. The department did not correctly record and classify payments relating to the development of intangible assets in the accounting records as required by Modified Cash Standard, Chapter 11: Capital Assets. The department adjusted their current and corresponding figure in the financial statements by R39,26 million to include work in progress on intangible assets, which was not in accordance with the MCS requirements. I was unable to determine the full extent of the misstatement and I could not confirm the work in progress by alternative means. Consequently, I was unable to determine the full extent of the work in progress stated at R73,58 million in note 31.4 to the financial statements and the corresponding figure of R69,29 million as it was impractical to do so.
4. The department did not use the correct values to record the adjustments to prior year additions in note 31.3 as required by Modified Cash Standard, Chapter 4: Accounting Policies, Estimates and Errors and Chapter 11: Capital Assets. Consequently, the restated 2017-18 immovable tangible capital assets closing balance of R17,87 billion disclosed in note 31 to the financial statements was overstated by R21,09 million. I was unable to determine the full extent of immovable tangible capital assets stated at R17,93 billion in note 31 to the financial statements as it was impractical to do so.

Context for the opinion

5. 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 this auditor's report.
6. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA codes) as well as 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 codes.

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

Emphasis of matter

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

Material impairments

9. As disclosed in note 15.7 to the financial statements, impairment of R 99,35 million (2017-18: R115,61 million) relating to claims recoverable was recorded as a result of significant delays and defaults by other departments.

Other matter

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 108 to 109 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 accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by National Treasury and the requirements of the 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.
13. In preparing the financial statements, the accounting officer is responsible for assessing the KwaZulu Natal Department of Public Works' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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



Report on the audit of the annual performance report

Introduction and scope

16. 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.
17. 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 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.
18. 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 2019:

Programmes	Pages in the annual performance report
Programme 2: Property management	35-38
Programme 3: Provision of buildings, structures and equipment	39-46

19. 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.
20. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2: Property management

21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

Programme 3: Provision of buildings, structures and equipment

Growth in the number of new small contractors.

22. I was unable to obtain sufficient appropriate audit evidence and confirm by alternative means the reported achievement for the target of 200. Consequently, I was unable to determine whether any adjustments were required to the achievement of 1609 as reported in the annual performance report.

No. of work opportunities reported in the EPWP-RS by public bodies aligned to the approved EPWP phase III business plan

23. I was unable to obtain sufficient appropriate audit evidence and confirm by alternative means the reported achievement for the target of 191 423. Consequently, I was unable to determine whether any adjustments were required to the achievement of 223 940 as reported in the annual performance report.

No. of Expanded Public Works Programme (EPWP) work opportunities created by the provincial department of public works

24. The reported achievement of 6157 for the target of 6000 is not reliable as the department did not have an adequate performance management system. In some instances, I was unable to obtain sufficient appropriate audit evidence. In other instances, the evidence provided supported an achievement of 8312. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

Various indicators

25. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Reported achievement	Audited value
Number of full time equivalents (FTEs) created by the department of public works/roads	987	1 200
No. of capital infrastructure projects completed within the agreed time period	19	15

Other matters

26. I draw attention to the matters below:

Achievement of planned targets

27. The annual performance report on page x to x sets out information on the achievement of planned targets for the year and explanations provided for the overachievement of a significant number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 22 to 25 of this report.

Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 2: Property management and Programme 3: Provision of buildings, structures and equipment. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.



Report on the audit of compliance with legislation

Introduction and scope

28. 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.
30. The material findings on compliance with specific matters in key legislations are as follows:

Strategic planning and performance management

31. Specific information systems were not established to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by Public Service Regulation 25(1)(e)(i) and (iii).

Annual financial statements

32. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1) (a) and (b) of the PFMA. Material misstatements of receivables and disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

33. Effective and appropriate steps were not taken to prevent irregular expenditure 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.
34. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Procurement and contract management

35. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer although it was practical to invite competitive bids, as required by treasury regulations 16A6.1 and 16A6.4.
36. Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).
37. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2.

Consequence management

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

Utilisation of conditional grants

39. The expanded public works programme integrated grant for provinces was not spent in accordance with the applicable framework, as required by section 17(1) of the Dora.

Other information

40. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
41. 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.
42. 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.
43. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

44. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
45. Leadership did not effectively monitor the financial, performance and compliance reporting processes.
46. Management did not adequately implement controls to ensure that regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information were prepared.

Other reports

47. I draw attention to the following engagements conducted by various parties that have or could potentially have an impact on the department's financial statements, reported performance information and compliance with applicable legislation and other related matters. The reports noted do not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.



48. The shared internal audit unit for departments in the province performed 17 investigations, which covered the period 2011 to 2019. The investigations were initiated based on allegations of possible irregularities with tender processes within the department, leasing of state houses, other lease rentals, appointments, possible fraudulent activities on the Works Information Management System (WIMS) and possible fraudulent activities with the illegal sale of provincial state land. Of the 17 investigations, 10 cases are currently in progress and 7 were finalised. Of the finalised cases, recommendations were implemented for 3 cases, and implementation of recommendations for 4 cases are still in progress at the date of this report.

Auditor-General

Pietermaritzburg

2 September 2019



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 this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the KwaZulu Natal Department of Public Works 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 this auditor's report. However, future events or conditions may cause a department to cease continuing 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, where applicable, related safeguards.



ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

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APPROPRIATION STATEMENT
for the year ended 31 March 2019

Appropriation per programme									
2018/19								2017/18	
	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
1. Programme 1									
Current payment	380 195	-	3 661	383 856	383 856	-	100.0%	355 985	355 776
Transfers and subsidies	8 647	-	2 471	11 118	11 118	-	100.0%	8 365	8 365
Payment for capital assets	17 946	-	2 240	20 186	20 186	-	100.0%	20 972	20 238
Payment for financial assets	-	-	187	187	187	-	100.0%	-	134
	406 788	-	8 559	415 347	415 347	-	100.0%	385 322	384 513
2. Programme 2									
Current payment	84 382	-	(3 959)	80 423	77 761	2 662	96.7%	82 980	72 936
Transfers and subsidies	690 974	-	35 290	726 264	729 034	(2 770)	100.4%	617 614	627 878
Payment for capital assets	237	-	-	237	129	108	54.4%	220	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
	775 593	-	31 331	806 924	806 924	-	100.0%	700 814	700 814
3. Programme 3									
Current payment	459 693	-	(38 621)	421 072	420 571	501	99.9%	407 234	407 407
Transfers and subsidies	2 968	-	971	3 939	3 939	-	100.0%	3 310	3 310
Payment for capital assets	35 969	-	(2 240)	33 729	26 699	7 030	79.2%	46 137	39 634
Payment for financial assets	-	-	-	-	2 098	(2 098)	-	-	953
	498 630	-	(39 890)	458 740	453 307	5 433	98.8%	456 681	451 304
Subtotal	1 681 011	-	-	1 681 011	1 675 578	5 433	99.7%	1 542 817	1 536 631



APPROPRIATION STATEMENT
for the year ended 31 March 2019

Voted funds and Direct charges	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
Programme									
1. Administration	406 788	-	8 559	415 347	415 347	-	100.0%	385 322	384 513
2. Property Management	775 593	-	31 331	806 924	806 924	-	100.0%	700 814	700 814
3. Provision of Buildings, Structures and Equipment	498 630	-	(39 890)	458 740	453 307	5 433	98.8%	456 681	451 304
TOTAL	1 681 011	-	-	1 681 011	1 675 578	5 433	99.7%	1 542 817	1 536 631
2018/19									
TOTAL (brought forward)				Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				12 026				9 031	
Aid assistance								-	
Actual amounts per statement of financial performance (total revenue)				1 693 037				1 551 848	
ADD									
Aid assistance									
Prior year unauthorised expenditure approved without funding									
Actual amounts per statement of financial performance (total expenditure)					1 675 578				1 536 631

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Appropriation per economic classification									
	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	651 719	-	(34 354)	617 365	617 365	-	100.0%	581 342	581 342
Goods and services	272 551	-	(4 565)	267 986	264 823	3 163	98.8%	264 856	254 776
Interest and rent on land	-	-	-	-	-	-	-	1	1
Transfers and subsidies									
Provinces and municipalities	690 934	-	35 174	726 108	728 957	(2 849)	100.4%	617 741	627 881
Departmental agencies and accounts	517	-	-	517	488	29	94.4%	490	415
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	95	-	-	95	-	95	-	100	95
Households	11 043	-	3 558	14 601	14 646	(45)	100.3%	10 958	11 162
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	34 445	-	(1 886)	32 559	25 529	7 030	78.4%	45 333	39 546
Machinery and equipment	15 707	-	1 525	17 232	17 124	108	99.4%	15 434	13 764
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	4 000	-	361	4 361	4 361	-	100.0%	6 562	6 562
Payments for financial assets									
	-	-	187	187	2 285	(2 098)	1221.9%	-	1 087
Total	1 681 011	-	-	1 681 011	1 675 578	5 433	99.7%	1 542 817	1 536 631



Statutory Appropriation									
Direct changes against the National/Provincial Revenue Fund	2018/19						2017/18		
	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
List all direct charges against the National/Provincial Revenue Fund President and Deputy President salaries Member of executive committee / parliamentary officers Judges and magistrates salaries Sector education and training authorities (SETA) National Skills Fund									
Total									

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Detail per Programme 1 Administration									
Detail per sub-programme	2018/19					2017/18			
	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
1.1 Minister's Support									
Current payment	12 703	-	(2 117)	10 586	10 586	-	100.0%	10 971	10 971
Transfers and subsidies	108	-	-	108	10	98	9.3%	128	99
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.2 Management									
Current payment	367 492	-	5 778	373 270	373 270	-	100.0%	345 014	344 805
Transfers and subsidies	8 539	-	2 471	11 010	11 108	(98)	100.9%	8 237	8 266
Payment for capital assets	17 946	-	2 240	20 186	20 186	-	100.0%	20 972	20 238
Payment for financial assets	-	-	187	187	187	-	100.0%	-	134
Total	393 977	-	10 676	404 653	404 751	(98)	100.0%	374 223	373 443

APPROPRIATION STATEMENT
for the year ended 31 March 2019



public works

Department:
Public Works
PROVINCE OF KWAZULU-NATAL

Programme 1 Per Economic classification	2018/19							2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	301 915	-	1 145	303 060	303 060	-	100.0%	284 716	284 716
Goods and services	78 280	-	2 516	80 796	80 796	-	100.0%	71 268	71 059
Interest and rent on land	-	-	-	-	-	-	-	1	1
Transfers and subsidies to:									
Provinces and municipalities	307	-	-	307	381	(74)	124.1%	246	160
Departmental agencies and accounts	502	-	-	502	488	14	97.2%	457	415
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	95	-	-	95	-	95	-	100	95
Households	7 743	-	2 471	10 214	10 249	(35)	100.3%	7 562	7 695
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	13 946	-	1 879	15 825	15 825	-	100.0%	14 410	13 676
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	4 000	-	361	4 361	4 361	-	100.0%	6 562	6 562
Payments for financial assets									
	-	-	187	187	187	-	100.0%	-	134
Total	406 788	-	8 559	415 347	415 347	-	100.0%	385 322	384 513

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Detail per Programme 2 Property Management									
Detail per sub-programme	2018/19					2017/18			
	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
2.1 Personnel & Admin Related									
Current payment	84 037	-	(3 739)	80 298	77 636	2 662	96.7%	82 673	72 868
Transfers and subsidies	690 974	-	35 290	726 264	729 034	(2 770)	100.4%	617 614	627 878
Payment for capital assets	237	-	-	237	129	108	54.4%	220	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.2 Hiring									
Current payment	-	-	-	-	-	-	-	75	28
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.3 Acquisition of Land, Control & Disposal									
Current payment	345	-	(220)	125	125	-	100.0%	232	40
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	775 593	-	31 331	806 924	806 924	-	100.0%	700 814	700 814

APPROPRIATION STATEMENT
for the year ended 31 March 2019



public works

Department:
Public Works
PROVINCE OF KWAZULU-NATAL

Programme 2 Per Economic classification	2018/19							2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	56 418	-	(1 756)	54 662	54 662	-	100.0%	52 195	52 195
Goods and services	27 964	-	(2 203)	25 761	23 099	2 662	89.7%	30 785	20 741
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	690 627	-	35 174	725 801	728 576	(2 775)	100.4%	617 495	627 721
Departmental agencies and accounts	5	-	-	5	-	5	-	5	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	342	-	116	458	458	-	100.0%	114	157
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	237	-	-	237	129	108	54.4%	220	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
Total	775 593	-	31 331	806 924	806 924	-	100.0%	700 814	700 814

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Detail per Programme 3 Provision of Buildings Structures and Equipment									
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2017/18	
								Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Personnel & Admin Related									
Current payment	446 837	-	(41 754)	405 083	404 602	481	99.9%	383 937	383 937
Transfers and subsidies	2 968	-	971	3 939	3 939	-	100.0%	3 310	3 310
Payment for capital assets	1 515	-	(345)	1 170	1 170	-	100.0%	782	88
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.2 Buildings & Structures									
Current payment	12 856	-	3 133	15 989	15 969	20	99.9%	23 297	23 470
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	34 454	-	(1 895)	32 559	25 529	7 030	78.4%	45 355	39 546
Payment for financial assets	-	-	-	-	2 098	(2 098)	-	-	953
Total	498 630	-	(39 890)	458 740	453 307	5 433	98.8%	456 681	451 304



APPROPRIATION STATEMENT
for the year ended 31 March 2019

Programme 3 Per Economic classification	2018/19							2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	293 386	-	(33 743)	259 643	259 643	-	100.0%	244 431	244 431
Goods and services	166 307	-	(4 878)	161 429	160 928	501	99.7%	162 803	162 976
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	10	-	-	10	-	10	-	28	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 958	-	971	3 929	3 939	(10)	100.3%	3 282	3 310
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	34 445	-	(1 886)	32 559	25 529	7 030	78.4%	45 333	39 546
Machinery and equipment	1 524	-	(354)	1 170	1 170	-	100.0%	804	88
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
Total	498 630	-	(39 890)	458 740	453 307	(2 098)	-	456 681	451 304
							98.8%		953

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2019

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

Detail of these transactions can be viewed in the note on Transfers and subsidies and Annexure 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 to 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	415 347	415 347	0.00	0.00%
	Property Management	806 924	806 924	0.00	0,00%
	Provision of buildings, Structures and equipment	458 740	453 307	5 433	1%

**NOTES TO THE APPROPRIATION STATEMENT**
for the year ended 31 March 2019**4.2 Per economic classification:**

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Current expenditure				
Compensation of employees	617 365	617 365	-	100.0%
Goods and services	267 986	264 823	3 163	98.8%
Interest and rent on land	-	-	-	0.0%
Transfers and subsidies				
Provinces and municipalities	726 108	728 957	-2 849	100.4%
Departmental agencies and accounts	517	488	29	94.4%
Higher education institutions	-	-	-	0.0%
Public corporations and private enterprises	-	-	-	0.0%
Foreign governments and international organisations	-	-	-	0.0%
Non-profit institutions	95	-	95	0.0%
Households	14 601	14 646	-45	100.3%
Payments for capital assets				
Buildings and other fixed structures	30 461	25 529	4 932	83.8%
Machinery and equipment	17 232	17 124	108	99.4%
Heritage assets	-	-	-	0.0%
Specialised military assets	-	-	-	0.0%
Biological assets	-	-	-	0.0%
Land and subsoil assets	-	-	-	0.0%
Software and other intangible assets	4 361	4 361	-	100.0%
Payments for financial assets	2 285	2 285	-	100.0%

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2019

The under-expenditure of the budget allocation largely relates to slower than anticipated progress on infrastructure projects such as design co-ordination issues and inclement weather in the construction of the iLembe District new office building, delays in awarding the contract for the Legislature Assembly (LA) Complex in Ulundi, as well as the conversion of an existing workshop to a conference hall dining facility at the Mayville Conference Centre as well as lengthy procurement processes in appointing the health and safety agent to comply with building industry requirements for the refurbishment of the existing uMgungundlovu District office into the KZN Entrepreneurial Centre.

4.3	Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
	EPWP Inter Grant for Provinces	6 023	6 023	-	100%



STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018

	Note	2018/19 R'000	2017/18 R'000
REVENUE			
Annual appropriation	<u>1</u>	1 681 011	1 542 817
Statutory appropriation	<u>2</u>	-	-
Departmental revenue	<u>3</u>	12 026	9 031
NRF Receipts		-	-
Aid assistance	4	-	-
TOTAL REVENUE		1 693 037	1 551 848
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>5</u>	617 365	581 344
Goods and services	<u>6</u>	264 822	254 775
Interest and rent on land	<u>7</u>	-	1
Aid assistance	4	-	-
Unauthorised expenditure approved without funding		-	-
Total current expenditure		882 187	836 120
Transfers and subsidies			
Transfers and subsidies	<u>9</u>	744 092	639 552
Aid assistance	4	-	-
Unauthorised expenditure approved without funding		-	-
Total transfers and subsidies		744 092	639 552
Expenditure for capital assets			
Tangible assets	<u>10</u>	42 653	53 310
Intangible assets	<u>10</u>	4 361	6 562
Unauthorised expenditure approved without funding	<u>11</u>	-	-
Total expenditure for capital assets		47 014	59 872
Payments for financial assets	<u>8</u>	2 285	1 087
TOTAL EXPENDITURE		1 675 578	1 536 631
SURPLUS/(DEFICIT) FOR THE YEAR		17 459	15 217

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		5 433	6 186
Annual appropriation		5 433	6 186
Conditional grants		-	-
Unconditional grants		-	-
Departmental revenue and NRF Receipts	2	12 026	9 031
Aid assistance	4	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		17 459	15 217

**STATEMENT OF FINANCIAL POSITION**
as at 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
ASSETS			
Current assets		362 037	442 292
Unauthorised expenditure	11	-	-
Cash and cash equivalents	12	41	41
Other financial assets	13	-	-
Prepayments and advances	14	-	-
Receivables	15	361 996	442 251
Loans	17	-	-
Aid assistance prepayments	4	-	-
Aid assistance receivable	4	-	-
Non-current assets		18 772	16 409
Investments		-	-
Receivables	15	18 772	16 409
Loans	17	-	-
Other financial assets	13	-	-
TOTAL ASSETS		380 809	458 701
LIABILITIES			
Current liabilities		373 872	453 930
Voted funds to be surrendered to the Revenue Fund	18	5 433	6 186
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	19	1 602	1 082
Bank overdraft	20	354 036	384 703
Payables	21	12 801	61 959
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	-	-
Non-current liabilities			
Payables	22	-	-
TOTAL LIABILITIES		373 872	453 930
NET ASSETS		6 937	4 771

STATEMENT OF FINANCIAL POSITION
as at 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		6 937	4 771
Retained funds		-	-
Revaluation reserves		-	-
		<hr/>	<hr/>
TOTAL		<hr/> 6 937 <hr/>	<hr/> 4 771 <hr/>

**STATEMENT OF CHANGES IN NET ASSETS**
for the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:			
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		4 771	3 734
Transfers:		2 166	1 037
Irrecoverable amounts written off	8.3	-	-
Debts revised		439	310
Debts recovered (included in departmental receipts)		-452	-534
Debts raised		2 179	1 261
Closing balance		6 937	4 771
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other		-	-
Closing balance		-	-
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
TOTAL		6 937	4 771

CASH FLOW STATEMENT
for the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 691 071	1 551 128
Annual appropriated funds received	1.1	1 681 011	1 542 817
Statutory appropriated funds received	2	-	-
Departmental revenue received	3	9 433	7 059
Interest received	3.3	627	1 252
NRF Receipts		-	-
Aid assistance received	4	-	-
Net (increase)/decrease in working capital		28 734	79 837
Surrendered to Revenue Fund		(17 692)	(15 376)
Surrendered to RDP Fund/Donor		-	-
Current payments		(882 187)	(836 119)
Interest paid	7	-	(1)
Payments for financial assets		(2 285)	(1 087)
Transfers and subsidies paid		(744 092)	(639 552)
Net cash flow available from operating activities	23	73 549	138 830
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	10	(47 014)	(59 872)
Proceeds from sale of capital assets	3.4	1 966	720
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(45 048)	(59 152)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		2 166	1 037
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		2 166	1 037
Net increase/(decrease) in cash and cash equivalents		30 667	80 715
Cash and cash equivalents at beginning of period		(384 662)	(465 377)
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	24	(353 995)	(384 662)



ACCOUNTING POLICIES
for the year ended 31 March 2019

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

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

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. 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.
7.2	Departmental revenue

ACCOUNTING POLICIES
for the year ended 31 March 2019

	<p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	Finance leases



ACCOUNTING POLICIES
for the year ended 31 March 2019

	<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">• cost, being the fair value of the asset; or• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the</p>

ACCOUNTING POLICIES
for the year ended 31 March 2019

	recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	Payables Payables recognised in the statement of financial position are recognised at cost.
16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</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>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</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</p>



ACCOUNTING POLICIES
for the year ended 31 March 2019

	impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
17	Provisions and Contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Commitments Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by 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	Unauthorised expenditure Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: <ul style="list-style-type: none">• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or• transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

ACCOUNTING POLICIES
for the year ended 31 March 2019

	<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>Irregular expenditure</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>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2019**1. Annual Appropriation****1.1 Annual Appropriation**

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

		2018/19		2017/18
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	415 347	415 347	-	385 322
Property Management	806 924	806 924	-	700 865
Provision of buildings, Structures and equipment	458 740	458 740	-	456 630
Total	1 681 011	1 681 011	-	1 542 817

1.2 Conditional grants

		2018/19 R'000	2017/18 R'000
Total grants received	47	<u>6 023</u>	<u>6 588</u>
Provincial grants included in Total Grants received		<u>-</u>	<u>-</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

2. Departmental revenue

	Note	2018/19	2017/18
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	8 366	5 844
Fines, penalties and forfeits	3.2	-	-
Interest, dividends and rent on land	3.3	1 198	1 954
Sales of capital assets	3.4	1 966	720
Transactions in financial assets and liabilities	3.5	496	513
Transfer received	3.6	-	-
Total revenue collected		12 026	9 031
Less: Own revenue included in appropriation	19	-	-
Departmental revenue collected		12 026	9 031

2.1 Sales of goods and services other than capital assets

	Note	2018/19	2017/18
		R'000	R'000
Sales of goods and services produced by the department	3	8 080	5 791
Sales by market establishment		4 964	4 367
Administrative fees		-	-
Other sales		3 116	1 424
Sales of scrap, waste and other used current goods		286	53
Total		8 366	5 844

2.2 Interest, dividends and rent on land

	Note	2018/19	2017/18
		R'000	R'000
Interest	2	627	1 252
Dividends		-	-
Rent on land		571	702
Total		1 198	1 954



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

2.3 Sale of capital assets

	<i>Note</i>	2018/19 R'000	2017/18 R'000
	<u>3</u>		
Tangible assets		1 966	720
Buildings and other fixed structures	<u>41</u>	1 323	-
Machinery and equipment	<u>39</u>	524	664
Specialised military assets	<u>39</u>	-	-
Land and subsoil assets	<u>41</u>	119	56
Biological assets	<u>39</u>	-	-
Intangible assets		-	-
Software		-	-
Mastheads and publishing titles	<u>40</u>	-	-
Patents, licences, copyright, brand names, trademarks	<u>40</u>	-	-
Recipes, formulae, prototypes, designs, models	<u>40</u>	-	-
Services and operating rights	<u>40</u>	-	-
Total		1 966	720

2.4 Transactions in financial assets and liabilities

	<i>Note</i>	2018/19 R'000	2017/18 R'000
	<u>3</u>		
Loans and advances		-	-
Receivables		384	489
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		112	24
Gains on GFECRA		-	-
Total		496	513

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

3. Compensation of employees
3.1 Salaries and Wages

	Note 5	2018/19 R'000	2017/18 R'000
Basic salary		427 833	404 074
Performance award		9 620	9 378
Service Based		1 989	990
Compensative/circumstantial		1 519	1 426
Periodic payments		4 460	3
Other non-pensionable allowances		82 579	79 841
Total		528 000	495 712

3.2 Social contributions

	Note	2018/19 R'000	2017/18 R'000
Employer contributions			
Pension		52 551	49 916
Medical		36 668	35 578
UIF		2	2
Bargaining council		144	136
Official unions and associations		-	-
Insurance		-	-
Total		89 365	85 632
 Total compensation of employees		 617 365	 581 344
 Average number of employees		 1 669	 1 702



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

4. Goods and services

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Administrative fees		2 492	1 296
Advertising		8 903	5 882
Minor assets	4.1	748	784
Bursaries (employees)		949	926
Catering		868	557
Communication		10 903	9 543
Computer services	4.2	23 871	23 600
Consultants: Business and advisory services		35 043	32 513
Infrastructure and planning services		-	-
Laboratory services		-	-
Scientific and technology services		-	-
Legal services		4 559	882
Contractors		1 477	913
Agency and support/ outsourced services		17 648	24 036
Entertainment		45	42
Audit cost – external	4.3	9 666	8 420
Fleet services		13 481	11 899
Inventory		-	-
Consumables	4.4	8 852	7 292
Housing		-	-
Operating leases		4 834	4 280
Property payments	4.5	89 561	95 564
Rental and hiring		-	311
Transport provided as part of the departmental activities		360	48
Travel and subsistence	4.6	13 081	11 966
Venues and facilities		277	-
Training and development		14 975	12 506
Other operating expenditure	4.7	2 229	1 515
Total		264 822	254 775

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

4.1 Minor assets

	<i>Note</i> 4	2018/19 R'000	2017/18 R'000
Tangible assets		748	784
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		748	784
Transport assets		-	-
Specialised military assets		-	-
Intangible assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Receipts, formulae, prototypes, designs		-	-
Services and operating rights		-	-
Total		748	784

4.2 Computer services

	<i>Note</i> 4	2018/19 R'000	2017/18 R'000
SITA computer services		20 378	17 913
External computer service providers		3 493	5 687
Total		23 871	23 600

4.3 Audit cost – External

	<i>Note</i> 6	2018/19 R'000	2017/18 R'000
Regularity audits		9 666	8 420
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total		9 666	8 420



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

4.4 Consumables

	Note 4	2018/19 R'000	2017/18 R'000
Consumable supplies		5 027	4 358
Uniform and clothing		3 205	2 355
Household supplies		1 279	988
Building material and supplies		-	-
Communication accessories		-	-
IT consumables		129	175
Other consumables		414	840
Stationery, printing and office supplies		3 825	2 934
Total		8 852	7 292

4.5 Property payments

Municipal services	28 732	23 814
Property management fees	-	-
Property maintenance and repairs	16 340	23 422
Other	44 489	48 328
Total	89 561	95 564

4.6 Travel and subsistence

Local	13 053	11 888
Foreign	28	78
Total	13 081	11 966

4.7 Other operating expenditure

Professional bodies, membership and subscription fees	13	58
Resettlement costs	469	124
Other	1 747	1 333
Total	2 229	1 515

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

5. Interest and rent on land

	Note	2017/18 R'000	2017/18 R'000
Interest paid		-	1
Rent on land		-	-
Total		-	1

6. Payments for financial assets

Material losses through criminal conduct		-	-
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	2 285	1 087
Forex losses	8.5	-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		2 285	1 087



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

6.1 Debts written off

Nature of debts written off

Irregular expenditure written off	-	-
Total	-	-
Recoverable revenue written off	-	-
Total	-	-
Staff Debts	187	134
Inter-Departmental Accounts	2 098	953
Total	2 285	1 087
Total debt written off	2 285	1 087

7. Transfers and subsidies

		2018/19	2017/18
		R'000	R'000
Provinces and municipalities	<i>Annexure 1A</i>	728 958	627 880
Departmental agencies and accounts	<i>Annex 1B</i>	488	415
Higher education institutions		-	-
Foreign governments and international organisations		-	-
Public corporations and private enterprises		-	-
Non-profit institutions	<i>Annex 1F</i>	-	95
Households	<i>Annex 1G</i>	14 646	11 162
Total		744 092	639 552

Unspent funds transferred to the above beneficiaries

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

8. Expenditure for capital assets		2018/19 R'000	2017/18 R'000
Tangible assets		42 653	53 310
Buildings and other fixed structures	41	25 529	39 546
Heritage assets	39,41	-	-
Machinery and equipment	39	17 124	13 764
Specialised military assets	39	-	-
Land and subsoil assets	41	-	-
Biological assets	39	-	-
Intangible assets		4 361	6 562
Software	40	4 361	6 562
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		47 014	59 872

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2019**8.1 Analysis of funds utilised to acquire capital assets – 2018/19**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	42 653	-	42 653
Buildings and other fixed structures	25 529	-	25 529
Heritage assets	-	-	-
Machinery and equipment	17 124	-	17 124
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	4 361	-	4 361
Software	4 361	-	4 361
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	47 014	-	47 014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

8.2 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	53 310	-	53 310
Buildings and other fixed structures	39 546	-	39 546
Heritage assets	-	-	-
Machinery and equipment	13 764	-	13 764
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	6 562	-	6 562
Software	6 562	-	6 562
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	59 872	-	59 872

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2018/19 R'000	2017/18
Tangible assets			
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		-	239
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Total		-	239



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

9. Cash and cash equivalents

Consolidated Paymaster General Account	-	-
Cash receipts	-	-
Disbursements	-	-
Cash on hand	41	41
Investments (Domestic)	-	-
Investments (International)	-	-
Total	41	41

10. Prepayments and advances

Staff advances	-	-
Travel and subsistence	-	-
Prepayments	-	-
Advances paid	-	-
SOCPEN advances	-	-
Total	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

11. Receivables

		2018/19			2017/18		
		Current	Non-current	Total	Current	Non-Current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	<i>Note</i>						
Claims recoverable	11	361 620	-	361 620	441 790	-	441 790
Trade receivables		-	-	-	-	-	-
Recoverable expenditure		-	-	-	-	-	-
Staff debt	11.2	374	7 152	7 526	458	4 789	5 247
Fruitless and wasteful expenditure		-	-	-	-	-	-
Other debtors	11.3	2	11 620	11 622	3	11 620	11 623
Total		361 996	18 772	380 768	442 251	16 409	458 660

11.1 Claims recoverable

	<i>Note</i>	2018/19	2017/18
	11	R'000	R'000
National departments		210	268
Provincial departments		348 773	429 614
Foreign governments		-	-
Public entities		12 637	11 908
Private enterprises		-	-
Universities and technikons		-	-
Households and non-profit institutions		-	-
Local governments		-	-
Total		361 620	441 790

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2019**11.2 Staff debt**

	Note 11	2018/19 R'000	2017/18 R'000
Breach of Contract		6 566	4 506
Employee		242	257
Ex-employee		170	35
Other		548	449
Total		7 526	5 247

11.3 Other debtors

	Note 11	2018/19 R'000	2017/18 R'000
Disallowance Payments Fraud Cheques: CA		11,620	11,620
Sal: Reversal Control: CA		2	-
Salary Medical		-	3
Total		11 622	11 623

11.4 Impairment of receivables

Estimate of impairment of receivables		99 352	115 607
Total		99 352	115 607

12. Voted funds to be surrendered to the Revenue Fund

Opening balance	6 186	6 523
Prior period error		-
As restated	6 186	6 523
Transfer from statement of financial performance (as restated)	5 433	6 186
Add: Unauthorised expenditure for current year	-	-
Voted funds not requested/not received	-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)	-	-
Paid during the year	(6 186)	(6 523)
Closing balance	5 433	6 186

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

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

Opening balance	1 082	904
Prior period error		-
As restated	<u>1 082</u>	<u>904</u>
Transfer from Statement of Financial Performance (as restated)	12 026	9 031
Own revenue included in appropriation	-	-
Transfer from aid assistance	-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	-	-
Paid during the year	<u>(11 506)</u>	<u>(8 853)</u>
Closing balance	<u>1 602</u>	<u>1 082</u>

14. Bank Overdraft

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General Account		354 036	384 703
Fund requisition account		-	-
Overdraft with commercial banks (Local)		-	-
Overdraft with commercial banks (Foreign)		-	-
Total		<u>354 036</u>	<u>384 703</u>

15. Payables – current

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Amounts owing to other entities		-	-
Advances received	21.1	10 309	60 318
Clearing accounts	21.2	303	216
Other payables	21.3	<u>2 189</u>	<u>1 425</u>
Total		<u>12 801</u>	<u>61 959</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

15.1 Advances received

	Note	2018/19	2017/18
	14	R'000	R'000
National departments		-	-
Provincial departments		10 309	60 318
Public entities		-	-
Other institutions		-	-
Total		10 309	60 318

15.2 Clearing accounts

	Note	2018/19	2017/18
	14	R'000	R'000
Sal: ACB Recalls		189	4
Sal: Pension Fund		-	2
Sal: Income tax		114	210
Total		303	216

15.3 Other payables

	Note	2018/19	2017/18
	14	R'000	R'000
Tender Deposits		1 239	1 425
Inter Departmental Receipts		950	-
Salary Tax debt		-	-
Unallocated receipt		-	-
Sal: Garnishee Order		-	-
Total		2 189	1 425

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

16. Net cash flow available from operating activities

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance		17 459	15 217
Add back non cash/cash movements not deemed operating activities		56 090	123 613
(Increase)/decrease in receivables – current		77 892	40 086
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(49 158)	39 751
Proceeds from sale of capital assets		(1 966)	(720)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		47 014	59 872
Surrenders to Revenue Fund		(17 692)	(15 376)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		73 549	138 830

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

Consolidated Paymaster General account	(354 036)	(384 703)
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	-	-
Cash on hand	41	41
Cash with commercial banks (Local)	-	-
Cash with commercial banks (Foreign)	-	-
Total	(353 995)	(384 662)



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

		<i>Note</i>	2018/19 R'000	2017/18 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees		-	-
Housing loan guarantees	Employees	<i>Annex 3A</i>	-	91
Other guarantees			-	-
Claims against the department		<i>Annex 3B</i>	26 635	25 864
Intergovernmental payables (unconfirmed balances)		<i>Annex 5</i>	1 030	535
Environmental rehabilitation liability			-	-
Other			-	-
Total			27 665	26 490

18.2 Contingent assets

		<i>Note</i>	2018/19 R'000	2017/18 R'000
Nature of contingent asset				
Claims for damages on vehicles			235	279
Recovery of Guarantee			6 305	6 200
Salary Overpayment			252	252
Recoveries for cancellation of contract			9 801	6 676
Breach of contract			28 405	28 866
Recoveries of bursary debt			3 099	1 456
Unjust Enrichment			628	635
Rental			48	48
Claim for professional negligence			15 801	15 800
Total			64 574	60 212

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

19. Commitments

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Current expenditure			
Approved and contracted		58 136	55 741
Approved but not yet contracted		3 621	966
		<u>61 757</u>	<u>56 707</u>
Capital expenditure			
Approved and contracted		78 033	69 875
Approved but not yet contracted		32	-
		<u>78 065</u>	<u>69 875</u>
Total Commitments		<u>139 822</u>	<u>126 582</u>

The commitments figure include the current and capital projects for the department and Included in the Total commitment balance is R47 591 Million for outer years.

20. 20.1 Accruals

			2018/19 R'000	2017/18 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	4 538	349	4 887	7 523
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	24 824	24 824	7 198
Capital assets	447	15	462	796
Other	-	1 345	1 345	-
Total	<u>4 985</u>	<u>26 533</u>	<u>31 518</u>	<u>15 517</u>

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Listed by programme level			
Programme 1- Administration		3 700	4 798
Programme 2- Property Management		24 911	7 318
Programme3-Provision of Buildings, Structures and Equipment		2 907	3 401
Total		<u>31 518</u>	<u>15 517</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

20.2 Payables not recognised

	2018/19		2017/18	
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	2 861	22 526	25 387	25 534
Interest and rent on land	-	-	-	-
Transfers and subsidies	24 270	78 839	103 109	30 276
Capital assets	-	663	663	100
Other	-	-	-	-
Total	27 131	102 028	129 159	55 910

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Listed by programme level			
Programme 1- Administration		24 737	24 882
Programme 2- Property Management		103 119	30 834
Programme 3-Provision of Buildings, Structures and Equipment		1 303	194
Total		129 159	55 910

21. Employee benefits

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Leave entitlement		31 525	27 464
Service bonus (Thirteenth cheque)		16 802	16 020
Performance awards		174	16
Capped leave commitments		45 973	47 494
Other		2 263	1 229
Total		96 737	92 223

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Confirmed balances with other departments	<i>Annex 5</i>	1 345	682
Confirmed balances with other government entities		-	-
Total		1 345	682

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

22. Lease commitments

22.1 Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2018/19					
Not later than 1 year	-	-	-	3 014	3 014
Later than 1 year and not later than 5 years	-	-	-	1 225	1 225
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	4 239	4 239
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2017/18					
Not later than 1 year	-	-	-	4 006	4 006
Later than 1 year and not later than 5 years	-	-	-	2 789	2 789
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	6 795	6 795



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

22.2 Finance leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2018/19					
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	-	-

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2017/18					
Not later than 1 year	-	-	-	367	367
Later than 1 year and not later than 5 years	-	-	-	156	156
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	523	523

23. Accrued departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		1 713	1 458
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received (incl. conditional grants to be repaid by provincial departments)		-	-
Other		-	-
Total		1 713	1 458

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

23.1 Analysis of accrued departmental revenue

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Opening balance		1 458	1 093
Less: amounts received		184	92
Add: amounts recognised		576	458
Less: amounts written-off/reversed as irrecoverable		137	1
Closing balance		1 713	1 458

23.2 Accrued department revenue written off

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Nature of losses			
Bursary debt		-	-
Ex-employee		-	-
Total		-	-

23.3 Impairment of accrued departmental revenue

	<i>Note</i>	2017/18 R'000	2017/18 R'000
Estimate of impairment of accrued departmental revenue		-	-
Total		-	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance		27 088	15 704
Prior year error			-
As restated		27 088	15 704
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		14 011	11 384
Less: Prior year amounts condoned		(356)	-
Less: Current year amounts condoned		-	-
Less: Amounts recoverable (not condoned)		-	-
Less: Amounts not recoverable (not condoned)		-	-
Irregular expenditure awaiting condonation		40 743	27 088
Analysis of awaiting condonation per age classification			
Current year		14 011	11 384
Prior years		26 732	15 704
Total		40 743	27 088

24.2 Details of irregular expenditure condoned

2018/19

Incidents

Service level Agreement between Department of Public Works and service provider not fully implemented and enforced

14 011

Total

14 011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

24.3 Details of irregular expenditures under investigation
Incident

2017/18
R'000

NCR: Points awarded for B-BBEE where the contractor indicated an intention to sub-contract	71
NCR: Points awarded for B-BBEE where the contractor indicated an intention to sub-contract (carry-over from 2016-17)	1 616
Service level Agreement between Department of Public Works and Wildlands Conservation Trust not fully implemented and enforced	9 749
Service level Agreement between Department of Public Works and Wildlands Conservation Trust not fully implemented and enforced	14 011
Total	25 447

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Opening balance		-	5
Prior period error		-	-
As restated		-	5
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		-	-
Less: Amounts resolved		-	(5)
Less: Amounts transferred to receivables for recovery		-	-
Fruitless and wasteful expenditure awaiting resolution		-	-

25.2 Analysis of awaiting resolution per economic classification

	R'000	R'000
Current	-	-
Capital	-	-
Transfers and subsidies	-	-
Total	-	-

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2019**26. Related party transactions**

The Department share the same MEC - Mr RR Pillay with the KZN Department of Human Settlements. The Department is related to KZN Provincial Departments. The following Departments Occupies Public Works offices rent- free Agriculture, Arts and Culture, Community Safety, COGTA, Economic Development, Education, Health, Human Settlements, Legislature, Premier, Social Development, Sports and Transport.

27. Key management personnel

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers (provide detail below)			
Officials:	1	3 125	1 978
Level 15 to 16	5	6 495	6 054
Level 14 (incl. CFO if at a lower level)	1		1 127
Family members of key management personnel		-	-
Total		9 620	9 159

28. Provisions

	Note	2018/19 R'000	2017/18 R'000
Retention of capital projects		70	821
Total		70	821

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

28.1 Reconciliation of movement in provisions – 2018/19

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	401	419	-	820
Increase in provision	27	43	-	70
Settlement of provision	(401)	(419)	-	(820)
Unused amounts reversed	-	-	-	-
Amounts used	-	-	-	-
Reimbursement expected from the third party	-	-	-	-
Change in provision due to change is estimation inputs		-	-	
Closing balance	27	43	-	70



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

29. Reconciliation of movement in provisions – 2017/18

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	394	-	394
Increase in provision	401	212	-	613
Settlement of provision	-	(186)	-	(186)
Unused amounts reversed	-	-	-	-
Reimbursement expected from the third party	-	-	-	-
Change in provision due to change in estimation inputs	-	-	-	-
Closing balance	401	420	-	821

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	162 739		17 081	6 365	173 455
Transport assets	66 803	-	7 487	2 226	72 064
Computer equipment	56 336	-	2 650	3 083	55 903
Furniture and office equipment	12 324	-	551	646	12 229
Other machinery and equipment	27 275	-	6 393	410	33 258
SPECIALISED MILITARY ASSETS					
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	162 739	-	17 081	6 365	173 455

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

29.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	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
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	17 123	-	-	(42)	17 081
Transport assets	7 487	-	-	-	7 487
Computer equipment	2 678	-	-	(28)	2 650
Furniture and office equipment	559	-	-	(8)	551
Other machinery and equipment	6 399	-	-	(6)	6 393
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	17 123	-	-	(42)	17 081



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non Cash Disposals	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	2 729	3 636	6 365	524
Transport assets	2 093	133	2 226	524
Computer equipment	424	2 659	3 083	-
Furniture and office equipment	179	467	646	-
Other machinery and equipment	33	377	410	-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	2 729	3 636	6 365	524

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

29.3 Movement for 2017/18

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	152 468	-	13 578	3 307	162 739
Transport assets	63 359	-	6 031	2 587	66 803
Computer equipment	54 938	-	2 007	609	56 336
Furniture and office equipment	12 020	-	342	38	12 324
Other machinery and equipment	22 150	-	5 198	73	27 275
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	152 468	-	13 578	3 307	162 739



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

29.4 Minor assets

29.5

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	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	-	-	-	11 641	-	11 641
Value adjustment	-	-	-			
Additions	-	-	-	747	-	747
Disposals	-	-	-	602	-	602
TOTAL MINOR ASSETS	-	-	-	11 786	-	11 786

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	-	-	-
TOTAL NUMBER OF MINOR ASSETS	-	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

	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	-	-	-	11 208	-	11 208
Curr Year Adjustments to Prior Year balances	-	-	-	-	-	-
Additions	-	-	-	785	-	785
Disposals	-	-	-	352	-	352
TOTAL MINOR ASSETS	-	-	-	11 641	-	11 641

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	12 845	-	12 845
Number of minor assets at cost	-	-	-	6 792	-	6 792
TOTAL NUMBER OF MINOR ASSETS	-	-	-	19 637	-	19 637



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

29.6 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	372	-	372
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	372	-	372

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	1 098	-	1 098
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	1 098	-	1 098

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	30 432	-	4 361	-	34 793
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	28	-	-	-	28
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	30 460	-	4 361	-	34 821



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	4 361	-	-	-	4 361
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	4 361	-	-	-	4 361

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

30.1 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
SOFTWARE	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	-	-	-

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2019**30.2 Movement for 2017/18****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	23 870	-	6 562	-	30 432
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	28	-	-	-	28
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	23 898	-	6 562	-	30 460

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

31. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Value Adjustmen ts R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	16 681 948	12 274	326 996	160 245	16 860 973
Dwellings	657 598	-	26 703	35 635	648 666
Non-residential buildings	16 024 350	12 274	300 293	124 610	16 212 307
Other fixed structures	-	-	-	-	-
Dwellings					
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	1 192 170	-	2 996	128 772	1 066 394
Land	1 192 170	-	2 996	128 772	1 066 394
Mineral and similar non-regenerative resources					
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	17 874 118	12 274	329 992	289 017	17 927 367



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

Included in immovable assets totalling R17 927 367 000 (2018: R17 868 264 000) is an amount of R 607 298 000 (2018: R 693 177 000) which relates to properties where majority of the land parcels upon which facilities exist are registered in erstwhile Government (RSA, Administrator Natal, etc) other than the Provincial Government of KwaZulu Natal. There are 5 properties included in immovable assets which is disclosed at nominal value, in line with the Immoveable Asset Guide. These have been identified from the Deeds data as at 31 March and there are no municipal or market values available. The valuation process is yet to be finalised. The plan is to have this commissioned for valuation in the 2019/2020 financial year.

Immovable Tangible Capital Assets under investigation

	Number	Value
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	725	39 452
Heritage assets	-	-
Land and subsoil assets	7 732	689 880

DPW is currently investigating use and ownership of these assets to ensure accurate allocation in terms of custodianship

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

31.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	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
BUILDING AND OTHER FIXED STRUCTURES	23 502	322 293	(18 799)	-	326 996
Dwellings	-	26 703	-	-	26 703
Non-residential buildings	23 502	295 590	(18 799)	-	300 293
Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	2 996	-	-	2 996
Land	-	2 996	-	-	2 996
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	23 502	325 289	(18 799)	-	329 992

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
*for the year ended 31 March 2019***31.2 Disposals****DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	560	159 685	160 245	1 323
Dwellings	560	35 075	35 635	223
Non-residential buildings	-	124 610	124 610	1 100
Other fixed structures	-	-	-	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	60	128 712	128 772	90
Land	60	128 712	128 772	90
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	620	288 397	289 017	1 413

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

31.3 Movement for 2017/18
MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	16 838 198	(697 702)	600 445	58 993	16 681 948
Dwellings	591 401	62 481	3 718	2	657 598
Non-residential buildings	16 246 797	(760 183)	596 727	58 991	16 024 350
Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	535 231	664 669	7 068	14 798	1 192 170
Land	535 231	664 669	7 068	14 798	1 192 170
Mineral and similar non- regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	17 373 429	(33 033)	607 513	73 791	17 874 118

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2019**31.3.1 Prior period error****2017/18****R'000****Nature of prior period error**

Relating to prior 2017/18 (affecting the opening balance)

Prior period errors are as a result of vesting errors and correction of ownership and values.

(33 033)

Relating to 2017/18 (affecting the opening balance)

Prior period errors are as a result of vesting errors and correction of ownership and values.

38 887

Total**5 854****31.4 CAPITAL WORK IN PROGRESS AS AT 31 MARCH 2019**

	Opening balance 1 April 2018	Current Year WIP	Ready for Use(Assets to the AR)/Contracts Terminated	Closing Balance 31 March 2019
	R'000	R'000	R'000	R'000
Heritage Assets	-	-	-	-
Building and other fixed Structures	30 028	23 057	18 762	34 323
Machinery and equipment	-	-	-	-
Intangible assets	39 258	-	-	39 258
TOTAL	69 286	23 057	18 762	73 581

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

Age Analysis on Ongoing Projects	Planned, construction not started	Planned, construction started	Total R'000
0 to 1 year	38	5	19 788
1 to 3 year(s)	-	10	14 535
3 to 5 years	-	-	-
Longer than 5 years	-	1	-
TOTA	38	16	34 323

Accruals and payables not recognised relating to Capital WIP

	2018/19 R'000	2017/18 R'000
Amounts relating to progress certificate	447	430
TOTAL	447	430

CAPITAL WORK IN PROGRESS AS AT 31 MARCH 2018

	Opening balance	Prior period error	Current Year WIP	Ready for Use(Assets to the AR)/Contra cts Terminated	Closing Balance 31 March 2018
	R'000	R'000	R'000	R'000	R'000
Heritage Assets	-	-	-	-	-
Building and other fixed Structures	192 328	315	22 044	184 659	30 028
Machinery and equipment	-	-	-	-	-
Intangible assets	39 258	-	-	-	39 258
TOTAL	231 586	315	22 044	184 659	69 286



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

IMMOVABLE INFORMATION	ASSETS	ADDITIONAL	<i>Note</i>	2018/19	2017/18
Unsurveyed land			<i>Annexure</i>	Area	Area
There are parcels of land around the country that have not been surveyed			<i>9</i>	KZN	KZN
				Number	Number
Land parcels				501	586
Facilities					
Schools				232	267
Clinics				27	27
Hospitals				4	5
Office buildings				29	31
Dwellings				62	78
Storage facilities				-	-
Other				189	199
Facilities on unsurveyed land					
Schools				318	348
Clinics				42	48
Hospitals				2	1
Office buildings				45	50
Dwellings				51	48
Storage facilities				-	-
Other				32	39
Facilities on right to use land					
Schools				4 307	4 227
Clinics				406	398
Hospitals				31	27
Office buildings				172	175
Dwellings				239	235
Storage facilities				1	1
Other				341	329

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

32. Prior Period Errors

Other: (Accruals and Payables.)

	Amount bef error correction R'000	Prior period error R'000	Restated amount R'000
Accruals	15 517	-	15 517
Payables- SIU	33 764	22 141	55 905
TOTAL	49 281	22 141	71 422

Prior period error relates to accruals that were ommitted in 2017/18 Financial year for Property rates and SIU invoices.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019



33. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2017/18	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
Devolution of property Rates Grant Fund	-	-	-	-	-	-	-	-	-
EPWP Incentive Grant	6 023	-	-	-	6 023	6 023	6 023	6 588	100%
	6 023	-	-	-	6 023	6 023	6 023	6 588	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

1. ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2017/18	
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds withheld	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Ethekwini Metro	263 458	-	21 148	284 606	352 462	-	352 462	352 462	124%	-
Ugu Municipalities	16 993	-	2 129	19 122	12 267	-	12 267	12 267	64%	-
Umgugundlovu Municipalities	96 918	-	9 090	106 008	82 145	-	82 145	82 145	77%	-
Uthukela Municipalities	45 684	-	1 541	47 225	36 608	-	36 608	36 608	78%	-
Umkhanyathi Municipalities	30 441	-	9 026	39 467	42 825	-	42 825	42 825	109%	-
Amajuba Municipalities	12 464	-	9 501	21 965	19 005	-	19 005	19 005	87%	-
Zululand Municipalities	43 928	-	10 893	54 821	55 983	-	55 983	55 983	102%	-
Umkhanyakude Municipalities	26 429	-	7 001	33 430	23 706	-	23 706	23 706	71%	-
KingCetshwayo Municipalities	27 316	-	10 920	38 236	52 076	-	52 076	52 076	136%	-
Ilembe	17 561	-	2 572	20 133	30 986	-	30 986	30 986	154%	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted Appropriation R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Compensation Commissioner	-	-	-	-	-	-	-
Skills Development	415	-	73	488	488	100%	415
Com:Licences	-	-	-	-	-	-	-
	415	-	73	488	488		415

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON PROFIT INSTITUTION

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Donation towards the erection of security wall at Summerfield Primary School in Chatsworth for Operation Sukuma Sakhe	95	-	-	95	-	-	95
Donation towards the erection of security wall at Summerfield Primary School in Chatsworth for Operation Sukuma Sakhe							
	95	-	-	95	-	-	95



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H BURSARIES (NON EMPLOYEES)	2 718	-	3 200	5 918	6 224	105%	4 875
H/H: CLAIMS AGAINST STATE (CASH)	-	-	-	-	1 877	-	89
	2 718	-	3 200	5 918	8 101		4 964
Subsidies							
H/H EMPL S/EMPL S BEN: INJURY ON DUTY	25	-	-	25	2	8%	116
H/H EMPL S/EMPL S BEN: LEAVE GRATUITY	1 885	-	3 215	5 100	6 543	128%	6 082
	-	-	-	-	-	-	-
	1 910	-	3 215	5 125	6 545		6 198
Total	4 628	-	6 415	11 043	14 646		11 162

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019



ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2019 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2018	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
	Motor vehicles	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Housing	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019

Nature of Liability	Opening Balance 1 April 2018 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2019 R'000
Claims against the department					
Claim for motor vehicle	170	-	40	-	130
Contractual claim	7 259	-	4 546	-	2 713
Claim for consultant	877	-	877	-	-
Claim for injury suffered by a minor	6 312	-	3 156	-	3 156
Claim for rental	11 535	-	3 991	-	7 544
Claim for Professional Services Rendered	406	-	406	-	-
Claim for loss of profit	4 329	-	563	-	3 766
Claim for service provided	-	-	-	-	-
Claim for Overtime	400	-	-	-	400
Subtotal	31 288	-	13 579	-	17 709
Environmental Liability					
Subtotal					
Other					
Subtotal					
TOTAL	31 288	-	13 579	-	17 709

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 4
CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
KZN Dept of Agriculture, Environmental Affairs & Rural Development	6 726	-	2 159	6 974	8 885	6 974
KZN Dept of Arts & Culture	6 358	6 215	-	760	6 358	6 975
KZN Dept of Community Safety and Liasion	-	-	2 267	916	2 267	916
KZN Dept of Co-operative Governance & Traditional Affairs	1 218	6 659	7 126	752	8 344	7 411
KZN Dept of Economic Development & Tourism	108	1 027	-	-	108	1 027
KZN Dept of Education	46 391	73 958	108 883	177 821	155 274	251 779
KZN Dept of Health	22 259	30 447	53 212	35 027	75 472	65 474
KZN Dept of Human Settlements	441	-	49 824	49 849	50 265	49 849
KZN Office of the Premier	3 727	434	4 654	6 269	8 381	6 703
KZN Legislature	2 175	-	-	1 928	2 175	1 928
KZN Provincial Treasury	-	507	-	-	-	507
KZN Dept of Social Development	-	-	22 819	16 588	22 819	16 588
KZN Dept of Sport and Recreation	486	-	2 064	252	2 550	252
The Royal Household	-	-	-	-	-	-
KZN Dept of Transport	5 472	-	403	13 231	5 875	13 231
Transport & Public Works - Western Cape	-	-	37	11	37	11
National Department of Health and Soc Dev	-	-	-	6	-	6
National Public Works	-	-	76	116	76	116
SAPS	-	-	-	(9)	-	(9)
National Department of Labour	-	-	-	-	-	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

Government Communication and Information Systems

Education Western Cape	-	-	-	-	-	-
Water Affairs	-	-	-	11	-	11
Correctional Services	-	-	-	-	-	-
Home Affairs	-	-	-	8	-	8
Justice	-	-	-	5	-	5
Health and social development	-	-	-	9	-	9
Rural development	-	-	-	-	-	-
Public Works-Eastern Cape	-	-	-	-	-	-
Agriculture, Forestry & Fishers	-	-	-	15	-	15
Public Works & Infrastructure- Free states	-	-	30	30	30	30
Water and Sanitation	-	-	40	40	40	40
Health Eastern cape	-	-	27	27	27	27
95 361	119 247	253 621	310 636	348 982	429 883	

Other Government Entities

SASSA	-	-	12 637	11 907	12 637	11 907
Ezemvelo KZN Wildlife	-	-	-	-	-	-
FAZ	-	-	-	-	-	-
SITA	-	-	-	-	-	-
	-	-	12 637	11 907	12 637	11 907

TOTAL

95 361	119 247	266 258	322 543	361 619	441 790	
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Arts and Culture	-	-	-	-	-	-
Department of Agriculture	-	129	-	-	-	129
Department of Health	27	2	-	-	27	2
Department of Justice	402	502	801	535	1 203	1 037
Department of Education	-	-	-	-	-	-
Department of Transport	-	-	194	-	194	-
Dept of Social Development	-	-	-	-	-	-
Department of Economic Development	-	-	-	-	-	-
Department of Health-Limpopo	-	-	-	-	-	-
Government Printing	-	-	-	-	-	-
Department of Social Development-National	-	-	-	-	-	-
PALAMA	-	-	-	-	-	-
SAPS	-	-	35	-	35	-
Office of the Premier	-	49	-	-	-	49
Department of Labour	-	-	-	-	-	-
Rural development	-	-	-	-	-	-
Human settlement	-	-	-	-	-	-
Correctional Services	-	-	-	-	-	-
Provincial Treasury	916	-	-	-	916	-
Subtotal	1 345	682	1 030	535	2 375	1 217
Non-current						
Subtotal						
Total	1 345	682	1 030	535	2 375	1 217
OTHER GOVERNMENT ENTITY						
Current						
Subtotal						
Non-current						
Total Inter Governmental	1 345	682	1 030	535	2 375	1 217

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	-	-	-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	30 028	22 981	(18 686)	34 323
Dwellings	-	-	-	-
Non-residential buildings	30 028	22 981	(18 686)	34 323
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	-	-	-	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

Recipes, formulae, prototypes, designs, models

-	-	-	-
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SERVICES AND OPERATING RIGHTS

Services and operating rights

-	-	-	-
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TOTAL

30 028	22 981	(18 686)	34 323
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period errors	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-	-
Transport assets	-	-	-	-	-
Computer equipment	-	-	-	-	-
Furniture and office equipment	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	192 328	315	22 044	(184 659)	30 028
Dwellings	-	-	-	-	-
Non-residential buildings	192 328	315	22 044	(184 659)	30 028
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	-	-	-	-	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

**RECIPES, FORMULAE,
PROTOTYPES, DESIGNS, MODELS**

Recipes, formulae, prototypes, designs,
models

-	-	-	-	-
-	-	-	-	-

SERVICES AND OPERATING RIGHTS

Services and operating rights

-	-	-	-	-
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TOTAL

192 328	315	22 044	(184 659)	30 028
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 8B
INTER-ENTITY ADVANCES RECEIVED (note 15)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000

NATIONAL DEPARTMENTS

Current

Subtotal

Non-Current

Subtotal

PROVINCIAL DEPARTMENTS

Current

KZN : Health	-	50 000	-	-	-	50 000
KZN Dept of Human Settlements	-	-	-	-	-	-
KZN Office of the Premier	-	10 318	10 309	-	10 309	10 318
KZN economic development	-	-	-	-	-	-
KZN- Department of education	-	-	-	-	-	-

Subtotal

Non-Current

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2019**ANNEXURE 9**
IMMOVABLE ASSETS ADDITIONAL DISCLOSURE**1. Un-surveyed land**

There are parcels of land around the province that have not been surveyed to date. This is a very costly exercise therefore the estimated completion of the surveying process for the province will mostly depend on the availability of funding.

Province	Estimated completion date
KZN	2022/2023

2. Deemed vested

Below are properties deemed to vest in the province in terms of the Constitution however, the vesting process has not been completed and are therefore not included in the asset register of the department, as title has not been endorsed as yet. A separate register is maintained. As a result of the provincial function, the properties are managed by the provincial government and include the following:

Land parcels 501

Facilities per function:

Facilities	2019	2018
Schools	232	267
Hospitals	4	5
Clinics	27	27
Office Buildings	29	31
Housing	62	78
Other	189	199
Storage		
Total	543	607

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

3. Facilities on land not surveyed

There are certain facilities utilized by the provincial government in achieving its service delivery objectives. These were constructed on land that has not yet been surveyed, as per 1 above. These facilities are managed and maintained by the provincial government and include the following:

Facilities	2019	2018
Schools	318	348
Hospitals	2	1
Clinics	42	48
Office Buildings	45	50
Housing	51	48
Other	32	39
Total	490	534

The agreement for use of the facilities and the surrounding land is based on community needs and not reduced to writing. There is no indication that the needs any of the communities involved will change within the next financial year or the foreseeable future. Therefore, the intention of the provincial government is to continue the use and maintenance of the said facilities in the delivery of services.

4. Facilities on land where a right to use exists

The following facilities were constructed on land where a right to use exists. The average right is for an undefined period, where after the facilities will be surveyed and/or subdivided where applicable and transferred to the name of the Provincial Government of KwaZulu-Natal. Facilities include the following:

Facilities	2019	2018
Schools	4 307	4 227
Hospitals	31	27
Clinics	406	398
Office Buildings	172	175
Housing	239	235
Storage	1	1
Other	341	329
Total	5 497	5 392



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

5. Contingent assets

The following properties are indicated as property belonging to the State, but not accounted for by any of the mandated custodians. The ownership of the properties needs further research and is thus reflected as contingent assets until clarification is achieved. The properties have been grouped according to function:

Facilities	2019	2018
Schools	35	66
Hospitals	-	2
Clinics	25	34
Office Buildings	3	13
Dwellings	8	10
Storage	-	0
Other	200	2 374
Total	271	2 499

6. Facilities on surveyed and unregistered land parcels

There are certain facilities utilized by the provincial government in achieving its service delivery objectives. These are constructed on land that is surveyed but not yet registered with the Deeds Office, due to parent farms not being surveyed by the Department of Rural Development and Land Reform. These facilities are managed and maintained by the provincial government and include the following:

Facilities	2019	2018
Schools	493	520
Hospitals	3	2
Clinics	37	39
Office Buildings	9	8
Dwellings	28	28
Storage	-	-
Other	27	31
Total	597	628



public works

Department:
Public Works
PROVINCE OF KWAZULU-NATAL

OFFICE	POSTAL ADDRESS	CONTACT DETAILS
OFFICE OF THE MEC eThekweni	Private Bag X54336 Durban 4001	Tel: 031 261 8997 Fax: 031 261 8157
OFFICE OF THE MEC Pietermaritzburg	Private Bag X9041 Pietermarizburg 3200	Tel: 033 355 5570 Fax: 033 355 5514
OFFICE OF THE HOD	Private Bag X9041 Pietermarizburg 3200 O.R. Tambo House 191 Prince Alfred Street Pietermaritzburg, 3201	Tel: 033 355 5560 Fax: 033 355 5683

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