



ANNUAL REPORT 2019-2020



KWAZULU-NATAL PROVINCE

PUBLIC WORKS
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2019-2020

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OFFICIAL HAND OVER OF 2019 – 2020 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 2019 to 31 March 2020

From: Dr. G Sharpley
Accounting Officer

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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
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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
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S

SLA	-	Service level Agreement
SDIP	-	Service Delivery Improvement Plan

Honourable NP Nkonyeni MPL
MEC for Human Settlements and Public Works



Honourable NP Nkonyeni MPL
Executive Authority: KwaZulu-Natal Human Settlements and Public Works
MEC: Human Settlements and Public Works

3. FOREWORD BY MEMBER OF EXECUTIVE COUNCIL



FOREWORD BY THE MEC

Honourable NP Nkonyeni MPL
Member of the Executive Council for
Department of Human Settlements and Public Works
KwaZulu-Natal

Foreword by the Honourable NP Nkonyeni MPL, MEC for Human Settlements and Public Works in KwaZulu-Natal to the Annual Report of the Department of Public Works

In presenting this report, the Public Works portfolio in government gives a detailed summary of the implementation of priorities flowing from the National Development Plan; Provincial Growth and Development Plan; the State of the Nation and State of the Province addresses; conference resolutions of the African National Congress and the electoral mandate received from our people.

As in all our work in government, we are constrained by available budgets. We must nevertheless recognise that state-led infrastructure development is historically a key driver of overall economic development.

The harsh reality we are confronted with is that resources in the fiscus are in decline for a number of reasons including the global economic downturn, declining tax revenues and in the latter part of the financial year the shock impact of the COVID-19 pandemic. We must nevertheless respond to the expectations with all the resources available to us in the fastest possible time.

As an African National Congress-led government we have worked hard over the past twenty-six years of freedom and democracy to honour the commitments to our people for a better life for all. Our track record in infrastructure delivery in our Province and nationally is a powerful one but much more still needs to be done. Our programme of action needs greater momentum. We recognise that the Department needs to complete projects much faster than presently and within the budgets available. The performance data presented in this report is a cogent reflection of the work done in the year under review.

The outcomes achieved by the Department are commendable. The interventions in developing state-of-the-art field hospitals for Health in response to the pandemic earned the Department much deserved accolades. Public Works is recognised as the implementing agent of choice for infrastructure development in our Province. Credit for our successes is also due to our stakeholders in sister departments, municipalities, traditional leadership, state-owned enterprises, civil society organisations, implementing agents and other institutional partners.

Government's priority of advancing radical socio-economic transformation has predictably dominated our agenda in the past financial year. Our attention is focussed on youth, women, people with disabilities and military veterans. We hosted special summits with the first three categories to gauge the impact we have had and what still needs to be done. The resolutions of those summits highlighted our shortcomings and informed our programme of action going forward. We are steadfast in the commitment that we need to build a society in which historically vulnerable and neglected sectors in our society can be entrepreneurs and take their place in the economy of our country. Our democratic state is a tool of radical socio-economic transformation and it is incumbent on every one of us to advance this programme at every opportunity.

Among the areas in which we can have real impact is through localisation – the local production and procurement of building materials and services. That has been highlighted as a priority for Public Works in the new financial year. We are mindful of the need for the appropriate training so that our empowered suppliers can meet the necessary quality standards set down by the South African Bureau of Standards (SABS) and related regulatory authorities.

Public Works is both a challenging and fulfilling portfolio. We are mindful of the enormity of the task and are working hard to meet the service delivery expectations of our people. We are indeed growing KwaZulu-Natal together.



NP Nkonyeni MPL
MEC for Human Settlements and Public Works in KwaZulu-Natal
19 October 2020

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the Operations of the Department

In the 2019-2020 financial year, the Department embraced a radical shift to a new Service Delivery Model. This entailed a strategic realignment with national and provincial development priorities as expressed in inter alia the National Development Plan and its provincial iteration.

Among the interventions was a reassignment of SMS portfolios through a consultative process. The outcomes in this report are in part fruit of that exercise of prioritising service delivery through the deployment of matching skills as opposed to mere compliance.

Compliance must however never be compromised. At all levels of the Department, management and personnel are keenly aware of the serious implications of non-compliance. Our confidence in our service delivery and performance has been such that we have been able to engage quite robustly with the Auditor-General in explaining why an unqualified audit was deserved.

The new framework articulated in the Strategic Plan and Annual Performance Plan thus shifted from a goal-focused to an impact-focused approach. As the implementing agent of choice for infrastructure delivery in KwaZulu-Natal, there is considerable expectation in our ability to deliver to quality, timeframe and budget standards. This report provides an indication that we are better geared to discharged those responsibilities today than we were a year ago.

Having the broadest and deepest possible impact is not a choice for government departments. An impact orientation is also necessitated by the programmes on radical socio-economic transformation, Thuma Mina, Operation Phakisa and the District Development Model. The Department adopted the strapline: “A Province at Work”. While there remain challenges to overcome, we have a strong belief that we are hard at work right through the value chain of policy, planning and implementation.

As the implementing agent of choice for client departments requiring building infrastructure services and property management such as office accommodation, the Department’s outcomes are as follows:

- Increased access to economic opportunities to broaden the base of targeted groups for economic empowerment through infrastructure and property management;
- Improved immovable asset management and custodianship of all provincial assets and facilities; and
- Provision of sustainable social infrastructure.

These are the core business functions of the Department, and are in line with the outcomes in the five-year strategic plan (2020-2025).

At a critical point of finalising key projects towards the end of the financial year, we were confronted with the COVID-19 pandemic. While this impacted on our schedules and deadlines, there has been no discernible impact on our overall capacity to deliver on infrastructure development and property management services.

The performance data reflected in this report demonstrates delivery on the following core functions:

- The acquisition of public buildings and land;
- The construction of public buildings, involving the physical erection or major improvements in respect of infrastructure in the building environment;
- The maintenance of state buildings including performing necessary work to keep the required level of operation and the payment of property rates; and
- The alienation of public buildings and land, including the disposal of fixed assets by selling, demolition, exchanging and donation.

The Department had targeted to roll-out the Infrastructure Progression Model Implementation Plan, as prescribed by National Treasury. It was earlier resolved that an infrastructure implementation plan for the province, which is in line with the Infrastructure Delivery Management System (IDMS) processes, should be developed. This plan was driven by Provincial Treasury, with input from the Department. We are now working within that framework.

The Expanded Public Works Programme is one of the largest public employment programmes in the world. EPWP is aimed at providing unemployed people with work opportunities and training so that they enhance their capacity to earn an income.

The Department set targets of 6 000 work opportunities and 600 Full Time Equivalents (FTEs) for 2019/20. The data on work opportunities and FTEs created have been presented to the Portfolio Committee of Public Works and reported at other fora as well.

Public Works is assigned the provincial co-ordination and monitoring of EPWP in the Province. This includes providing support to provincial departments and municipalities in their implementation of the programme.

In 2019/20, 61 public bodies reported on EPWP (50 municipalities and 11 provincial departments), against a target of 66 public bodies (54 municipalities and 12 provincial departments).

EPWP has also afforded the Department an opportunity to play a role in an apex priority of government through its contribution to education. The EPWP school' maintenance programme assists poor, non-fee paying schools with basic maintenance of school grounds and buildings to ensure children are able to learn in conducive and clean environments.

This intervention is through the employment of youth beneficiaries at schools in the province. These individuals are recruited through the Operation Sukuma Sakhe (OSS) structures and assigned to schools identified by the Department of Education (DoE).

The activities of the programme include basic technical maintenance of schools and repairs to school infrastructure such as repairs to door locks, painting and repairs to roof leakages and broken windows.

Further to these activities, the programme also includes schoolyard maintenance such as grass cutting, gardening, cleaning of classrooms and offices, vegetable gardens, recycling, tree propagation and planting, as well as waste collection and community development services.

In the context of COVID-19, EPWP rallied to the call to train and deploy suitably trained people to screen learners at schools. The normalisation of the schooling programme depended on this important intervention and no fewer than 6000 personnel were deployed.

The Department has steadily improved its ability to capture and validate EPWP beneficiary information. This however remains an area for further improvement in the new financial year.

Further, a number of strategies to optimise job creation in the Province were agreed upon and adopted by all public bodies. It is anticipated that more employment opportunities will be created going forward.

In respect of the standing matter of the transfer of former R293 properties from the three remaining municipalities, namely eNdumeni, Nkandla and the Big Five Hlabisa, it must be noted that the process was delayed by appeals. The Department now intends to have these transfers finalised in 2020/21 once the appeals have been resolved.

Land is a key instrument of radical socio-economic transformation. The secondment of land surveyors from the Department of Co-operative Governance and Traditional Affairs (COGTA) for surveying and sub-division of SDF on traditional land and farms due to limited capacity in the Department did not materialise as anticipated. National Treasury allocated funding for the surveying and sub-division of the SDFs, however, at this stage only Limpopo was identified as a pilot project for both provincial and national SDFs and it is uncertain when KwaZulu-Natal will benefit from this funding.

With regard to condition assessments, the Department commissioned professional service providers to undertake planned condition assessments of 337 facilities. Additionally, the Department plans to employ EPWP workers in basic maintenance of state facilities wherever possible.

The environmental maintenance programme, Izandla Ziyagezana programme has, to date, employed 475 beneficiaries, of which eight people are disabled. A further two sites in Dundee and Nkandla were added to the programme and this contributed positively to poverty alleviation in those areas. The cleaning of schools was only partially extended to four schools in Dundee and Pietermaritzburg due to capacity constraints.

The hosting environment for the consolidated data platform was developed and installed. In 2020/21, the Department will undertake follow-up engagements with Action Work Group (AWG) convenors and selected stakeholders to ensure improvement in data collection for monitoring and co-ordinating infrastructure projects, including a review of the Provincial Spatial Development Framework.

The KZN-IMP was completed and was approved by the Provincial Infrastructure Co-ordination Work Group and Economic Sectors and Infrastructure Development (ESID) Technical Cluster. The Master Plan was approved by the Provincial Executive Council.

A driver for the State Infrastructure Development Agency (SIDA) has been appointed. That individual is located

within Public Works and receives support from key professionals. There is tremendous expectation that SIDA will take overall charge of infrastructure projects in the province from a strategic and planning point of view.

The Archie Gumede Conference Centre in Mayville fulfils a much-needed service to the Provincial Government and allied institutions. Although a quantification of the savings on conference facility hire was not undertaken in this financial year, it is reliable to presume that it was significant.

Various upgrades and extensions have become necessary notably the construction of a dining facility adjacent to the conference hall. The project was split into two, being the conference centre acoustic treatment of iLembe hall, as well as conversion of an existing workshop to a dining facility.

The conversion of the existing workshop to a dining facility project experienced challenges in construction stage due to poor contractor performance, which resulted in termination of the contract. The project is now in process. The Archie Gumede Conference Centre is unable to meet all requests for use of the facility. The Department decided to embark on providing another conference centre in Pietermaritzburg in order to mitigate these challenges, hence the new auditorium and conference centre project in the Southern Region. The COVID-19 pandemic has affected the project's timelines which were originally set for completion in 2022.

The KZN Entrepreneurial Development Centre in the Public Works Southern region will consist of workshops and training rooms. This will be used to provide various training and skills development services to small and medium business enterprises. Construction is planned in the 2020/21 financial year, to be completed in January 2022.

In the year under review, the Department developed and implemented procurement plans to ensure that the needs of the organisation are in line with the pillars underpinning the department's strategy, as well as the budget allocated. SCM processes are also geared to advance radical socio-economic transformation through preferential procurement especially from the youth, women, disabled and military veteran sectors. There is tremendous emphasis on localisation in the procurement of building supplies and services.

REPRIORITISATION

The Department undertook reprioritisation within programmes and between economic classifications over the MTEF. Extensive movements within Goods and services, and between economic categories within Programmes 1 and 3 were undertaken to meet service delivery objectives. The financial data details that exercise.

We are delighted to present this report as an expression of our improved service delivery performance and a commitment to improving our service offering to all our client departments.

Overview of the financial results of the Department

Spending Trends

Departmental receipts

Departmental Receipts	FINANCIAL YEAR END 2019/20			FINANCIAL YEAR END 2018/10		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	VARIANCE OVER/ UNDER R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	VARIANCE 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	7376	11 420	-4 044	9 261	8 366	895
Transfers received	0	0	-	0	0	0
Fines, penalties and forfeits	0	0	-	0	0	0
Interest, dividends and rent on land	0	246	239	302	1 198	-896
Sale of capital assets	1 500	986	514	1 215	1 966	-751
Financial transactions in assets & liabilities	903	331	572	862	496	366
Total	10 264	12 983	-2 719	11 640	12 026	-386

PROGRAMME NAME	FINAL YEAR END 2019/20			FINANCIAL YEAR END 2018/19		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE OVER/UNDER R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE OVER/UNDER R'000
Administration	449 539	449 539	-	415 347	415 347	-
Property Management	1 140 653	1 106 556	34 297	806 924	806 924	-
Provisional Buildings, Structures and Equipment	475 549	475 547	2	458 740	453 307	5 433
Total	2 065 941	2 061 642	34 299	1 681 011	1 675 578	5 433

Programme Expenditure

The budget allocated to the Departments vote increased by 18.6% from R1,681 billion to R2,066 billion in 2019/20.

Virements Post Adjustments Estimates/Roll over

The department largely spent its 2019/20 Final Appropriation at 98.3 per cent, with minimal underspending of R34.299 million. The department undertook the virements listed below. The virements were possible largely because there was under-spending under Programme 1 and 2 against Compensation of employees, mainly due to delays and difficulties in the filling of critical vacant posts, because of lengthy recruitment processes. In addition, there were also savings against Goods and services resulting from cost cutting implemented on items such as minor assets, agency and support/outsourced services, and consumables: stationery, printing and office supplies. These savings were moved to offset spending pressures in the various programmes and economic categories.

From Programme 3: Provision of Buildings, Structures and Equipment R13.722 million was utilised to reduce unanticipated over-expenditure under Programme 1: Administration (R11.459 million) and Programme 2: Property Management (R2.263 million) as follows:

- R383 000 to Compensation of employees to Programme 1: Management (Sub-programme) in respect of higher than anticipated staff costs.
- R9.034 million to Goods and services Programme 1: Management (sub-programme) to cater mainly for unanticipated increased costs relating to advertising costs, auditor general costs, communication services as well as legal services fees.
- R1.169 million to Machinery and Equipment Programme 1: Management (sub-programme) to address pressures related to the procurement of server and hardware costs for telecommunication equipment under this category arising from the previous financial year.
- R873 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.
- R2.169 million to Transfers and subsidies to: Provinces and municipalities Programme 2: Personnel and Admin Related (sub-programme) to address spending pressures under Transfers and subsidies to: Provinces and municipalities, as a result of higher than anticipated increases in property rates for Zululand Municipality.
- R94 000 to Machinery and Equipment Programme 2: Personnel and Admin Related (sub-programme) to address pressures related to the procurement of domestic furniture for MEC's accommodation.

Within Programme 2: Property Management R19.333 million savings against Compensation of employees (R2.825 million), Goods, and services (R16.508 million) were utilised to address spending pressures within the programme as follows:

- R19.061 million to Transfers and subsidies to: Provinces and municipalities to address spending pressures as a result of higher than anticipated increases in property rates for UMgungundlovu Municipality.
- R272 000 to Transfers and subsidies to: Households to cater for higher than anticipated staff exit costs.

Within Programme 3: Provision of Buildings, Structures and Equipment, a further savings of R6.950 million against Compensation of employees, were also utilised to address spending pressures within the programme, as follows:

R1.105 million to Transfers and subsidies to: Households Personnel and Admin Related (sub-programme) to cater for social benefits in respect of higher than anticipated payments in respect of staff exits.

- R5.845 million to Goods and services Programme 3: Buildings and Structures (sub-programme) in respect of an increased number of unplanned maintenance and repair requests in the Regions.

Requested roll-overs to 2019/20

The department requested an amount of R25 million to be rolled over to the 2020/21 financial year to assist in the completion of 150 facilities conditional assessments for the department. These funds were not spent due to unforeseen challenges with the procurement of service providers, resulting in the tender having to be re-advertised. However, due to the implementation of the nationwide lockdown the Bid Evaluation Committees have been unable to evaluate and adjudicate bids.

Equitable share

As at 31 March 2020 the department spent R2.032 billion which is about 98.3% of the total budget, resulting in an under-expenditure of R34.299 million, against Goods and services and Payments for capital assets. Under-expenditure under Goods and services relates to exclusively appropriated funds in respect of the GIAMA for conditional assessment as result of delays in the appointment of a service provider, as well as the Fixed Asset Register allocation which remained unspent at year-end due to appeals on the award of contract in this regard. Under-expenditure against Payments for capital assets relate to slower than anticipated progress by contractors on certain capital infrastructure projects.

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

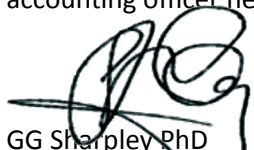
None.

Acknowledgement/s or Appreciation

In presenting this report the Accounting Officer acknowledge the guidance and support of the MEC for Human Settlements and Public Works, Hon. NP Nkonyeni MPL, the chairperson and members of the Public Works Portfolio Committee as well as the management and staff of the Department for their diligence and dedication.

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
Head of Department
20 September 2020

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 2020.



GG Sharpley PhD
Head of Department
Date: 30 June 2020

6. STRATEGIC OVERVIEW

VISION

An inclusive economy through sustainable infrastructure development and property management.

MISSION

To improve the lives 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

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS ORGANISATIONAL STRUCTURE

HEAD OF DEPARTMENT
Dr. G Sharpley



DDG: INFRASTRUCTURE
MAINTENANCE AND
TECHNICAL SUPPORT
Mr. S Majola



A/DDG: IMMOVABLE
ASSET MANAGEMENT
Ms. X Ntanzu



CHIEF FINANCIAL OFFICER
Mr J Redfearn



DDG: CORPORATE
SERVICES
Mr P W Duma



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 are reported useful and reliable, with material findings being reported. under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report. Refer to page 84 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 include Gender equality in decision-making positions as it is vital to ensure that issues affecting women are considered during policy formulation, planning and project implementation. Women empowerment is a critical component of any interventions aimed at gender equality as they remain marginalized even in the post 1994 era. Ownership and control of assets should therefore remain at the forefront of socio-economic transformation. The department has therefore identified areas of intervention through procurement reforms to ensure empowerment of women, youth, military veterans and black African.

A large portion of the lease portfolio has benefitted mainly Indian and White landlords therefore specific interventions have been introduced to increase the equity ownership of black landlords. There is also be a streamlined approach towards the development of emerging contractors through increased spend on Eyesizwe Contractor Development Programme as well as capacity building in order to improve sustainability, quality and performance of emerging contractors. The new approach will also see a greater number of contractors benefitting as the department limits the number of awards per contract.

Inroads into Radical Economic Transformation have been introduced and will be intensified in the 2020-2025 period through revised Delegations to Regions and District Offices, Promotion of African Black Entrepreneurs by the utilisation of Section 2 (1)f of the BBBEE Act on leases 900m² below, utilisation of Section 2(1)f to promote contract participation goals and locality, advertisement for a database of Professionals per Discipline to realise efficiency in procurement processes, Limitation of multiple awards - greater spread of contractors and consultants, aggregation of procurement plan to apportion pre-qualification criteria and direct and indirect sub-contracting above R30 million.

The department leads Action Work Group 3 tasked with monitoring implementation of the PGDP strategic objective 1.4 “to improve the efficiency, innovation and variety of government-led job creation programmes. The AWG monitors and evaluates the effectiveness, effect and impact of EPWP in the Province. The role strengthens the department’s role of provincial coordination and ensures an integrated approach to the creation of job opportunities in the province. A challenge remains with inadequate reporting of job opportunities created at municipal level due to limited capacity and inefficiencies in data collection resulting in rejection of reported jobs on validation on data. Innovative thinking is required to implement EPWP as it offers extensive opportunities to combat unemployment.

The government continues to enforce initiatives aimed to tackle the challenge of high unemployment, particularly among the youth population. The Department is responding to this challenge which require appropriate interventions through a range of initiatives aimed at alleviating unemployment through provision of short-term paid work opportunities coupled with skills training and promote the use as well as the development of artisans. The department’s Izandla Ziyagezana programme is a poverty alleviation initiative on vacant site clearance aimed at youth and women that targets the poorest of the poor.

The department is keen to improve existing job creation programmes and ensure effective oversight its role of coordinating EPWP in the Province. In realising Radical Socio-Economic Transformation, the Department will grow spend on Eyesizwe Contractor Development Programme (ECDP). The programme aims to increase and promote capacity, equity ownership, skills improvement, maintenance of capital works, sustainability and performance of registered and emerging contractors, with preference given to Youth, Women and Persons with Disabilities (PWDs) and Military Veterans registered on the National Military Veterans database. Vision 2030 advocates for government to broaden EPWP to cover 2 million fulltime equivalent jobs by the end of 2020. All indications show that this is imminent however financial constraints limit the extent of expansion.

The high rate of unemployment and poverty continue to affect delivery of infrastructure, as there are ongoing site disruptions by business groups demanding contracts for built works. The perceived corruption through multiple awards to the same contractors threatens progress and positive engagements with role-players in the sector.

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.

The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service 18/19	Desired standard of service 19/20	Actual achievement 2019/20
Integrated planning in the delivery of immovable assets and infrastructure	Citizens KZN Department of: Public Works(DPW) Education(DOE) Health(DOH) Arts and Culture(DAC) Agriculture and Rural Development(DARD) Human Settlements (DH) Legislature (KZN L) Office of the Premier(OTP) Transport(DOT) Cooperative Government and Traditional Affairs (COGTA)	No IPIP approved by March 2018 to ensure effective implementation for the year. Improved planning is required (as key driver for measuring delivery performance in relation to provision of building infrastructure)	8 User Departments with approved IPIP,s approved by March 2019	Not achieved no IPIPs were approved on time for all clients departments

Area of improvement in terms of applicable legal standards	Current/actual arrangements 18/19	Desired arrangements 19/20	Actual achievements 2019/20
Legal standards if applicable (including Standard Operating Procedures SOPS)	In the financial year, 2018/19 there were five (5) SDAs in place by March 2018. To ensure that Service Delivery Agreements are approved timeously.	09 User Departments with signed and valid SDA by March 2019	Not achieved

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements 19/20	Actual achievements 19/20
<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 2020</p>	<p>Department of Education PIDC meeting</p> <p>05 PIDC meetings were held with the user Department.</p> <p>Department of Health PIDC meeting</p> <p>09 PIDC meetings were held with the user Department.</p> <p>A total of 14 PIDC meetings held with major client departments plus bilateral meetings held with other client departments during the course of the year</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 404 internal stakeholders who have access to WIMS which includes all the Works Inspectors / District Managers/Project/Programme/Portfolio Managers. User training 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</p>
<p>Courtesy</p> <p>Satisfaction Survey not done to assess gaps on service rendered and impact made by having SDIP in place.</p>	<p>Department to engage with client departments and address problematic areas hindering service delivery</p>	<p>During 2019/20 focus was on implementation of recommendations made based on findings.</p> <p>PIDC and Bilateral meetings served as a platform to address problematic areas to ensure client satisfaction.</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>Provide inputs to 4 quarterly reports and 1 Annual Performance report</p>	<p>4 X Quarterly Performance Report and 1X Annual Performance Report inputs provided.</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>Of the 116 active projects at construction stage at the end of the financial year, 4 projects exceeded the 20% of Variation Orders of the total project cost</p>

Current/actual arrangements	Desired arrangements 19/20	Actual achievements 19/20
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	69% (New ,rehabilitation and refurbishment completed within agreed time period by March 2020 117% of projects completed within approved budget	Projects completed within contract duration Target 34 Achieved 39 Projects completed within contract budget Target 34 Achieved 50

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 namely Articles. Audios, organograms of Regional offices / Directorates and programmes offered by the department.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
No integrated Complaints /Compliments Management System in place	Integrated Complains Management System be in place	Complaints procedure in place to improve complaints handling systems within the department Departmental Hotline in place and displayed in all departmental offices Website allows for clients to submit complaints / compliments and suggestions online
Suggestion/Compliments and complaint boxes not in all offices	Suggestion/Compliments and complain Boxes be all offices	Suggestion box placed in visible areas at all district and regional Public Works Offices

2.3. Organisational Environment

Key focus areas identified through environment scanning exercise in the strategy review session held in preparation for the 2019/2020 were :

- Client Relationship Management
- Supply Chain Management Reform as a key means to achieve socio economic change
- Multi-year infrastructure planning to minimise project completion delays and budget variations
- Policy framework –SOPS/delegations /Review of existing policies to facilitate accelerated service delivery
- Maintenance : need for a comprehensive preventative maintenance strategy
- Socio economic development initiatives
- Skills development : technical skills for youth ,artisan cadres
- Strategic use of consultants to counter shortage of in-house built capacity and reduce construction costs to a reasonable level
- Cost of delivery in view of economic climate
- Use of technology for greater efficiency and control

The client satisfaction survey undertaken by the department further confirmed gaps in the above-mentioned areas. A new service delivery model and service delivery plan was developed to streamline operations and enhance efficiency in the rendering of services. This includes supply chain management reforms aimed at meaningful transformation of the infrastructure and property services.

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 2019/20 Annual Performance Plan.

3. STRATEGIC OUTCOME ORIENTED GOALS

Strategic Goals	Strategic Objective
1. Effective Management and Good Governance	1.1 Enhance good governance and accountability through sound strategic management and general support through legal advisory services, security, financial and human resource management.
2. Radical economic transformation through infrastructure and property delivery	2.1 Increase access to economic opportunities to broaden the base of targeted groups for economic empowerment.
3. Improved service delivery through Integrated Property Planning and Management	3.1 Improved immovable asset management and custodianship of all provincial assets and facilities
	3.2 Provide suitable accommodation for provincial Departments effectively
4. Improved service delivery through integrated Infrastructure Planning and Implementation	4.1 Enhance infrastructure planning and implementation
	4.2 deliver suitable infrastructure aligned with the green agenda
Expansion of Government – Led Job Creation Through Work Opportunities	5.1 Improve efficiency, innovation and variety of government led job creation

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:

- The targeted totals of 119 hired properties and 100 state - owned facilities, were audited for space utilisation, to ensure that buildings used for service delivery purposes are optimally utilised.
- The Department ensured due payment of property rates, to the value of R1 030 792 billion, in accordance with all verified invoices received from municipalities within the year. The initial budget allocation was R628 933 million for the year. During midterm, the Provincial Treasury further allocated an amount of R380 624 million and there was further R21 230 million reprioritised internally. The Department also negotiated a rebate of R92m in respect of rates payments to the eThekweni Municipality.
- A total of 207 properties were endorsed during the reporting period at the Deeds Office, thus confirming the ownership thereof into the name of the Provincial Government of KwaZulu- Natal.
- A targeted total of 12 properties were disposed of: 4 properties, in extent 1574.602ha, were donated to the Department of Rural Development and Land Reform for land claim settlement purposes, and 8 properties in extent 2.6236ha were donated to the eThekweni Municipality for housing development purposes.
- There were 17 properties let/allocated against a target of 15 (113%). In so doing, the Department ensured that priority is given to government objectives, of which 14 vacant stand-alone buildings have been reallocated to National and Provincial users for refurbishment and use as office accommodation as opposed to hiring private buildings.
- The Department acquired 5 new land parcels to support improved service delivery..

Izandla Ziyagezana Land Clearing Programme

This programme is aimed at providing work opportunities to beneficiaries thus contributing positively to the lives of the local communities.

To date, the Department through this Programme has created 493 work opportunities of which:

382 Women, 223 Youth and 3 people with disabilities (some woman are also youth)

from the following Districts:

- Ugu- 31
- Harry Gwala-29
- Uthukela-28
- Umzinyathi- 47
- Amajuba - 18
- UMgungundlovu- 44
- Ethekwini- 144
- ILembe 12
- Zululand-43
- King Cetshwayo-76
- Umkhanyakude -21

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 :

- The Department has capacitated itself with two (2) new Directors during the end of quarter 3 and is therefore in a position to better service its User Departments.
- In the 2019/2020 financial year, the overall expenditure on infrastructure delivery was R1 286 197 833 (93%)

Education

90 Education projects were completed at a total cost of R158 236 835,80

Amongst these the following were major projects

- Mbuyiselo High School– Upgrades and additions
- Vulekani Special School – Upgrades and additions
- Completion of School Fencing Programme
- Completion of 43 Storm damage projects

Health

42 Health projects were completed at a total cost of R408 622 505,90

Amongst these the following were major projects

- Addington Hospital - Storm Damage
- St Aidans Mission Hospital - Storm Damage
- King Edward VIII Hospital- Repair Stormwater, Sewer Pipes And Parking Areas
- Clairwood Hospital - Storm Damage
- Ekuhlengeni Hospital – Storm Damage
- Groutville Clinic – Replacement of clinic
- The Department also implemented the COVID-19 intervention programme during March 2020. Contracts were awarded for 3 health facilities, namely Clairwood and Wentworth Hospitals as well as King Dinizulu EMRS facility

which provided a total of 32 isolation and 205 quarantine beds.

- The Department at this time was also undertaking assessments of 9 other health facilities for award in early 2020/21 financial year. These Projects were to provide an additional 30 isolation and 673 quarantine beds.

Other Clients

- 6 projects at a total cost of R8 747 258,29
- Amongst these were the following major projects
- Rehabilitation of Traditional Administrative Centre : KwaXimba Imizi Yezizwe (Department of Co-operative Governance and Traditional Affairs)
- Khanyani Rehabilitation Centre : Repairs and Renovations (Department of Social Development)
- Upgrade and Additions to Whitby Lodge (Department of Co-operative Governance and Traditional Affairs)
- Upgrade and Additions : Installation of the Clear View Parameter Fencing (Department of Co-operative Governance and Traditional Affairs)
- Ladysmith Regional Area Office : repairs & Renovations to cracks - Department is Transport.

The “GREENING BUILDING POLICY” of all public buildings imperative in pursuing KwaZulu Natal vision 2035. The Department has formulated the KZN Green Building Policy as well as the Green Building Implementation Plan.

The Department prioritises green growth as articulated in the Medium Term Strategic Framework. This is evident at its Head Quarters located at 191 Prince Alfred Street, which yield significant results.

The intervention has achieved energy savings amounting to 602 141kwh (100% of the target) and water savings amounting to 7 138kl during 2019-2020. There was a slight drop in the achievement on the water saving due to old taps and leaking toilettes. The taps have since been replaced and the toilettes are being attended to. Essentially, the water saving is the equivalent of supply to 100 households that rely on the basic entitlement allocated to indigent households.

EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The Department had made strides to align itself towards the achievement of Outcome 4: “Decent employment through inclusive growth” , the Department managed to create 6 322 Work Opportunities against a target of 6 000 and 1031 Full Time Equivalents (FTEs) against a target of 600 FTEs by end of March 2019 through the EPWP Programme. In the 2019/2020 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 (OSS).

The Provincial EPWP Programme is coordinated by the Department of Public Works. A total of 153 739 Work Opportunities have been reported in the Province by Provincial Departments and Municipalities against a nationally set target of 121 888 Work Opportunities in the 2019/20 financial year. A total of 66 Provincial public bodies have reported on EPWP in the Province. Four (04) interventions were implemented to support Public bodies in form of the DORA Workshop, Phase IV Implementation Planning Session, EPWP Reporting System Training and Inductions for Municipal Councils.

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 2019-2020 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 2019/2020	Planned Target 2019/2020	Actual Achievement 2019/2020	Variance from planned target to actual achievement 2019/2020	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	Reasons for variance
		2016/2017	2017/2018	2018/2019	Annual Target 2019/2020	Actual 2019/2020		
Enhance good governance and accountability through sound strategic management and general support through legal advisory services, security, financial and human resource management	1.1 % posts filled by staff with disabilities	1.7%	1.7%	3,9%	2%	1,8%	2019/2020 -0,2%	Target not achieved Due to that out of the total number of posts filled during this period, none were filled by people with disabilities
	1.2 % representation of women at SMS	36%	39%	41%	50%	42%	-8%	Target not achieved Due to a few number of posts at SMS level that were advertised and filled during this period.
	1.3 % Posts filled on the Approved Human Resource Provisioning Plan (HRPP)	64%	12,5%	n/a	75%	48,5%	-26,5%	Target not achieved Due to an additional 122 posts added to the HRPP on 23/01/2020.

Strategy to overcome areas of under performance

The department to ensure that the posts appearing in the HRPP are prioritised for people with disabilities. Tangible efforts to be made to attract applicants with disabilities e.g. forwarding advertisements to organisations for the disabled and advertisements to be also on braille.

The department to ensure that the remaining posts at SMS level are prioritised for women officials and that advertisement do specify that female applicants are targeted for these posts. Further, the Department will ensure proper planning and targeting

Programme 1: Administration – Financial Management

Strategic objective	Programme Performance Indicator	Audited Performance			Actual Performance Against Target		Variance from planned target to actual achievement 2019/2020	Reasons for variance
		2016/2017	2017/2018	2018/2019	Annual Target 2019/2020	Actual 2019/2020		
Enhance good governance and accountability through sound strategic management and general support through legal advisory services, security, financial and human resource management	1.4 % of budget variation on quarterly and annually expenditure	2%	2%	2%	2%	Not within 2% variation	2.4%	Target not achieved Under-expenditure is due to Compensation of employees, as a result of delays in the filling of posts within the department, low expenditure under Goods and services on cost-cutting items such as contractor costs, agency and support outsourced services, consumables: stationery, printing and office supplies, as well as operating leases. Furthermore, under-expenditure is a result of condition assessments and Fixed Asset Register projects that did not materialised as anticipated, as well as slow progress under Buildings and other fixed structures due to delays in various capital infrastructure projects.
	1.5 Unqualified audit outcome	Unqualified audit report	Unqualified audit report	qualified audit outcome	Unqualified audit outcome	Unqualified audit outcome	0	Target achieved
	1.6 % of internal audit recommendations implemented	New	New	88%	100%	94%	-6%	Target not achieved Due to that 95 of 101 of Internal Audit Recommendations implemented in terms of the Audit Log and the 6 findings are pending processes that need to be implemented in terms of timeframes.
	1.7 % of external audit recommendations implemented	New	New	83%	100%	91%	-9%	Target not achieved Due to that 210 of 231 of AG Recommendations implemented in terms of the Audit Log and 26 findings are pending processes that need to be implemented in terms of timeframes and the dispute with incorrect recording and classification of intangible assets.

Strategy to overcome areas of under performance

The Department will ensure proper planning and targeting and the Departmental Internal Audit Directorate needs to be implemented.

Linking performance with budgets

Programme 1: Expenditure

Programme Name	2018/2019			2019/2020		
	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	415 347	415 347	-	449 539	449 539	-
Total	415 347	415 347	-	449 539	449 539	-

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 2019 -2020 for Property Management programme are detailed below:

Strategic Objectives are as follows :

4.2.1 Improve Immoveable 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 2019/2020	Planned Target 2019/2020	Actual Achievement 2019/2020	Variance from planned target to actual achievement 2019/2020	Reason for variance
Improve Immoveable Asset Management and Custodianship of all Provincial Asset and Facilities	100% compliance with GIAMA	100% compliance with GIAMA	100% compliance with GIAMA	100% compliance with GIAMA	Target Achieved
Provide suitable accommodation for Provincial Departments effectively	70% Accommodation provided within agreed time period	70% Accommodation provided within agreed time period	61%	-9%	Target not achieved As a result of various, internal administrative challenges.

Performance Indicators

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
		2016/ 2017	2017/ 2018	2018/ 2019	Annual Target 2019/ 2020	Actual 2019/ 2020		
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)	1100	955	1022	276	276	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	259	237	250	237	207	-30	Target not achieved Due to DRDLR experienced challenges with LAW system, which is used to issue Item 28(1) certificates, thereby delaying the issuing and receiving of Item 28(1) certificates to enable registrations of properties into the name of KZN Provincial Government.

	2.5 Number of State owned facilities audited for space utilization	200	200	108	100	100	0	Target achieved
	2.6 Number of hired facilities audited for space utilization	184	197	216	100	110	+10	Target over-achieved Due to the accelerated effort invested to make up for the deficit from the previous quarters
	2.7 % of total budget spent on approved property rates invoices from municipalities	R553m	R594 million	100.38% R728 million	100% (R620m)	102%	+2%	Target over achieved Due to that DPW received an additional budget of R380 million during the financial year
Provide suitable accommodation for provincial departments effectively	2.8 Number of properties let	20	27	15	15	17	+2	Target over achieved Due to more leases that were signed earlier than anticipated which were urgently required for service delivery purposes by National Department of Public Works.
	2.9 Number of lease agreements concluded	157	100	82	82	68	-14	Target not achieved As a result of various, internal administrative challenges.
	2.10 Number of properties disposed	3	24	15	12	12	0	Target achieved
	2.11 Number of properties acquired	18	5	20	10	5	-5	Target not achieved Changes in legal requirements led to delays in the conveyancing process
	2.12 Number of condition assessment conducted on state owned buildings	250	460	202	150	0	-150	Target not achieved Due to the delays in procurement of suitable service provider

Strategy to overcome areas of under performance

Improved planning and monitoring to mitigate any unforeseen events and to reduce dependency on external stakeholders

Improved monitoring and engagement with external stakeholders

Linking performance with budgets

Programme 2: Expenditure

Programme Name	2018/2019			2019/2020		
	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	806 924	806 924	-	1 140 853	1 106 556	34 297
Total	806 924	806 924	-	1 140 853	1 106 556	34 297

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 2019 - 2020 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 2019/2020	Planned Target 2019/2020	Actual Achievement 2019/2020	Variance from planned target to actual achievement 2019/2020	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 2020)	69% (New ,rehabilitation and refurbishment completed within agreed time period by 2020)	+5%	Many urgent projects which were not planned for was completed eg storm damage and boreholes
	New	80% of projects completed within approved budget	117% of projects completed within approved budget	+23%	Many urgent projects which were not planned for was completed eg storm damage and boreholes
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	6350	+350	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	66	0	Target Achieved

Strategic Objectives / Indicators	Actual Achievement 2019/2020	Planned Target 2019/2020	Actual Achievement 2019/2020	Variance from planned target to actual achievement 2019/2020	Reason for variance
Deliver sustainable infrastructure aligned with the green agenda	New	600, 000 kWh	602 141kWh	2 141kWh	The inclusion of Variable Occupancy as additional data (as advised by the AG) has improved the overall saving.
	New	6000 KI	7 138kl	-4 862kl	A recalculation of the baseline year consumption (2015/16), due to incorrect occupancy data previously provided, has reduced the projected saving drastically.

Performance Indicators

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 2019/2020	Reasons for Variance
		2016/ 2017	2017/ 2018	2018/ 2019	Annual Target 2019/ 2020	Actual 2019/ 2020		
Enhance infrastructure planning and implementation	[Designs] 3.1 Number of infrastructure designs ready for tender (Sector measure)	20	13	31	16	12	-4	DAC was done away with effect from 1 October 2019 in order to prevent delays. Those cases which were approved at DRC was not ready for tender.
	Construction (Planned Capital Projects) 3.2 Number of capital infrastructure projects completed within the agreed time period. (Sector Measure)	107	38	19	14	45	+31	Additional backlog projects were 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 2019/2020	Reasons for Variance
		2016/2017	2017/2018	2018/2019	Annual Target 2019/ 2020	Actual 2019/ 2020		
	Construction (Planned Capital Projects) 3.3 Number of capital infrastructure projects completed within the agreed budget. (Sector Measure)	182	89	70	14	84	+70	Additional backlog projects were achieved
	MAINTENANCE 3.4 Number of planned maintenance projects completed within the agreed contract period. (Sector Measure)	86	32	10	20	55	+35	Additional backlog projects were achieved
	Maintenance 3.5 Number of planned maintenance projects completed within agreed budget (Sector Measure)	97	50	23	20	71	+51	Additional backlog projects were achieved
	Maintenance 3.6 Number of planned maintenance projects Awarded. (Sector Measure)	89	24	19	12	199	+187	Programmes with many projects were awarded which increased the no of awards eg, one(1) submission had about 30 projects within that programme

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 2019/2020	Reasons for Variance
		2016/2017	2017/2018	2018/2019	Annual Target 2019/ 2020	Actual 2019/ 2020		
Improve efficiency , innovation and variety of government led job creation	COMMUNITY DEVELOPMENT 3.7 Number of EPWP Work Opportunities created by the Provincial Department Public Works/ Roads (Sector Measure)	6145	6134	6061	6000	6322	+322	Target over-achieved 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.
	3.8 Number of Full Time Equivalents (FTE's) created by the Provincial Department of Public Works / Roads (Sector Measure)	1782	830	910	600	1031	+431	Target over-achieved FTEs generated based on number of days worked by the beneficiaries.

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 2019/2020	Reasons for Variance
		2016/2017	2017/2018	2018/2019	Annual Target 2019/ 2020	Actual 2019/ 2020		
	Co-ordination and Compliance Monitoring 3.9 Number of public bodies reporting on EPWP targets within the Province (Sector Measure)	72	68	66	66	66	0	Target Achieved
	3.10 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	223 940	121 888	153 739	+31 851	Target over-achieved The KZN Province has always ensured that job creation and subsequent reporting in EPWP is maximized in light of the prevailing unemployment statistics, hence the over-achievement.
	3.11 Number of interventions implemented to support public bodies in the creation of targeted number of work opportunities in the Province (Sector Measure)	4	3	4	4	4	0	Target Achieved
	3.12 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 2019/2020	Reasons for Variance
		2016/2017	2017/2018	2018/2019	Annual Target 2019/ 2020	Actual 2019/ 2020		
	3.13 Number of emerging contractors trained	New Indicator	New Indicator	348	250	130	-120	Target not achieved The Department engaged NHBRC to provide training on behalf of the department before March 2020. Unfortunately, the training provided by NHBRC did not cover all the Regions as planned. Trail of emails with NHBRC regarding training and changed dates to 2020/21 financial year by NHBRC is available on request.
Deliver sustainable infrastructure aligned with the green agenda	3.14 Reduction of energy operational consumption (Kilowatt hours) per year	New Indicator	New Indicator	541 660kWh	600,000 kWh reduction of energy operational consumption by 31 March 2020	602 141kWh	+2141 kWh	Target overachieved Due to the increase in the number of officials in the building resulted in an overall increase in energy consumption
	3.15 Reduction of water operational consumption (Kilolitres) per year	New Indicator	New Indicator	10 968kl	12 000 kl reduction of water operational consumption by 31 March 2020	7138kl	-4862kl	Target not achieved Due to an underground leak which was detected late in the year resulted in an excessive water consumption

Strategy to overcome areas of under performance

The department will ensure proper planning and targeting mechanisms, further, the Department shall ensure that projects are targeted in line with their project milestones.

Linking performance with budgets

Programme 3: Expenditure

Programme Name	2018/2019			2019/2020		
	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	458 740	453 307	5 433	475 549	459 412	16 137
Total	458 740	453 307	5 433	475 549	475 547	2

Linking performance with budgets

The table below illustrates actual expenditure for Vote 14 for 2019/20 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 – 2019/20						
R thousand		Adjusted	Virement	Final	Under/	% spent
	Actual	Appropriation	Post Adj. Est.	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	449 539	438 080	11 459	449 539	-	100.0
2. Property Management	1 106 556	1 138 590	2 263	1 140 853	34 297	97.0
3. Provision of Buildings, Structures & Equip.	475 547	489 271	(13 722)	475 549	2	100.0
Total	2 031 642	2 065 941	-	2 065 941	34 299	97.6

As is reflected in the above table, the Department of Public Works spent R2, 015 billion of the 2019/20 Final Appropriation, with spending at 97.6 per cent at the end of the financial year.

Programme 1: Administration fully spent their allocated budget.

Programme 2: Property Management was under-spent by R34.297 million with expenditure at 97.0 per cent of the Final Appropriation mainly attributed to GIAMA Conditional Assessment, computer services costs for the Fixed Asset Register project and property payments for gardening and security services in respect of GIAMA not materialising as anticipated.

Programme 3: Provision of Buildings, Structures and Equipment was under-spent by R00.002 with expenditure at 100.0 percent.

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.

CONDITIONAL GRANTS AND EARMARKED FUNDS

The table below shows the actual expenditure incurred in 2019/20 on national conditional grants by the department, against the 2019/20 Final Appropriation.

Summary of conditional grants - Vote 14 – 2019/20

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	4,726	4,726	0	4,726	()	100
Total	4,726	4,726	0	4,726	0	100

The department spent R4, 726 million on its 2019/20 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 Committee and the Ethics Committee provides strategic direction, oversight and leadership in monitoring and reporting on internal and 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 evaluation of the Department's performance on Internal Control and Risk Management.

The Departmental Risk Management process includes conducting a Strategic Risk Assessment and Operational Risk Assessments. To further strengthen Risk Management throughout the Department, Regional Operational Risk Assessments which included each business unit were also conducted. The Departmental Risk Management process includes the identification of emerging risks and the continued monitoring of the implementation of all risk mitigating plans identified.

Further with the advent of Covid-19 Pandemic, the Covid-19 Operational Risk Assessment was completed and action plans implemented to mitigate the risk identified. The Covid-19 check list was also developed to serve as a yard stick to ensure compliance to the directives, circulars and guidelines issued by the Department of Labour, Department of Health, KZN Treasury PIAS and the Public Service Administration.

3. FRAUD AND CORRUPTION

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

The Department considers fraud prevention as an integral part of its overall Departmental Risk Management Strategy. The Department specifically focuses on fraud prevention through the conducting of fraud awareness workshops. Awareness workshops were held at the Southern Regional Office and its district offices. The workshops highlighted the prevention and detection of fraud, and the importance of maintaining effective control and ongoing checks and balances.

In order to further promote a culture of zero tolerance towards corruption, new officials are educated on Ethical Conduct, Fraud and Corruption and the channels for reporting.

The Fraud and Ethics Risk Register was developed together with a Covid-19 Fraud and Ethics Risk Register with risk mitigation action plans in our attempt to totally eradicate fraud.

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. Further to this the following policies have been implemented by the Departments' Enterprise Risk and Integrity Management Directorate:

- Remuneration outside of public service

5. CODE OF CONDUCT

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 Formal and Informal Discipline, Abscondment Procedure & Grievance Handling Timeframes.

- **Employee Relations Sub-directorate conducted 10 workshops.**

This was 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 seven (07) misconduct cases handled and all seven (07) cases were finalised within prescribed time, which marks a 100% achievement.
- There were twenty four (24) grievances lodged, twenty three (23) grievances were finalised and one (01) grievance was pending. That marks 96% percent achievement.
- There were fourteen (14) disputes cases lodged. Nine (09) cases are finalised. Five (05) disputes cases were pending. That marks 64% percent achievement

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

- As per our Operational Plan we had to conduct twenty (20) WLRSC meetings and two (02) PWLRSC.
- We had manage to conduct eleven (11) 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.

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 Occupational Health and Safety, 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. 2 Evacuation exercises were conducted. 8 SHERQ awareness sessions. Occupational Health and Safety awareness sessions were conducted for staff. 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
	04 October 2019 (Workshop For Public Works Portfolio Committee)	Strategic Plan: 2019 – 2024 Annual Performance Report 2019/2020 1st Draft App 2020/2021 1st Draft Budget 2020/2021
	12 November 2019 (Workshop For Public Works Portfolio Committee)	Eyesizwe Contractor Development Programme (ECDP) Eradication of Youth Unemployment Service Delivery Model Resolutions of 2015 Provincial Procurement Indaba EPWP Grant Fraud And Corruption Plan
	03 December 2019	Oversight at Mahlabani School – UMkhanyakude District (Infrastructure)

NO	DATE	KEY MATTERS & REPORTS PRESENTED
	11 December 2019	Stakeholder Summit – UMgungundlovu District Municipality 2020/21 Budget 2020/21 Annual Performance Plan Projects under UMgungundlovu Projects
	11 February 2020	Oversight Visit at Amajuba District Municipality SITES/Projects to be visited: Osizweni Service Office Panorama Secondary School Sizanani Secondary School

8. SCOPA RESOLUTIONS

The table below are resolutions that emanated from the hearings that pertain specifically to the Department.

SCOPA RESOLUTION	SUBJECT	PROGRESS
Resolution 40/2019	Immovable tangible capital assets: Work in progress (R73.581 million)	<p>The Department has met with the financial reporting technical team within Provincial Treasury to review the Annual Financial Statement presentation of the Immovable tangible capital asset work in progress note. The Provincial Treasury Team have also reviewed the supporting working papers and evidence substantiating the financial disclosure to ensure full compliance with the Modified Cash Standard.</p> <p>It is the intention of the Department to request that the Auditor General audit the Interim Financial Statement prior to the financial year end to ensure that any difference of opinion on the requirements of the MCS can be resolved and agreed upon prior to the submission of the Annual Financial Statements.</p>
Resolution 41/2019	Immovable tangible capital assets: Overstatement of 2017/18 closing balance by R21.09 million	<p>The values of the four facilities have been adjusted to reflect as per 2013-2017 Municipal Valuation Roll in line with the inception date. This will be recorded as an adjustment for 2019/2020 disclosures at the financial year-end. Any amount related to upgrades & additions for the period 2017-2019 will also be taken into consideration.</p> <p>Subsequent to the audit, the Department has created a valuation register, wherein we have interrogated all disclosure values and aligned same with the inception value as the date was taken on into the asset register. The take-on date has also been indicated and we have also attached supporting evidence in respect of each value, such as municipal valuation rolls at the time.</p> <p>At present there are 98 land parcels where the values are being investigated for accuracy in line with the inception date – should a need arise they will be adjusted accordingly and reflected as prior year and the audit team will be appraised of those at the initial consultation.</p> <p>All land parcels that will be reported as additions at the end of the financial year – will be supported with municipal value in line with the inception date.</p>

SCOPA RESOLUTION	SUBJECT	PROGRESS		
Resolution 42/2018	Claims recoverable: R99.35 million	<p>Inter-departmental claims balances as at 31 December 2019 amounted to R293.109 million.</p> <p>The impairment recorded in the Department’s annual financial statement largely relates to long outstanding claims not yet settled by client departments. It must be noted that the Department of Public Works settles invoices from contractors/ service providers for services rendered relating to client department infrastructure projects and thereafter claims from client departments.</p> <p>The Department is guided by the Provincial Treasury Instruction Note on the management of inter-departmental claims. However, the department continues to encounter various challenges with the delays in settlement of claims by client departments. As such, the office of the Provincial Accountant General is currently assisting the department in this regard. Also, the department continues to engage client departments to ensure swift settlement of claims</p>		
Resolution 43/2019	Strategic planning and performance management	<p>The Department is compliant with provisions of the Public Service Regulations in terms of monitoring of progress made towards achieving the set APP targets. The Department has a well-established Monitoring & Evaluation (M&E) Directorate; approved policies are in place and are compliant to the Government Wide Monitoring and Evaluation System and the Framework for Managing Programme Performance Information.</p> <p>The M&E Directorate further conducts performance information verifications meetings at Regional level, as well as physical site verifications on all completed projects.</p> <p>The Department currently use the Department of Planning Monitoring and Evaluation’s (DPME) Electronic Quarterly Performance Reporting System (eQPRS) for Performance Information Reporting to the Office of the Premier, Treasury, National Department of Public Works and DPME.</p> <p>The M&E Directorate will in advance issue out the HOD Approved Performance Information Submission Deadline Dates out to Branches, to ensure timeous reporting and exercise strict adherence to the set timelines</p>		
Resolution 44/2019	Annual financial statements	<p>The adjusted misstatements in the 2018/19 Annual Financial Statement related to the reclassification of amounts owing to various municipalities from accrual to payables. Various amounts had been erroneously incorrectly classified. The department has since provided training to regional official to ensure that in future such invoices are correctly classified.</p> <p>In general, the financial information and presentation of such is reviewed by the Manager Finance and the Chief Financial Officer. However, the re-statement of financial information is often due to interruption of the Standards. The Department continues to work with Provincial Treasury and the Auditor General to ensure there is alignment in the interpretation of accounting standard. Additional training is provided on an annual basis to the departmental staff involved in the collection information and preparation of the Financial Statements.</p>		
Resolution 45/2019	Utilisation of conditional grants: EPWP Integrated Grant for Provinces	<p>The Department has introduced monitoring measures on a monthly and quarterly basis for all EPWP Integrated Grant Funded projects in 2019/20. This monitoring allows all regional officials responsible for projects to foresee any implementation and expenditure challenges at an early stage and allows for corrective measures to be taken in advance.</p> <p>Where there are amendments that need to be incorporated into project lists, the Department has familiarized itself with the process to be undertaken such as submitting amended project list to National Department of Public Works prior implementation. This responsibility is handled at the Head Office level and is in accordance with the prescripts of the Division of Revenue Act.</p> <p>It must also be noted that the 2019/20 EPWP Grant is utilised for the payment of stipends for EPWP Participants and the Department wish to confirm that the finding will not resurface in the 19/20 financial year.</p>		
Resolution 46/2019	Archibus system	<p>Progress in the implementation of the Archibus System Functionality is as follows:</p> <table><tr><td>Property Management</td><td>100% complete</td></tr></table>	Property Management	100% complete
Property Management	100% complete			

Annual Report 2019-20

SCOPA RESOLUTION	SUBJECT	PROGRESS			
Resolution 50/2019	Transversal resolution (All provincial departments) – Irregular expenditure of R11.421 907 billion recorded in the 2018/19 financial year	Of the irregular expenditure cases, none of them related to fraud, corruption or other criminal conduct and thus no matters have been reported to the South African Police Service or the Provincial Treasury Internal Audit Services for investigation.			
Resolution 52/2019	Transversal resolution – Fruitless and wasteful expenditure	Where officials were found to have been negligent, they were disciplined by way of corrective disciplinary processes resulting in warnings. Recoveries were not implemented for any of the cases due to this being the first offence of the officials in question and mitigating circumstances involved.			
Resolution 54/2019	Transversal resolution – Forensic Investigations	NR of investigations Requests	Status	Progress	Summary of Disciplinary
		FR19/2011 - Alleged fraud, corruption other irregularities Real property management, lease rental	Completed	Finalised Final Report received 2 April 2014 Legal currently attending to the recoveries and eviction	Recommendation implemented & Disciplinary Action Finalised The Presiding officer imposed as sanction of Final Written Warning and Transfer to another component
		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	Finalised Final Report received on the 23 February 2018 Provincial Treasury to open criminal case	All allegations against officials were found to be unfounded

SCOPA RESOLUTION	SUBJECT	PROGRESS			
		FR15/2015 - Possible fraudulent activities on WIMS - Criminal case registered with SAPS as CAS Ladysmith (586/10/15)	Completed	<p>Final report received 15 June 2016</p> <p>The criminal matter has been registered with SAPS as CAS Ladysmith (586/10/15)</p> <p>State Attorney was instructed to apply for default judgment against the service provider</p> <p>Letter received from State Attorney on the 12 December 2018 indication that the client will be paying a monthly instalment of R4000.00 per month as from the end of January 2019</p> <p>Debtor made settlement proposals which are currently being considered by the department.</p>	<p>Disciplinary action taken against all 7 officials identified</p> <p>1 Official - sanction of dismissal imposed.</p> <p>2 Officials - sanction of 3 months' suspension without pay and a final written warning was issued.</p> <p>1 Official - sanction of 1-month suspension without pay and a final written warning was issued</p> <p>3 Officials - sanction of a final written warning was issued</p> <p>Criminal case has been opened for 2 Officials.</p> <p>All disciplinary cases regarded is finalized.</p>

SCOPA RESOLUTION	SUBJECT	PROGRESS			
				<p>Debtor to pay R6,000.00 a month, commencing on 15 August 2019</p> <p>In respect of the criminal case, a pre-trial conference was scheduled to be held on the 21 November 2019</p> <p>Debtor has not made payment; State attorney has been instructed to continue with the attachment process.</p> <p>Criminal case: Both the entity and the member have been charged with money laundering, alternatively theft.</p> <p>Member has requested to enter into a plea bargain with the state; however, as he has failed to make payment of in terms of the civil judgement, Department is reluctant to agree to same.</p> <p>No further contract awarded to contractor after discovery of fraudulent activities.</p>	

SCOPA RESOLUTION	SUBJECT	PROGRESS			
		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	Finalised Final Report received on the 27 June 2018 All recommendations relating to SCM practises have been implemented/ reinforced with departmental SCM practises in a departmental circular/SCM forums. Legal services evaluated the report and determined steps to be taken against PANDEV into opening a criminal	All allegations against officials were found to be unfounded

SCOPA RESOLUTION	SUBJECT	PROGRESS			
				<p>case of fronting and to notify National Treasury to black list Pandev</p> <p>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.</p> <p>Letter was sent to Treasury on the 30 October 2018 requesting to open criminal charges of fronting practices from Pandev</p> <p>PIAS is in the process of drafting the HOD's statement and once finalized, a criminal case will be registered with SAPS.</p> <p>PIAS has reviewed report again in terms of the criminal recommendations made and due to certain issues found, it has re-evaluated the decision to proceed with the criminal investigation.</p> <p>A letter is to be submitted to the Department indicating our findings.</p> <p>Submission of a letter is put on hold due to current settlement negotiations on another matter involving PANDEV.</p> <p>Matter being assessed, due to legal developments relating to restriction of contractors.</p>	

SCOPA RESOLUTION	SUBJECT	PROGRESS			
		FR19/2012 - Alleged fraud on compensation for expropriation of land	Referred to by DOT	Finalised Report received 19 February 2018 DOT referred report to DOPW as official has been transferred to our Department Department reviewed the report It was found that there is outstanding documentary evidence from Provincial Treasury and Department of	Report recommends Disciplinary action against 1 official transferred to DPW Disciplinary Hearing is scheduled for 7 and 8 November 2019. Disciplinary hearing was held on the 7th and 8th of November awaiting outcome from the Chairperson
				Transport required to enable the department to take the matter further. The relevant file from DOT has since been submitted to the Department. Employee relations has requested SCM to source the services of the handwriting expert since the alleged official challenged the authenticity of the handwriting signatures. PIAS is awaiting letter from HOD requesting the original documentation to be handed over. Documents requested were provided to the Department in Q1 (2019-2020). The employer representative has received the outcome of the handwriting expert and currently finalising the charge sheet.	

SCOPA RESOLUTION	SUBJECT	PROGRESS			
		FR26/2018 - Investigation into Nzinto Supply and Security Services: Letter of Good standard	Completed	Finalised Report was issued on the 19 March 2019 Nzinto and Supply Services iro bid number ZNT 2759W was disregarded. Letter sent to Legal Services on the 16 April 2019 on Treasury recommendation for the deregistering of Service Provider for the submission of fraudulent procurement documents. Letters to contractor to be submitted in May 2019 Matter being assessed, due to legal developments relating to restriction of contractors.	No departmental officials implicated
		FR 42/2016 - Investigation on allegations of fraud and corruption in hiring of accommodation (brought forward by Sintucom Trading cc	Completed	Finalised Final report received on 26 June 2019 It is recommended that this matter be closed	No departmental officials implicated

SCOPA RESOLUTION	SUBJECT	PROGRESS			
		FR02/2018 - Allegations of fraud and collusion against the project leader for school of industries project: repair of roof Midlands Fraud and collusion against project leader –school of industries project. Non provision of services e.g. toilets roof sheeting wrong sized. Brandering not replaced.	Completed	Finalised Final report received on 26 June 2019 Letter sent to Legal Services on the 18 November 2019 In respect of the Treasury recommendation for the de-registering of Autar Golden Enterprise (Pty) Ltd and Newcastle Projects and Development (Pty) for the submission of fraudulent procurement documents. The Department has requested that PIAS assist in registering a criminal case on the Department's behalf.	Letter forwarded to DDG: Corporate Services on the 2 July 2019 highlighting Treasury's recommendation to initiate the necessary disciplinary process against 5 officials 1 Official file was transferred to The Department of Agriculture and Rural Development no longer with the department of Public Works 4 officials disciplinary hearing were finalised on 13 September 2019. Each received verbal warnings
		FR27/2018 - Investigation into fraudulent e-mails sent to consultants	Completed	Finalised Report finalised on the 28 June 2019 We recommended the matter be closed as the case has been reported to SAPS for investigation as purely a criminal investigation which required information systems expertise the matter be investigated by the SAPS. According Capt. Holder Case closed no additional info or leads to warrant further investigation.	A criminal case has been opened with SAPS as per Cas No: 367/12/2018. DPW notified 2 April 19, that Capt. Holder is investigating officer with contact details – 033 8452756. Matter still under investigation by SAPS.
		FR06/2017 - Alleged corruption and fraud by a tenderer: ZNT5816W Reported directly to Treasury (Whistle Blower)	Completed	Finalised Final report received on the 9 October 2019 It is recommended that this matter be closed.	The allegations are unfounded and have no substance.

SCOPA RESOLUTION	SUBJECT	PROGRESS			
		FR26/2017 Allegations that Janora Trading has relationship with DPW on the awarding of lease contracts	Completed	Finalised Final report received on 9 October 2019 It is recommended that this matter be closed.	
Resolution 55/2019	Transversal resolution – Internal Investigations	All forensic investigations are performed by Provincial Treasury as per Resolution 54. The Department does a preliminary investigation prior to forwarding to Treasury to determine whether the allegations have substance for further forensic investigation.			

9. PRIOR MODIFICATIONS

The Department received a qualified audit opinion for 2018/19 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 ON

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 2020.

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 Sectors Investment Employment Infrastructure and Development (ESIEID) 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.

Audit Committee Members and Attendance

The PARC and ESIEID 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)	10 of 10	4 of 4
2.	Mr V Ramphal	10 of 10	4 of 4
3.	Mr M Tarr	10 of 10	4 of 4
4.	Mr P Christianson	9 of 10	N/A*
5.	Ms T Njozela	9 of 10	N/A*
6.	Mr D O'Connor	10 of 10	N/A*
7.	Ms N Sithole (resigned July 2019)	3 of 10	N/A*

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

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:

- Impairment of receivables (claims recoverable from Departments)
- Procurement and contract management
- Expenditure Management - Irregular Expenditure
- **Performance Information**

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.

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 seventeen (17) audit assignments for the period under review, of which fifteen (15) were finalized and two (2) were carried over to the 2020/21 financial year with the approval of the Audit Committee.

The PIAS performed effectively during the period under review; notwithstanding concerns raised by the Committee in respect of the financial and human resource limitations imposed upon the unit. The Committee will monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the department.

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 the end of the 19/20 financial year, the Department's risk register status was as follows:

	Total	Critical	Major	Moderate	Minor	Insignificant
Number of risks identified	7	3	3	1	0	0
Number of agreed actions	30	9	18	3	0	0
Number of completed actions	20	7	12	1	0	0
% of completed actions	67%	78%	67%	33%	N/A	N/A

The Committee notes the progress made by the Department on the implementation of its risk mitigation plans with a 67% completion rate. The Department is urged to 1) implement the outstanding risk mitigation plans, particularly for risks classified as critical and major; and 2) update the Department's risk register with operational and strategic risks which are currently being conducted within the Department.

Although the Department is commended for having a functional risk management committee which is chaired by the Accounting Officer, and having made significant progress in completing improvement plans relating to the

Occupational Health and Safety and Fraud Prevention; the Committee is, however, concerned that the Department's Business Continuity Plan was last updated in 2016.

With the current focus being on COVID 19 pandemic, the Department is urged to ensure continued compliance with prescribed control measures, including updating of the Business Continuity Plan so that service delivery interruptions could be minimized.

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 Department 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 material impairment of R131, 03 million on claims recoverable as a result of defaults by other provincial departments.

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.

Forensics Investigations

During the period under review, the Committee noted that there were sixteen (16) forensic investigations from 1 April 2019 to 31 March 2020, relating to alleged supply chain management and procurement irregularities as well as payment irregularities which the department had referred to the PIAS for investigation.

Of the sixteen (16) investigations, eight (8) investigations are still in-progress and eight (8) investigations have been completed, ie. Phase 1 has been completed.

From the eight (8) completed investigations, five (5) had disciplinary actions recommended, of which the department has finalised three (3) disciplinary proceedings and two (2) are currently being dealt with.

The Committee further noted that four (4) completed investigations recommended criminal action, of which three (3) matters are currently under criminal investigation by the South African Police Service (SAPS) and one (1) matter is still to be registered.

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

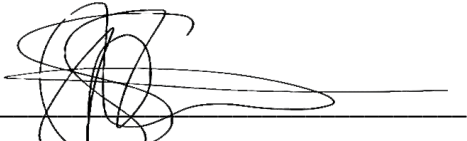
Auditor-General's Report

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 unqualified 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.

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.



Mr SP Simelane

Acting Chairman: Provincial Audit and Risk Committee

27 October 2020



PART D: HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE MANAGEMENT – 2019/20

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 (SDI) Plan. 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 (SDI) Plan. 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. 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
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 – (01/04/2019 – 31/03/2020)

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, 2019/20

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	449,539	323,554	2,169	1,805	72%	304	856
Prog 2: Real Estate	1106 556	57,166	575	4,080	4%	413	232
Prog 3: Prov of buildings	459,412	301,696	12,231	51,925	66%	352	548
Total	2,015,507	682,416	14,975	57,800	34%	332	1636

TABLE 2.2 – Personnel costs by salary bands, 2019/20

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)	3,321	0.50	174,789	682,416	19.00
Skilled (Levels 3-5)	176,381	25.00	257,867	682,416	684.00
Highly skilled production (Levels 6-8)	214,937	30.50	423,939	682,416	507.00
Highly skilled supervision (Levels 9-12)	196,321	27.90	698,651	682,416	281.00
Senior management (Levels 13-16)	35,276	5.00	1216 414	682,416	29.00
Contract (1-2)	52	0.00	52000	682,416	1.00
Contract (3-5)	721	0.10	180,250	682,416	4.00
Contract (6-8)	8462	1.20	352,583	682,416	24.00
Contract (9-12)	23,579	3.20	736,844	682,416	32.00
Contract (13-16)	4 437	0.60	1479 000	682,416	3.00
Contract Other	4,764	0.70	91,615	682,416	52.00
Periodical Remuneration	0	0.30	3,968	682,416	0
Total	682,416	98.20	5667,920	682,416	1636.00

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, 2019/20

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	259,796	77.90%	1202.00	0.40%	12,174	3.60%	21,992	6.60%
2 Real Estate	47,245	80.80%	0.00	0%	1,758	3.00%	3,041	5.20%
3 Provide building Structure & Equipment	255,599	81.80%	71	0%	8,873	2.80%	13,382	4.30%
Total	562,640	82%	1273.00	0.20%	22,805	4.30%	38,415	6.40%

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2019/20

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)	2,370.00	71.30	2.00	0.10	325	9.80	345	10.40	3,322
Skilled (Levels 3-5)	127,786	72.20	336.00	0.20	11,438	6.50	18,281	10.30	176,907
Highly skilled production (Levels 6-8)	168,650	77.60	785.00	0.40	7,813	3.60	14,094	6.50	217,237
Highly skilled supervision (Levels 9-12)	167,734	82.50	111.00		2,954	1.50	5,125	2.50	203,383
Senior management (Levels 13-16)	31,407	83.60	0		230	0.60	529	1.40	37,556
Contract (1-2)	47	90.40	0		0	0	0	0	52
Contract (3-5)	688	94.80	32	4.40	0	0	0	0	726
Contract (6-8)	8,460	99.90	0		0	0	0	0	8,467
Contract (9-12)	23,016	95.50	0		46	0.20	42	0.20	24,090
Contract (13-16)	4,249	91.10	0		0	0	0	0	4,664
Contract Other	4,733	99.20	7	0.10	0	0	0	0	4,770
Periodical Remuneration	23,500	100.00	0		0	0	0	0	23,500
Total	562 640.00	82.00	1273.00	0.20%	22,805	4.30	38,415	6.40	704,674

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 2020

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1 Administration	905	862	4.80%	53
2 Real Estate	124	116	6.40%	6
3 Provide building Structure & Equipment	698	658	5.70%	50
Total	1,727	1,636	5.30%	109

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2020

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	21	19	9.50%	0
Skilled (Level 3-5)	714	684	4.20%	9
Highly skilled production (Levels 6-8)	527	507	3.80%	0
Highly skilled supervision (Level 9-12)	304	281	7.60%	2
Senior management (Levels 13-16)	45	29	35.60%	0
Contract (Levels 1-2)	1	1	0	0
Contract (Levels 3-5)	4	4	0	1
Contract (Levels 6-8)	24	24	0	21
Contract (Levels 9-12)	32	32	0	25
Periodic remuneration	55	55	0	51
Total	1,727	1,636	95%	109

TABLE 3.3 – Employment and vacancies by critical occupation, @ 31 March 2020

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 2020

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	0	0	0	0	0
Salary Level 15	4	3	3%	0	0

Salary Level 14	4	2	0%	1	0
Salary Level 13	28	26	97%	1	0
Total	37	32	98.9%	1	0

TABLE 3.4.2 SMS INFORMATION AS AT 01 APRIL 2020

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	0	0	0%	0	0
Salary Level 15	4	3	1%	0	0
Salary Level 14	4	2	0%	1	0
Salary Level 13	28	26	1%	1	0
Total	37	32	98.8%	1	0

TABLE 3.4.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

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	100%	0	0
Salary level 16	0	0	0	0	0
Salary Level 15	4	3	75%	1	25%
Salary Level 14	4	2	50%	2	50%
Salary Level 13	28	26	89.2%	3	10.7%
Total	37	32	83.78%	6	16.2

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 2019 to 31 March 2020.

Reasons for vacancies not advertised within six months

Posts has to be subjected to the job evaluation process

Reasons for vacancies not filled within six months

Posts has to be subjected to the job evaluation process

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 2019 to 31 March 2020.
Reasons for vacancies not advertised within six months

None

Reasons for vacancies not filled within six months

None

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 2019 to 31 March 2020

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)	21	0	0	0	0	0	0
Contract (1-2)	1	0	0	0	0	0	0
Contract (3-5)	4	0	0	0	0	0	0
Contract (6-8)	24	0	0	0	0	0	0
Contract (9-12)	32	0	0	0	0	0	0
Contract (Other)	52	0	0	0	0	0	0
Skilled (Levels 3-5)	714	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	527	16	3.0	0	0	0	0

Highly skilled supervision (Levels 9-12)	304	17	5.9	0	0	0	0
Senior Management Service (level 13 -16)	45	10	33.3	0	0	0	0
Periodic Remuneration	55	0	0	0	0	0	0
Total	1727	43	42.2	0	0	0	0

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2019 to 31 March 2020

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 2019 to 31 March 2020 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Xxx	None			
Xxx				
Xxx				
Xxx				
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2010/11				
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 2019 to 31 March 2020 (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 2019/20	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 2019 to 31 March 2020

Salary Band	Number of employees per band as on 1 April 2019	Appointments	Service Terminations	Turnover rate
Lower skilled (Levels 1-2)	21	0	0	0.40
Skilled (Levels 3-5)	746	24	61	6.9
Highly skilled production (Levels 6-8)	487	56	36	1.2
Highly skilled supervision (Levels 9-12)	250	72	40	6.50
Senior Management Service (Level 13 – 16)	30	8	2	3.2
Contract (1-2) Permanent	5	0	0	100
Contract (3-5) Permanent	1	0	0	0
Contract (6-8) Permanent	1	0	11	45.80
Contract (9-12) Permanent	24	0	26	82.90
Contract (Other)	35	0	0	0
Periodical Remuneration	39	0	0	0.25
Total	1652	160	176	9.40

T/over rate: No of employees + Appointments = X = No of terminations / x

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2019 to 31 March 2020

Occupation:	Number of employees per occupation as on 1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineer	15	0	3	0
Architect	15	5	2	20
Quantity Surveyor	16	1	6	0.5
Construction Project Manager	39	4	6	60
Total	85	10	17	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	14	7.95	0.86	176	1636
Resignation	77	43.8	4.7	176	1636
Expiry of Contract	35	19.9	4.30	176	1636
Discharged due to ill-health	1	0.6	2.14	176	1636
Dismissal – misconduct	0	0	0.10	176	1636
Retirement	49	27.8	0	176	1636
Total	176	100%	3.0	176	1636
Total number of employees who left as a % of the total employment		10.76	10.76		

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 (Levels 9-12)	0	0	0	0	0
Total	0	0	0	0	0

Table 5.5 – Promotions by critical occupation

Occupation	Employees as at 1 April 2019	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 2019	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)	21	0	0	8	57
Skilled (Levels 3-5)	746	1	0.1	695	120.7
Highly skilled product (Levels 6-8)	487	21	4.3	320	65.60
Highly skilled supervision (Levels 9-12)	250	16	6.4	177	69.4
Snr management (Levels 13-16)	30	2	7.1	20	72.50
Contract (Levels 1-2)	5	0	0	0	0
Contract (Levels 3-5)	1	0	0	0	0
Contract (Levels 6-8)	1	0	0	8	6.7
Contract (Levels 9-12)	24	1	2.7	2	19.40
Contract (Other)	35	0	0	4	3.3
Periodic Remuneration	39	0	0	0	0
Total	1652	41	2.4	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 2020

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	18	1	4	1	14	0	2	1	41
Professionals	61	4	17	8	60	1	12	4	167
Technicians and assoc	111	1	5	4	149	5	18	13	306
Clerks	140	1	14	1	301	8	20	16	501
Service and sales workers	58	0	1	1	12	0	0	0	72

Craft and related trades workers	119	1	6	7	50	0	0	0	183
Plant and machine operators and assemblers	38	0	1	0	1	0	0	0	40
Elementary occupations	235	0	5	0	86	0	0	0	326
Other Perm	0	0	0	0	0	0	0	0	0
Total	780	8	53	22	673	14	52	34	1636
Employees with disabilities	19	0	0	2	8	0	2	1	32

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	1	1	0	0	0	4
Senior Management	9	0	3	0	10	0	2	1	25
Professionally qualified and experienced specialists and mid-management	134	4	17	15	88	1	17	5	281
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	175	1	16	6	249	12	24	24	507
Semi-skilled and discretionary decision making	408	1	12	0	253	1	5	4	684
Unskilled and defined decision making	6	0	10	0	13	0	0	0	19
Contract	27	2	5	0	59	0	4	30	107
Total	761	8	53	22	673	14	53	34	1636

6.3 – Recruitment for the period 1 April 2019 to 31 March 2020

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	4	0	0	0	4	0	0	0	2
Professionally qualified and experienced specialists and mid-management	30	2	6	1	31	0	1	1	72
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	32	1	2	0	41	2	3	0	8
Total	66	3	8	1	76	2	4	1	160

Employees with disabilities	0	0	0	0	0	0	0	0	0
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6.4 – Promotions for the period 1 April 2019 to 31 March 2020

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	1	0	0	0	0	1

Senior Management	2	0	1	0	4	0	0	1	8
Professionally qualified and experienced specialists and mid-management	91	1	9	10	66	0	14	1	192
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	105	1	10	4	179	10	18	13	340
Semi-skilled and discretionary decision making	346	1	11	0	239	2	7	4	610
Unskilled and defined decision making	4	0	0		6	0	0	0	10
Contract (Professionally qualified) Permanent	1	0	0	0	2	0	0	0	3
Contract (Semi-skilled) Permanent	0	0	0	0	0	0	0	0	0
Total	549	3	31	15	496	12	39	19	1275

Employees with disabilities	15	0	0	2	6	0	1	1	25
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6.5 – Terminations for the period 1 April 2019 to 31 March 2020

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	10	1	2	0	12	0	0	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	13	0	2	0	14	0	0	1	30
Semi-skilled and discretionary decision making	36	0	2	0	23	0	1	0	62
Unskilled and defined decision making	13	0	0	0	29	0	0	0	42
Contract (Prof qualified) Permanent	19	0	0		9	0	2	0	30
Contract (Skilled technician) Permanent	4	0	0	0	3	0	0	0	7

Contract (Unskilled permanent)	1	0	0	0	3	0	0	0	4
Total	96	1	6	0	91	0	3	1	176
Employees with disabilities	0	0	0	0	1	0	0	0	1

6.6 – Disciplinary action for the period 1 April 2019 to 31 March 2020

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	1	0	0	0	0	0	1	0	02
Written Warning	0	0	0	0	0	0	0	0	0
Correctional Counseling	0	0	0	0	0	0	0	0	0
Verbal Warning	0	0	0	0	0	0	0	0	0
Suspended Without pay	1	0	0	0	0	0	0	0	1
Fine)	0	0	0	0	0	0	0	0	0
Demotion	0	0	0	0	0	0	0	0	0
Dismissal	0	0	2	0	0	0	0	0	2
Not guilty	0	0	0	0	0	0	0	0	0
Case withdrawn	0	0	0	0	0	0	0	0	0
Official resigned	1	0	0	0	1	0	0	0	2
Total	3	0	0	0	3	0	1	0	7

6.7 – Skills development for the period 1 April 2019 to 31 March 2020

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	51	0	1	1	42	0	3	1	99
Professionals	85	12	15	7	43	0	2	5	169
Technicians and associate professionals	57	0	1	0	18	0	0	0	76
Clerks	142	0	7	1	194	2	7	1	354
Service & sales workers	10	0	1	0	0	0	0	0	11
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	65	0	0	0	11	0	0	0	76
Total	410	10	25	9	308	2	12	17	785

6.8 Signing of Performance Agreements by SMS Members

Table 6.8.1 Signing of Performance Agreements by SMS members as at 31 March 2020

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	0	0	0	0
Salary Level 15	4	3	4	2%
Salary Level 14	4	2	1	0
Salary Level 13	28	26	25	97%
Total	37	32	29	98.9%

Table 6.8.2 Reasons for not having concluded Performance agreements for all SMS members on 31 March 2020

Reasons
Not applicable

Table 6.8.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2018

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, 01/04/2018 – 31/03/2019

	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	374	675	55.41	4,019.60	10 864
African Male	428	794	53.30	4,128.94	9 949
Asian Female	32	51	62.00	442.60	14 277
Asian Male	33	53	63.00	451.93	13 695
Coloured Female	9	13	69.00	85.01	10 626
Coloured Male	1	6	16.70	29.74	29 738
White Female	22	24	65.00	299.30	13 604
White Male	8	21	38.10	156.05	22 293
Employees with a disability	18	32	56.30	178.05	10 473
Permanent (Other)					
Total	920	1679	55.00	9,791.22	10 831

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2018 to 31 March 2019

Salary Bands	Beneficiary Profile	Cost
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	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)	28	21	57.15	64.48	5 374	0.01
Skilled (Levels 3-5)	456	751	60.71	3,418.15	7 367	0.3
Highly skilled production (Levels 6-8)	306	505	61.00	3,448.69	11 612	0.4
Highly skilled supervision (Levels 9-12)	128	288	44.00	2,619.99	21,214	0.3
Contract (Level 1-2)	0	0	0	0	0	0
Contract (Level 3-5)	0	2	0	0	0	0
Contract (Level 6-8)	0	16	0	0	0	0
Contract (Level 9-12)	2	37	5.41	15.82	15 816	0.02
Contract (Other)	0	0	0	0	0	0
Periodical Remuneration	0	0	0	0	0	0
Total	920	1620	57.00	9,567.13	10 660	10.6

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2018 to 31 March 2019

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees as at 1 April 2018	% of total within occupation	Total Cost (R'000)	Average cost per employee
Engineer	2	14	15.38%	319.25	159.63
Architect	6	11	37.5%	319.25	53.20
Quant Surveyor	6	18	26.1%	319.25	53.20
Construction Project Manager	7	28	21.86%	319.25	45.60
Total	21	71	30%	9 791.22	10 831

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

Salary Band	Beneficiary Profile						
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	% of SMS Wage Bill	Total cost as a % of the total personnel expenditure	Personnel cost SMS(R'000)
Band A	8	28	29	374,47	24964.50	0.60	57.1
Band B	0	2	0	31,658	0	0	0
Total	8	30	29	374.47	24964.50	0.60	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 2019 to 31 March 2020, by salary band

Salary Band	1 April 2018		31 March 2019		Change				
	Number	% of total	Number	% of total	Number	% change	Total Employment @ Beginning of Period	Total Employment at End of period	Total Change in Employment
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 2019 to 31 March 2020, by major occupation

Major Occupation	1 April 2018		31 March 2019		Change				
	Number	% of total	Number	% of total	Number	% change	Total	Total	Total
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 2019 to 31 March 2020

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 2019 to 31 December 2019

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)	160	9.7	20	1.50	7	94	1313	143
Skilled (Levels 3-5)	5211	85.70	569	43.30	9	2,711	1313	4464
Highly Skilled production (levels 6-8)	3735	81.00	420	32	8	5,830	1313	3034
Highly Skilled Production (levels 9-12)	1497	80.3	191	14.50	7	2,708	1313	1202
Senior management (levels 13-16)	101	79.9	19	1.40	6	482	1313	80
Contract (Levels 1-2)	1	0	1	0.10	1	1	1313	24
Contract (Levels 3-5)	9	66.70	2	0.20	3	14	1313	6
Contract (Levels 6-8)	54	75.90	18	0.8	3	8	1313	41
Contract (Levels 9-12)	95	72.60	18	2	5	81	1313	69
Contract (Levels 13-16)	3	0	1	0.10	5	228	1313	0
Total	10866	82.10	1278	100%	9	10,122	1313	9063

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2019 to 31 December 2019

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)	1021	100	10	41.70	102	740	1021	24
Highly skilled production (Levels 6-8)	255	100	9	37.50	28	358	255	24
Highly skilled supervision (Levels 9-12)	117	100	4	16.70	29	393	117	24
Snr management (Levels 13-16)	16	100	1	0.6	16	53	16	165
Contract (Levels 9-12)	1	100	1	4.20	1	2	1	24
Contract (Level 13-16)	0	0	0	0	0	0	0	0
Total	1534	100%	32	100	58	1601	1534	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 2019 to 31 December 2019

Salary Bands	Total days taken	Average days per employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	455	22	21
Skilled Levels 3-5)	19,055.50	25	753
Highly skilled production (Levels 6-8)	12,209	24	518
Highly skilled supervision (Levels 9-12)	5,858.92	21	280
Senior management (Levels 13-16)	645	24	27
Contract (Levels 1-2)	3	3	1
Contract (Levels 3-5)	27	14	2
Contract (Levels 6-8)	297	9	33
Contract (Levels 9-12)	615	13	47
Contract (Other)	1121	14	81
Total	40,319.42	23	1763

TABLE 9.4 – Capped leave, 1 January 2019 to 31 December 2019

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 6-8)	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 2019 to 31 March 2020

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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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 N Ttsangana, 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 Dludla 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.	V		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.		V	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.	V		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.	V		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 2019 to 31 March 2020

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	Nil
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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 2019 to 31 March 2020

Outcomes of disciplinary hearings	Number	% of total
Final written warning	2	28.6%
Official Resigned	2	28.6%
Not Guilty	0	0
Suspended without pay	1	14.2%
Written warning	0	0

Verbal warning	0	0
Correctional counseling	0	0
Fine	0	0
Demotion	0	0
Dismissal	2	28.6%
Case withdrawn	0	0
Pending	0	0
Total	7	100%

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

Disciplinary hearings – 2019/20	N/a
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TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Negligence	2	28.6%
Intimidating Threats	0	0
Unsatisfactory work performance	0	0
Coming to work under influence of alcohol	0	0
Use of abusive language	1	14.3%
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	0	0
Assault	0	0
Failure to attend a counseling session	0	0
Unauthorized absence	1	14.3%
Theft	0	0
Social grant	0	0
Other	3	42,8%
Total	7	100%

TABLE 11.4 – Grievances lodged for the period 1 April 2019 to 31 March 2020

	Number	% of Total
Number of grievances resolved	28	95,8%
Number of grievances not resolved	1	4,2%
Total	24	100%

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2019 to 31 March 2020

	Number	% of Total
Number of disputes upheld	2	14,3%
Number of disputes dismissed	7	50%
Disputes pending	5	35.7%
Total	14	100%

TABLE 11.6 – Strike actions for the period 1 April 2019 to 31 March 2020

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/ 2019 to 31/03/2020

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 2019 to 31 March 2020

Occupational Categories	Gender	Number of employees as at 1 April 2019	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	88	0	159	20	179
	Male	94	0	145	15	160
Professionals	Female	31	0	120	30	150
	Male	45	0	79	40	119
Technicians & assoc prof.	Female	64	0	70	0	70
	Male	92	0	110	0	110
Clerks	Female	445	0	510	0	510
	Male	220	0	359	4	359
Service & sales workers	Female	19	0	0	0	0
	Male	80	0	29	0	29
Skilled agric & fish workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trade Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant & mach oper & assem	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	61	0	6	19	25
	Male	413	0	17	70	87
Sub Total	Female	704	0	865	69	934
	Male	944	0	739	125	864
Total		1652	0	1604	194	1798

12.2 – Training provided 1 April 2019 to 31 March 2020

Occupational Categories	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	88	0	46	0	46
	Male	94	0	44	9	53
Professionals	Female	31	0	48	2	65
	Male	45	0	118	1	119
Technicians and associate professionals	Female	64	0	15	3	18
	Male	92	0	51	7	58



PART E: FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Public Works set out on pages 92 to 195, which comprise the appropriation statement, statement of financial position as at 31 March 2020, 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, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the 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, 2019 (Act No.16 of 2019) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the *Code of Ethics for Professional Accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Material impairment

7. As disclosed in note 15.7 to the financial statements, the department reported material impairments of R131,03 million (2018-19: R 99,35 million) on claims recoverable as a result of defaults by other provincial departments.

Other matter

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

Unaudited supplementary schedules

9. The supplementary schedules set out on pages 91 to 93 do not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

12. 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.
13. 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

14. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I

performed procedures to identify findings but not to gather evidence to express assurance.

15. My procedures address the usefulness and reliability of 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 examine whether the actions taken by the department enabled service delivery. My procedures also do 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.
16. 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 programme 3: provision of buildings, structures and equipment on pages 35 to 42 in the annual performance report of the department for the year ended 31 March 2020.
17. 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.
18. The material finding in respect of the usefulness and reliability of the selected programme is as follows:

Various indicators

19. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Indicator description	Reported Achievement
Number of infrastructure designs ready for tender	12
Number of EPWP work opportunities created by the provincial department of public works	6322
Number of full time equivalents (FTEs) created by the department of public works/road	1031
Number of work opportunities reported in the EPWP-RS by public bodies aligned to the approved EPWP phase III business plan	153739

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report on page 20-43 sets out information on the achievement of planned targets for the year and explanations provided for the under-overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 19 of this report.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 3: provision of buildings, structures and equipment. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and 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

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

24. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

25. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R52,21 million, 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. The majority of the irregular expenditure was due to contravention of supply chain management regulations on various quotations and contracts.

26. 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

27. 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. Similar non-compliance was also reported in the prior year.

28. Some of the contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16A9.1(d).
29. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A8.3.
30. The preference point system was not applied in some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act No.5 of 2000 (PPPFA) and Treasury Regulation 16A6.3(b).
31. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and Preferential Procurement Regulations, 2017 (PPR).
32. 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). Similar non-compliance was also reported in the prior year.
33. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content as required by the 2017 preferential procurement regulation.
34. Some of the commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5).
35. 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. Similar non-compliance was also reported in the prior year.

Consequence management

36. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against some officials who had incurred irregular expenditure in prior years as required by section 38(1)(h)(iii) of the PFMA as investigations were not performed.

Other information

37. 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 the selected programme presented in the annual performance report that has been specifically reported on in this auditor's report.

38. 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.
39. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
40. The other information I obtained prior to the date of this auditor's report is the report of the accounting officer. The foreword of the Member of Executive Council (MEC) and the audit committee's report is expected to be made available to me after 15 October 2020.
41. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.
42. When I do receive and read the foreword of the MEC and the report of the audit committee, and 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

43. 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 findings on the annual performance report and the findings on compliance with legislation included in this report.
44. Senior management did not effectively monitor the performance and compliance reporting processes and implement controls to ensure that regular, accurate performance reports that were supported and evidenced by reliable information were prepared.

Other reports

45. I draw attention to the following engagements conducted which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

46. The shared internal audit unit for departments in the province performed 16 investigations, which covered the period 2011 to 2020. The investigations were initiated based on allegations of possible irregularities with tender processes within the department, leasing of state houses and other lease rentals, possible fraudulent activities on the Works Information Management System and possible fraudulent activities with the illegal sale of provincial state land. Eight investigations are currently in progress while eight were finalised and the implementation of recommendations are in progress.

Auditor-General

Pietermaritzburg

15 October 2020



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 the selected programme 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 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 operating as a going concern evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

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, and actions taken to eliminate threats or safeguards applied.



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS FOR KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

For the year ended
31 March 2020

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per programme									
2019/20								2018/19	
	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	410 981	-	9 414	420 395	421 309	(914)	100,2%	383 856	383 856
Transfers and subsidies	8 038	-	3	8 041	7 127	914	88,6%	11 118	11 118
Payment for capital assets	19 061	-	2 042	21 103	21 103	-	100,0%	20 186	20 186
Payment for financial assets	-	-	-	-	-	-	-	187	187
	438 080	-	11 459	449 539	449 539	-	100,0%	415 347	415 347
2. Programme 2									
Current payment	128 870	-	(19 333)	109 537	75 240	34 297	68,7%	80 423	77 761
Transfers and subsidies	1 009 670	-	21 502	1 031 172	1 031 172	-	100,0%	726 264	729 034
Payment for capital assets	50	-	94	144	144	-	100,0%	237	129
Payment for financial assets	-	-	-	-	-	-	-	-	-
	1 138 590	-	2 263	1 140 853	1 106 556	34 297	97,0%	806 924	806 924
3. Programme 3									
Current payment	435 549	-	(12 691)	422 858	421 944	914	99,8%	421 072	420 571
Transfers and subsidies	2 243	-	1 105	3 348	4 262	(914)	127,3%	3 939	3 939
Payment for capital assets	51 479	-	(2 136)	49 343	33 206	16 137	67,3%	33 729	26 699
Payment for financial assets	-	-	-	-	16 135	(16 135)	-	-	2 098
	489 271	-	(13 722)	475 549	475 547	2	100,0%	458 740	453 307
Subtotal	2 065 941	-	-	2 065 941	2 031 642	34 299	98,3%	1 681 011	1 675 578

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

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	R'000
Programme									
1. Administration	438 080	-	11 459	449 539	449 539	-	100.0%	415 347	415 347
2. Property Management	1 138 590	-	2 263	1 140 853	1 106 556	34 297	97.0%	806 924	806 924
3. Provision of Buildings, Structures and Equipment	489 271	-	(13 722)	475 549	475 547	2	100.0%	458 740	453 307
TOTAL	2 065 941	-	-	2 065 941	2 031 642	34 299	98.3%	1 681 011	1 675 578
2019/20									2018/19
TOTAL (brought forward)				Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				12 984				12 026	
Aid assistance								-	
Actual amounts per statement of financial performance (total revenue)				2 078 925				1 693 037	
ADD									
Aid assistance									
Prior year unauthorised expenditure approved without funding									
Actual amounts per statement of financial performance (total expenditure)									
					2 031 642				1 675 578

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per economic classification									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	706 121	-	(22 791)	683 330	682 416	914	99,9%	617 365	617 365
Goods and services	269 279	-	181	269 460	236 077	33 383	87,6%	267 986	264 823
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	1 009 782	-	21 233	1 031 015	1 031 102	(87)	100,0%	726 108	728 957
Departmental agencies and accounts	590	-	-	590	515	75	87,3%	517	488
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	95	-
Households	9 579	-	1 377	10 956	10 944	12	99,9%	14 601	14 646
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	50 366	-	(2 647)	47 719	31 582	16 137	66,2%	32 559	25 529
Machinery and equipment	14 724	-	1 774	16 498	16 498	-	100,0%	17 232	17 124
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Intangible assets	5 500	-	873	6 373	6 373	-	100,0%	4 361	4 361
Payments for financial assets	-	-	-	-	16 135	(16 135)	-	187	2 285
Total	2 065 941	-	-	2 065 941	2 031 642	34 299	98,3%	1 681 011	1 675 578

Statutory Appropriation									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Direct changes against the National/Provincial Revenue Fund	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									

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Detail per Programme 1 Administration									
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2018/19	
								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	12 579	-	(759)	11 820	11 820	-	100,0%	10 586	10 586
Transfers and subsidies	148	-	3	151	151	-	100,0%	108	10
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.2 Management									
Current payment	398 402	-	10 173	408 575	409 489	(914)	100,2%	373 270	373 270
Transfers and subsidies	7 890	-	-	7 890	6 976	914	88,4%	11 010	11 108
Payment for capital assets	19 061	-	2 006	21 067	21 067	-	100,0%	20 186	20 186
Payment for financial assets	-	-	-	-	-	-	-	187	187
Total	438 080	-	11 459	449 539	449 539	-	100,0%	415 347	415 347

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 1 Per Economic classification	2019/20						2018/19		
	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	324 984	-	(1 430)	323 554	323 554	-	100,0%	303 060	303 060
Goods and services	85 997	-	10 844	96 841	97 755	(914)	100,9%	80 796	80 796
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	225	-	3	228	310	(82)	136,0%	307	381
Departmental agencies and accounts	529	-	-	529	515	14	97,4%	502	488
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	95	-
Households	7 284	-	-	7 284	6 302	982	86,5%	10 214	10 249
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	13 561	-	1 169	14 730	14 730	-	100,0%	15 825	15 825
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Detail per Programme 2 Property Management									
Detail per sub-programme	2019/20					2018/19			
	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	128 381	-	(18 986)	109 395	75 098	34 297	68,6%	80 298	77 636
Transfers and subsidies	1 009 670	-	21 502	1 031 172	1 031 172	-	100,0%	726 264	729 034
Payment for capital assets	50	-	94	144	144	-	100,0%	237	129
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.2 Hiring									
Current payment	200	-	(144)	56	56	-	100,0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.3 Acquisition of Land, Control & Disposal									
Current payment	289	-	(203)	86	86	-	100,0%	125	125
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	1 138 590	-	2 263	1 140 853	1 106 556	34 297	97,0%	806 924	806 924

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 2 Per Economic classification	2019/20						2018/19		
	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	59 991	-	(2 825)	57 166	57 166	-	100,0%	54 662	54 662
Goods and services	68 879	-	(16 508)	52 371	18 074	34 297	34,5%	25 761	23 099
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	1 009 557	-	21 230	1 030 787	1 030 792	(5)	100,0%	725 801	728 576
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	108	-	272	380	380	-	100,0%	458	458
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	50	-	94	144	144	-	100,0%	237	129
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Land and subsoil assets	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total	1 138 590	-	2 263	1 140 853	1 106 556	34 297	97,0%	806 924	806 924	806 924

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Detail per Programme 3 Provision of Buildings Structures and Equipment									
Detail per sub-programme	2019/20					2018/19			
	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
3.1 Personnel & Admin Related									
Current payment	415 488	-	(18 780)	396 708	395 794	914	99,8%	405 083	404 602
Transfers and subsidies	2 243	-	1 105	3 348	4 262	(914)	127,3%	3 939	3 939
Payment for capital assets	1 103	-	505	1 608	1 608	-	100,0%	1 170	1 170
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.2 Buildings & Structures									
Current payment	20 061	-	6 089	26 150	26 150	-	100,0%	15 989	15 969
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	50 366	-	(2 647)	47 719	31 582	16 137	66,2%	32 559	25 529
Payment for financial assets	-	-	-	-	16 135	(16 135)	-	-	2 098
Total	489 271	-	(13 722)	475 549	475 547	2	100,0%	458 740	453 307

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 3 Per Economic classification	2019/20						2018/19		
	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	321 146	-	(18 536)	302 610	301 696	914	99,7%	259 643	259 643
Goods and services	114 403	-	5 845	20 248	120 248	-	100,0%	161 429	160 928
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	56	-	-	56	-	56	-	10	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 187	-	1 105	3 292	4 262	(970)	129,5%	3 929	3 939
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	50 366	-	(2 647)	47 719	31 582	16 137	66,2%	32 559	25 529
Machinery and equipment	1 113	-	511	1 624	1 624	-	100,0%	1 170	1 170
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Land and subsoil assets	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	2 098
Total	489 271	-	(13 722)	475 549	475 547	2	100,0%	458 740	453 307	

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020

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	449 539	449 539	0.00	100.00%
	Property Management	1 140 853	1 106 556	34 297	97,0%
	Provision of buildings, Structures and equipment	475 549	475 547	2	100%

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Current expenditure				
Compensation of employees	683 330	682 416	914	100%
Goods and services	269 460	236 077	33 383	88%
Interest and rent on land	-	-	-	0.0%
Transfers and subsidies				
Provinces and municipalities	1 031 015	1 031 102	-87	100%
Departmental agencies and accounts	590	515	75	87%
Higher education institutions	-	-	-	0.0%
Public corporations and private enterprises	-	-	-	0.0%
Foreign governments and international organisations	-	-	-	0.0%
Non-profit institutions	-	-	-	0.0%
Households	10 956	10 944	12	100%
Payments for capital assets				
Buildings and other fixed structures	47 719	31 582	16 137	66%
Machinery and equipment	16 498	16 498	-	100%
Heritage assets	-	-	-	0.0%
Specialised military assets	-	-	-	0.0%
Biological assets	-	-	-	0.0%
Land and subsoil assets	6 373	6 373	-	100%
Software and other intangible assets	-	-	-	0.0%
Payments for financial assets	-	16 135	-16 135	0.0%

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020

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	4 726	4 726	-	100%

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2020

	<i>Note</i>	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	<u>1</u>	2 065 941	1 681 011
Statutory appropriation		-	-
Departmental revenue	<u>2</u>	12 984	12 026
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		2 078 925	1 693 037
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	682 416	617 365
Goods and services	<u>4</u>	236 235	264 822
Interest and rent on land	<u>5</u>	-	-
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
Total current expenditure		918 651	882 187
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	1 042 560	744 092
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
Total transfers and subsidies		1 042 560	744 092
Expenditure for capital assets			
Tangible assets	<u>8</u>	47 924	42 653
Intangible assets	<u>8</u>	6 372	4 361
Unauthorised expenditure approved without funding		-	-
Total expenditure for capital assets		54 296	47 014
Payments for financial assets	<u>6</u>	16 135	2 285
TOTAL EXPENDITURE		2 031 642	1 675 578
SURPLUS/(DEFICIT) FOR THE YEAR		47 283	17 459

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2020

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds	34 299	5 433
Annual appropriation	34 299	5 433
Conditional grants	-	-
Unconditional grants	-	-
Departmental revenue and NRF Receipts	12 984	12 026
Aid assistance	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	47 283	17 459

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

STATEMENT OF FINANCIAL POSITION
as at 31 March 2020

	<i>Note</i>	2019/20 R'000	2018/19 R'000
ASSETS			
Current assets		435 081	362 037
Unauthorised expenditure		-	-
Cash and cash equivalents	<u>9</u>	41	41
Other financial assets		-	-
Prepayments and advances	<u>10</u>	-	-
Receivables	<u>11</u>	435 040	361 996
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
Non-current assets		7 833	18 772
Investments		-	-
Receivables	<u>11</u>	7 833	18 772
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		442 914	380 809
LIABILITIES			
Current liabilities		434 551	373 872
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	34 299	5 433
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	980	1 602
Bank overdraft	<u>14</u>	378 009	354 036
Payables	<u>15</u>	21 263	12 801
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
Non-current liabilities			
Payables		-	-
TOTAL LIABILITIES		434 551	373 872
NET ASSETS		8 363	6 937

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14

STATEMENT OF FINANCIAL POSITION
as at 31 March 2020

	2019/20 R'000	2018/19 R'000
Represented by:		
Capitalisation reserve	-	-
Recoverable revenue	8 363	6 937
Retained funds	-	-
Revaluation reserves	-	-
TOTAL	8 363	6 937

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2020

	2019/20 R'000	2018/19 R'000
Capitalisation Reserves		
Opening balance	-	-
Transfers:		
Movement in Equity	-	-
Movement in Operational Funds	-	-
Other movements	-	-
Closing balance	-	-
Recoverable revenue		
Opening balance	6 937	4 771
Transfers:	1 426	2 166
Irrecoverable amounts written off	-	-
Debts revised	566	439
Debts recovered (included in departmental receipts)	-367	-452
Debts raised	1 227	2 179
Closing balance	8 363	6 937
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	8 363	6 937

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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CASH FLOW STATEMENT
for the year ended 31 March 2020

	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts	2 077 939	1 691 071
Annual appropriated funds received	2 065 941	1 681 011
Statutory appropriated funds received	-	-
Departmental revenue received	11 959	9 433
Interest received	39	627
NRF Receipts	-	-
Aid assistance received	-	-
Net (increase)/decrease in working capital	(64 582)	28 734
Surrendered to Revenue Fund	(19 039)	(17 692)
Surrendered to RDP Fund/Donor	-	-
Current payments	(918 651)	(882 187)
Interest paid	-	-
Payments for financial assets	(16 135)	(2 285)
Transfers and subsidies paid	(1 042 560)	(744 092)
Net cash flow available from operating activities	16 972	73 549
CASH FLOWS FROM INVESTING ACTIVITIES		
Distribution/dividend received	-	-
Payments for capital assets	(54 296)	(47 014)
Proceeds from sale of capital assets	986	1 966
(Increase)/decrease in loans	-	-
(Increase)/decrease in investments	-	-
(Increase)/decrease in non-current receivables	10 939	-
Net cash flows from investing activities	(42 371)	(45 048)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in net assets	1 426	2 166
Increase/(decrease) in non-current payables	-	-
Net cash flows from financing activities	1 426	2 166
Net increase/(decrease) in cash and cash equivalents	(23 973)	30 667
Cash and cash equivalents at beginning of period	(353 995)	(384 662)
Unrealised gains and losses within cash and cash equivalents	-	-
Cash and cash equivalents at end of period	(377 968)	(353 995)

**KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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**ACCOUNTING POLICIES
for the year ended 31 March 2020**

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

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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ACCOUNTING POLICIES
for the year ended 31 March 2020

	<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

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ACCOUNTING POLICIES
for the year ended 31 March 2020

	<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>

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ACCOUNTING POLICIES
for the year ended 31 March 2020

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

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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ACCOUNTING POLICIES
for the year ended 31 March 2020

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

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ACCOUNTING POLICIES
for the year ended 31 March 2020

	<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>

**KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

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:

		2019/20		2018/19
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	449 539	449 539	-	415 347
Property Management	1 140 853	1140 583	-	806 924
Provision of buildings, Structures and equipment	475 549	475 549	-	458 740
Total	2 065 941	2065 941	-	1 681 011

1.2 Conditional grants

	2019/20 R'000	2018/19 R'000
Total grants received	4 726	6 023
Provincial grants included in Total Grants received	-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

2. Departmental revenue

	2019/20	2018/19
	R'000	R'000
Tax revenue	-	-
Sales of goods and services other than capital assets	11 421	8 366
Fines, penalties and forfeits	-	-
Interest, dividends and rent on land	246	1 198
Sales of capital assets	986	1 966
Transactions in financial assets and liabilities	331	496
Transfer received	-	-
Total revenue collected	12 984	12 026
Less: Own revenue included in appropriation	-	-
Departmental revenue collected	12 984	12 026

2.1 Sales of goods and services other than capital assets

	2019/20	2018/19
	R'000	R'000
Sales of goods and services produced by the department	11 399	8 080
Sales by market establishment	5 597	4 964
Administrative fees	-	-
Other sales	5 802	3 116
Sales of scrap, waste and other used current goods	22	286
Total	11 421	8 366

2.2 Interest, dividends and rent on land

	2019/20	2018/19
	R'000	R'000
Interest	39	627
Dividends	-	-
Rent on land	207	571
Total	246	1 198

**KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

2.3 Sale of capital assets

	2019/20 R'000	2018/19 R'000
Tangible assets	986	1 966
Buildings and other fixed structures	-	1 323
Machinery and equipment	986	524
Specialised military assets	-	-
Land and subsoil assets	-	119
Biological assets	-	-
Intangible assets	-	-
Software	-	-
Mastheads and publishing titles	-	-
Patents, licences, copyright, brand names, trademarks	-	-
Recipes, formulae, prototypes, designs, models	-	-
Services and operating rights	-	-
Total	986	1 966

2.4 Transactions in financial assets and liabilities

	2019/20 R'000	2018/19 R'000
Loans and advances	-	-
Receivables	302	384
Forex gain	-	-
Stale cheques written back	-	-
Other Receipts including Recoverable Revenue	29	112
Gains on GFECRA	-	-
Total	331	496

KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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3. Compensation of employees

3.1 Salaries and Wages

	2019/20	2018/19
	R'000	R'000
Basic salary	458 970	427 833
Performance award	10 575	9 620
Service Based	2 470	1 989
Compensative/circumstantial	3 294	1 519
Periodic payments	23 584	4 460
Other non-pensionable allowances	88 881	82 579
Total	587 774	528 000

3.2 Social contributions

	2019/20	2018/19
	R'000	R'000
Employer contributions		
Pension	55 871	52 551
Medical	38 455	36 668
UIF	105	2
Bargaining council	156	144
Official unions and associations	-	-
Insurance	55	-
Total	94 642	89 365

Total compensation of employees

Average number of employees

	682 416	617 365
	1 656	1 669

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4. Goods and services

	2019/20 R'000	2018/19 R'000
Administrative fees	1 728	2 492
Advertising	9 310	8 903
Minor assets	1 137	748
Bursaries (employees)	562	949
Catering	431	868
Communication	11 883	10 903
Computer services	24 158	23 871
Consultants: Business and advisory services	4 509	35 043
Infrastructure and planning services	-	-
Laboratory services	-	-
Scientific and technology services	-	-
Legal services	4 625	4 559
Contractors	1 061	1 477
Agency and support/ outsourced services	12 659	17 648
Entertainment	45	45
Audit cost – external	10 323	9 666
Fleet services	13 586	13 481
Inventory	-	-
Consumables	7 390	8 852
Housing	-	-
Operating leases	3 971	4 834
Property payments	100 498	89 561
Rental and hiring	-	-
Transport provided as part of the departmental activities	147	360
Travel and subsistence	16 715	13 081
Venues and facilities	248	277
Training and development	3 387	14 975
Other operating expenditure	7 862	2 229
Total	236 235	264 822

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4.1 Minor assets

	2019/20 R'000	2018/19 R'000
Tangible assets	1 137	748
Buildings and other fixed structures	-	-
Biological assets	-	-
Heritage assets	-	-
Machinery and equipment	1 137	748
Transport assets	-	-
Specialised military assets	-	-
Intangible assets	-	-
Software	-	-
Mastheads and publishing titles	-	-
Receipts, formulae, prototypes, designs	-	-
Services and operating rights	-	-
Total	1 137	784

4.2 Computer services

	2019/20 R'000	2018/19 R'000
SITA computer services	19 647	20 378
External computer service providers	4 511	3 493
Total	24 158	23 871

4.3 Audit cost – External

	2019/20 R'000	2018/19 R'000
Regularity audits	10 323	9 666
Performance audits	-	-
Investigations	-	-
Environmental audits	-	-
Computer audits	-	-
Total	10 323	9 666

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4.4 Consumables

	2019/20 R'000	2018/19 R'000
Consumable supplies	4 593	5 027
Uniform and clothing	3 046	3 205
Household supplies	902	1 279
Building material and supplies	-	-
Communication accessories	-	-
IT consumables	118	129
Other consumables	527	414
Stationery, printing and office supplies	2 797	3 825
Total	7 390	8 852

4.5 Property payments

Municipal services	27 818	28 732
Property management fees	-	-
Property maintenance and repairs	26 137	16 340
Other	46 543	44 489
Total	100 498	89 561

4.6 Travel and subsistence

Local	16 715	13 053
Foreign	-	28
Total	16 715	13 081

4.7 Other operating expenditure

Professional bodies, membership and subscription fees	5	13
Resettlement costs	6 140	469
Other	1 717	1 747
Total	7 862	2 229

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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5. Interest and rent on land

	2019/20	2018/19
	R'000	R'000
Interest paid	-	-
Rent on land	-	-
Total	-	-

6. Payments for financial assets

Material losses through criminal conduct	-	-
Theft	-	-
Other material losses	-	-
Purchase of equity	-	-
Extension of loans for policy purposes	-	-
Other material losses written off	-	-
Debts written off	16 135	2 285
Forex losses	-	-
Debt take overs	-	-
Losses on GFECRA	-	-
Total	16 135	2 285

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6.1 Debts written off

Nature of debts written off

Irregular expenditure written off	-	-
Total	-	-
Recoverable revenue written off	-	-
Total	-	-
Staff Debts	1	187
Inter-Departmental Accounts	4 514	2 098
Disallowance Payment Fraud: CA	11 620	-
Total	16 135	2 285
Total debt written off	16 135	2 285

7. Transfers and subsidies

	2019/20 R'000	2018/19 R'000
Provinces and municipalities	1 031 102	728 958
Departmental agencies and accounts	515	488
Higher education institutions	-	-
Foreign governments and international organisations	-	-
Public corporations and private enterprises	-	-
Non-profit institutions	-	-
Households	10 943	14 646
Total	1 042 560	744 092

Unspent funds transferred to the above beneficiaries

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8. Expenditure for capital assets	2019/20 R'000	2018/19 R'000
Tangible assets	47 924	42 653
Buildings and other fixed structures	31 582	25 529
Heritage assets	-	-
Machinery and equipment	16 342	17 124
Specialised military assets	-	-
Land and subsoil assets	-	-
Biological assets	-	-
Intangible assets	6 372	4 361
Software	6 372	4 361
Mastheads and publishing titles	-	-
Patents, licences, copyright, brand names, trademarks	-	-
Recipes, formulae, prototypes, designs, models	-	-
Services and operating rights	-	-
Total	54 296	47 014

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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8.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	47 924	-	47 924
Buildings and other fixed structures	31 582	-	31 582
Heritage assets	-	-	-
Machinery and equipment	16 342	-	16 342
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	6 372	-	6 372
Software	6 372	-	6 372
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	54 296	-	54 296

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

8.2 Analysis of funds utilised to acquire capital assets – 2019/20

	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

8.3 Finance lease expenditure included in Expenditure for capital assets

	2019/20	2018/20
	R'000	
Tangible assets		
Buildings and other fixed structures	-	-
Heritage assets	-	-
Machinery and equipment	-	-
Specialised military assets	-	-
Land and subsoil assets	-	-
Biological assets	-	-
Total	-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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	-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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11. Receivables

	2019/20			2018/19		
	Current	Non-current	Total	Current	Non-Current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	433 877	-	433 877	361 620	-	361 620
Trade receivables	-	-	-	-	-	-
Recoverable expenditure	-	-	-	-	-	-
Staff debt	1 102	7 833	8 935	374	7 152	7 526
Fruitless and wasteful expenditure	-	-	-	-	-	-
Other debtors	61	-	61	2	11 620	11 622
Total	435 040	7 833	442 873	361 996	18 772	380 768

11.1 Claims recoverable

	2019/20 R'000	2018/19 R'000
National departments	67	210
Provincial departments	421 632	348 773
Foreign governments	-	-
Public entities	12 178	12 637
Private enterprises	-	-
Universities and technikons	-	-
Households and non-profit institutions	-	-
Local governments	-	-
Total	433 877	361 620

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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11.2 Staff debt

	2019/20 R'000	2018/19 R'000
Breach of Contract	7 799	6 566
Employee	169	242
Ex-employee	542	170
Other	425	548
Total	8 935	7 526

11.3 Other debtors

	2019/20 R'000	2018/19 R'000
Disallowance Payments Fraud Cheques: CA	-	11,620
Sal: Reversal Control: CA	34	2
Sal: Tax Debt	27	-
Total	61	11 623

11.4 Impairment of receivables

Estimate of impairment of receivables	131 037	99 352
Total	131 037	99 352

12. Voted funds to be surrendered to the Revenue Fund

Opening balance	5 433	6 186
Prior period error	-	-
As restated	5 433	6 186
Transfer from statement of financial performance (as restated)	34 299	5 433
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	(5 433)	(6 186)
Closing balance	34 299	5 433

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

Opening balance	1 602	1 082
Prior period error		-
As restated	<u>1 602</u>	<u>1 082</u>
Transfer from Statement of Financial Performance (as restated)	12 984	12 026
Own revenue included in appropriation	-	-
Transfer from aid assistance	-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	-	-
Paid during the year	<u>(13 606)</u>	<u>(11 506)</u>
Closing balance	<u>980</u>	<u>1 602</u>

14. Bank Overdraft

	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account	378 009	354 036
Fund requisition account	-	-
Overdraft with commercial banks (Local)	-	-
Overdraft with commercial banks (Foreign)	-	-
Total	<u>378 009</u>	<u>354 036</u>

15. Payables – current

	2019/20 R'000	2018/19 R'000
Amounts owing to other entities	-	-
Advances received	18 799	10 309
Clearing accounts	494	303
Other payables	<u>1 970</u>	<u>2 189</u>
Total	<u>21 263</u>	<u>12 801</u>

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15.1 Advances received

	2019/20	2018/19
	R'000	R'000
National departments	-	-
Provincial departments	18 799	10 309
Public entities	-	-
Other institutions	-	-
Total	18 799	10 309

15.2 Clearing accounts

	2019/20	2018/19
	R'000	R'000
Sal: ACB Recalls	42	189
Sal: Pension Fund	22	-
Sal: Income tax	428	114
Pension Recoverable	2	-
Total	494	303

15.3 Other payables

	2019/20	2018/19
	R'000	R'000
Tender Deposits	1 970	1 239
Inter Departmental Receipts	-	950
Salary Tax debt	-	-
Unallocated receipt	-	-
Sal: Garnishee Order	-	-
Total	1 970	2 189

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16. Net cash flow available from operating activities

	2019/20 R'000	2018/19 R'000
Net surplus/(deficit) as per Statement of Financial Performance	47 283	17 459
Add back non cash/cash movements not deemed operating activities	(30 311)	56 090
(Increase)/decrease in receivables – current	(73 044)	77 892
(Increase)/decrease in prepayments and advances	-	-
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	8 462	(49 158)
Proceeds from sale of capital assets	(986)	(1 966)
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	54 296	47 014
Surrenders to Revenue Fund	(19 039)	(17 692)
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	16 972	73 549

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

Consolidated Paymaster General account	(378 009)	(354 036)
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	-	-
Cash on hand	41	41
Cash with commercial banks (Local)	-	-
Cash with commercial banks (Foreign)	-	-
Total	(377 968)	(353 995)

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18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

		2019/20 R'000	2018/19 R'000
Liable to	Nature		
Motor vehicle guarantees	Employees	-	-
Housing loan guarantees	Employees	-	-
Other guarantees		-	-
Claims against the department		23 605	26 635
Intergovernmental payables (unconfirmed balances)		1 151	1 030
Environmental rehabilitation liability		-	-
Other		-	-
Total		24 756	27 665

18.2 Contingent assets

	2019/20 R'000	2018/19 R'000
Nature of contingent asset		
Claims for damages on vehicles	246	235
Recovery of Guarantee	6 305	6 305
Salary Overpayment	261	252
Recoveries for cancellation of contract	13 203	9 801
Breach of contract	28 405	28 405
Recoveries of bursary debt	3 099	3 099
Unjust Enrichment	620	628
Rental	48	48
Claim for professional negligence	15 801	15 801
Damage to security wall	5	
Total	67 993	64 574

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19. Commitments

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Capital expenditure			
Buildings and other fixed structures		43 325	75 576
Machinery & Equipment		1 602	2 489
		<u>44 927</u>	<u>78 065</u>
Total Commitments		<u>44 927</u>	<u>78 065</u>

20. 20.1 Accruals

			2019/20 R'000	2018/19 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	4 885	596	5 481	4 887
Interest and rent on land	-	-	-	-
Transfers and subsidies	1 103	-	1 103	24 824
Capital assets	466	3	469	462
Other	-	-	-	1 345
Total	<u>6 454</u>	<u>599</u>	<u>7 053</u>	<u>31 518</u>

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Listed by programme level			
Programme 1- Administration		3 108	3 700
Programme 2- Property Management		1 379	24 911
Programme 3-Provision of Buildings, Structures and Equipment		2 566	2 907
Total		<u>7 053</u>	<u>31 518</u>

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20.2 Payables not recognised

	2019/20			2018/19	
Listed by economic classification					
	30 Days	30+ Days	Total		Total
Goods and services	743	1 355	2 098		25 387
Interest and rent on land	-	-	-		-
Transfers and subsidies	-	5 618	5 618		103 109
Capital assets	29	-	29		663
Other	-	-	-		-
Total	772	6 973	7 745		129 159

	2019/20		2018/19	
	R'000		R'000	
Listed by programme level				
Programme 1- Administration		508		24 737
Programme 2- Property Management		5 711		103 119
Programme 3-Provision of Buildings, Structures and Equipment		1 526		1 303
Total		7 745		129 159

21. Employee benefits

	2019/20	2018/19
	R'000	R'000
Leave entitlement	35 235	31 525
Service bonus (Thirteenth cheque)	17 801	16 802
Performance awards	29	174
Capped leave commitments	44 322	45 973
Other	1 091	2 263
Total	98 478	96 737

	2019/20	2018/19
	R'000	R'000
Confirmed balances with other departments	377	1 345
Confirmed balances with other government entities	-	-
Total	377	1 345

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22. Lease commitments

22.1 Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2019/20					
Not later than 1 year	-	-	-	2 659	2 659
Later than 1 year and not later than 5 years	-	-		2 638	2 638
Later than five years	-	-	-		-
Total lease commitments	-	-	-	5 297	5 297

	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

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22.2 Finance leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2019/20					
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
2018/19					
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	-	-

23. Accrued departmental revenue

	2019/20 R'000	2018/19 R'000
Tax revenue	-	-
Sales of goods and services other than capital assets	1 630	1 713
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	1 630	1 713

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23.1 Analysis of accrued departmental revenue

	2019/20 R'000	2018/19 R'000
Opening balance	1 713	1 458
Less: amounts received	207	184
Add: amounts recognised	158	576
Less: amounts written-off/reversed as irrecoverable	34	137
Closing balance	1 630	1 713

23.2 Accrued department revenue written off

	2019/20 R'000	2018/19 R'000
Nature of losses		
Bursary debt	-	-
Ex-employee	-	-
Total	-	-

23.3 Impairment of accrued departmental revenue

	2019/20 R'000	2018/19 R'000
Estimate of impairment of accrued departmental revenue	-	-
Total	-	-

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24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	2019/20 R'000	2018/19 R'000
Opening balance	40 743	27 088
Prior year error		-
As restated	40 473	27 088
Add: Irregular expenditure – relating to prior year	11 017	-
Add: Irregular expenditure – relating to current year	454	14 011
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	52 214	40 743

Analysis of awaiting condonation per age classification

Current year	11 471	14 011
Prior years	40 743	26 732
Total	52 214	40 743

24.2 Details of current and prior year irregular Expenditure – added current year.

2019/20

Incidents

Allegations of fraud & corruption against the project leader Of the school of industries project	98
Extension contract without approval exceeds the prescribed 15% of the original contract value (Business connection)	10 290
Local content requirements on the procurement of Office furniture was not applied.	727
Limitation of scope- SBD6.2 declaration of interest not provided	166
Incomplete declaration of local content SBD6.2 Local Content	190

Total	11 471
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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25. Related party transactions

The Department share the same MEC - Ms NP Nkonyeni 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.

26. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)			
Officials:	2	1 813	3 125
Level 15 to 16	6	7 965	6 495
Level 14 (incl. CFO if at a lower level)	2	1 435	-
Family members of key management personnel		-	-
Total		11 213	9 620

27. Provisions

	2019/20 R'000	2018/19 R'000
Retention of capital projects	558	70
Total	558	70

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28.1 Reconciliation of movement in provisions – 2019/20

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	43	-	43
Increase in provision	-	538	-	538
Settlement of provision	-	(23)	-	(23)
Unused amounts reversed	-	-	-	-
Amounts used	-	-	-	-
Reimbursement expected from the third party	-	-	-	-
Change in provision due to change in estimation inputs		-	-	
Closing balance	-	558	-	558

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28. 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	-	-	-	-
Reimbursement expected from the third party	-	-	-	-
Change in provision due to change is estimation inputs	-	-	-	-
Closing balance	27	43	-	70

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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	173 455		16 490	6 335	183 610
Transport assets	72 064	-	6 167	3 975	74 256
Computer equipment	55 903	-	9 422	2 039	63 286
Furniture and office equipment	12 229	-	715	238	12 706
Other machinery and equipment	33 258	-	186	83	33 361
SPECIALISED MILITARY ASSETS					
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE	173 455	-	16 490	6 335	183 610

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CAPITAL ASSETS

29.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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	16 499	-	-	(9)	16 490
Transport assets	6 167	-	-	-	6 167
Computer equipment	9 422	-	-	-	9 422
Furniture and office equipment	724	-	-	(9)	715
Other machinery and equipment	186	-	-	-	186
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	16 499	-	-	(9)	16 490

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29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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	6 220	115	6 335	986
Transport assets	3 975	-	3 975	986
Computer equipment	1 932	107	2 039	-
Furniture and office equipment	230	8	238	-
Other machinery and equipment	83	-	83	-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	6 220	115	6 335	986

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29.3 Movement for 2018/19

	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	162 739	-	17 081	6 365	173 455
Transport assets	66 803	-	7 487	2 226	72 064
Computer equipment	56 336	-	2 650	3 038	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

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29.4 Minor assets

29.5

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	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	-	-	-	11 786	-	11 786
Value adjustment	-	-	-			
Additions	-	-	-	876	-	876
Disposals	-	-	-	74	-	74
TOTAL MINOR ASSETS	-	-	-	12 588	-	12 588

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	12 417	-	12 417
Number of minor assets at cost	-	-	-	7 702	-	7 702
TOTAL NUMBER OF MINOR ASSETS	-	-	-	20 119	-	20 119

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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
Curr Year	-	-	-	-	-	-
Adjustments to Prior Year balances						
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	-	-	-	11 720	-	11 720
Number of minor assets at cost	-	-	-	6 759	-	6 759
TOTAL NUMBER OF MINOR ASSETS	-	-	-	18 478	-	18 479

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Prior period error **2018/19**

R'000

Nature of prior period error

Relating to prior 2018/19 (affecting the opening balance)
 Prior period errors are as a result of vesting errors and correction of ownership and values.

-

Relating to 2018/19 (affecting the opening balance)

Number of R1 minor assets for Machinery & Equipment

11 720

Number of minor assets at cost for Machinery & Equipment

6 579

Total

18 479

29.6 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020

	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	-	-	-	130	-	130
TOTAL	-	-	-	130	-	130
MOVABLE ASSETS WRITTEN OFF						

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29.1 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

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29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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	34 793	-	6 373	-	41 166
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	34 821	-	6 373	28	41 166

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Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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	6 373	-	-	-	6 373
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	6 373	-	-	-	6 373

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30.1 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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	-	28	28	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	28	28	-

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30.2 Movement for 2018/19

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

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30. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value Adjustmen ts	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	17 124 367	-	677 221	68 451	17 333 137
Dwellings	643 140	-	1 675	8 016	636 799
Non-residential buildings	16 481 227	-	675 546	60 435	17 096 338
Other fixed structures	-	-	-	-	-
Dwellings					
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	1 098 264	-	21 406	113 035	1 006 635
Land	1 098 264	-	21 406	113 035	1 006 635
Mineral and similar non-regenerative resources					
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	18 222 631	-	698 627	181 486	18 739 772

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Included in immovable assets totalling R18 739 772 000 (2019: R17 927 367 000) is an amount of R 513 856 000 000 (2019: R 607 298 000) 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 Immovable 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 2020/21 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	706	32 402
Heritage assets	-	-
Land and subsoil assets	6 159	635 671

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

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31.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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	31 582	667 549	(21 910)	-	677 221
Dwellings	-	1 675	-	-	1 675
Non-residential buildings	31 582	665 874	(21 910)	-	675 546
Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	21 406	-	-	21 406
Land	-	21 406	-	-	21 406
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	31 582	688 955	(21 910)	-	698 627

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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31.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	68 451	68 451	-
Dwellings	-	8 016	8 016	
Non-residential buildings	-	60 435	60 435	-
Other fixed structures	-	-	-	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	-	113 035	113 035	-
Land	-	113 035	113 0135	-
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	181 486	181 486	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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31.3 Movement for 2018/19

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	16 694 222	173 518	416 872	160 245	17 124 367
Dwellings	657 598	(8 952)	30 132	35 635	643 140
Non-residential buildings	16 036 624	182 470	386 743	124 610	16 481 227
Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	1 192 170	52 431	3 032	149 369	1 098 264
Land	1 192 170	52 431	3 032	149 369	1 098 264
Mineral and similar non- regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	17 886 392	225 949	419 904	309 614	18 222 631

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31.4 Prior period error

2018/19

R'000

Nature of prior period error

Relating to prior 2018/19 (affecting the opening balance)

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

225 949

Relating to 2017/18 (affecting the opening balance)

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

69 315

Total

295 264

CAPITAL WORK IN PROGRESS AS AT 31 MARCH 2020

	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	34 323	31 582	31 597	34 307
Machinery and equipment	-	-	-	-
Intangible assets	33 420	-	-	33 420
TOTAL	67 743	31 582	31 597	67 727

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Age Analysis on Ongoing Projects	Planned, construction not started	Planned, construction started	Total R'000
0 to 1 year	33	3	16 492
1 to 3 year(s)	-	3	14 764
3 to 5 years	-	1	3 051
Longer than 5 years	-	-	-
TOTAL	33	7	34 307

Accruals and payables not recognised relating to Capital WIP

	2019/20 R'000	2018/19 R'000
Amounts relating to progress certificate	-	447
TOTAL	-	477

CAPITAL WORK IN PROGRESS AS AT 31 MARCH 2019

	Opening balance	Prior period error	Current Year WIP	Ready for Use(Assets to the AR)/Contrac ts Terminated	Closing Balance 31 March 2018
	R'000	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	(5 838)	-	-	33 420
TOTAL	69 286	(5 838)	23 057	18 762	67 743

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Age analysis ongoing projects

	Planned construction not started	Planned Constructio n started	2018/19 Total
0 to 1 year	38	5	19 788
1 to 3 year(s)		10	14 535
3 to 5 year(s)	-	-	-
Longer than 5 years	-	1	-
Total	38	16	34 323

**Assets transferred in terms of S42 of the PFMA -
 2018/19**

LAND & SUBSOIL ASSETS

Land	-	-
Mineral & similar non-regenerative resources	236	40 859
Total	236	40 859

IMMOVABLE INFORMATION	ASSETS	ADDITIONAL	<i>Note</i>	2019/20	2018/19
				Number	Number
Land parcels				407	501
Facilities					
Schools				246	232
Clinics				31	27
Hospitals				4	4
Office buildings				30	29
Dwellings				62	62
Storage facilities				-	-
Other				116	189

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Facilities on unsurvey land

Schools	291	318
Clinics	36	42
Hospitals	2	2
Office buildings	24	45
Dwellings	60	51
Storage facilities	-	-
Other	31	32

Facilities on right to use land

Schools	4 449	4 307
Clinics	405	406
Hospitals	29	31
Office buildings	179	172
Dwellings	236	239
Storage facilities	1	1
Other	359	341

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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31. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2018/19	
	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	4 726	-	-	-	4 726	4 726	4 726	6 023	100%
	4 726	-	-	-	4 726	4 726	4 726	6 023	6 023

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

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		2018/19	
	Amount	Roll Overs	Adjust-ments	Actual Transfer	Funds withheld	Amount received by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Ethekwini Metro	460 957	-	(112 641)	348 316	-	-	-
Ugu Municipalities	32 081	-	14 469	46 550	-	-	-
Umgugundlovu Municipalities	118 629	-	29 271	147 897	-	-	-
Uthukela Municipalities	65 728	-	14 379	80 107	-	-	-
Umzinyathi Municipalities	52 357	-	11 871	64 228	-	-	-
Amajuba Municipalities	14 176	-	6 417	20 593	-	-	-
Zululand Municipalities	76 844	-	16 121	92 965	-	-	-
Umkhanyakude Municipalities	42 885	-	10 174	53 059	-	-	-
KingCetshwayo Municipalities	97 449	-	16 367	113 816	-	-	-
Ilembe Municipalities	23 139	-	14 755	37 894	-	-	-

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HarryGwala Municipalities	25 315	-	47	25 362	25 367	-	-	-
Out of Province Municipality	-	-	-	-	-	-	-	-
Lejwelaputswa Municipalities	-	-	-	-	-	-	-	-
Emalahleni municipality	-	-	-	-	-	-	-	-
Ekuhuleni Municipalities	-	-	-	-	-	-	-	-
Sedibeng Municipalities	-	-	-	-	-	-	-	-
Matjhabeng Municipality	-	-	-	-	-	-	-	-
Nkangala Municipalities	-	-	-	-	-	-	-	-
Emfuleni municipality	-	-	-	-	-	-	-	-
PD Licences	225	-	3	228	310	-	-	-
PD Claims against the state	-	-	-	-	-	-	-	-
		-	21 233	1 031 015	1 031 102	-	-	-
	1 009 782	-						

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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	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	
Compensation Commissioner	-	-	-	-	-	-	-
Skills Development	590	-	-	590	515	87%	488
Com:Licences	-	-	-	-	-	-	-
	590	-	-	590	515		488

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ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON PROFIT INSTITUTION

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	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	-	-	-	-	-	-	-
Donation towards the erection of security wall at Summerfield Primary School in Chatsworth for Operation Sukuma Sakhe	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers							
H/H BURSARIES (NON EMPLOYEES)	4 478	-	-	4 478	2 732	61%	6 224
H/H: CLAIMS AGAINST STATE (CASH)	-	-	-	-	-	-	1 877
	4 478	-	-	4 478	2 732		8 101
Subsidies							
H/H EMPL S/EMPL S BEN: INJURY ON DUTY	11	-	-	11	-	0%	2
H/H EMPL S/EMPL S BEN: LEAVE GRATUITY	5 090	-	1 377	6 467	8 211	127%	6 543
	-	-	-	-	-	-	-
	5 101	-	1 377	6 478	8 211		6 545
Total	9 579	-	1 377	10 956	10 943		14 646

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ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 – 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	-	-	-	-	-	-	-	-

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ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019 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 2020 R'000
Claims against the department					
Claim for motor vehicle	171	-	44	-	127
Contractual claim	5 397	-	-	-	5 397
Claim for consultant	-	-	-	-	-
Claim for injury suffered by a minor	6 312	-	-	-	6 312
Claim for rental	9 687	680	-	-	10 367
Claim for Professional Services Rendered	-	-	-	-	-
Claim for loss of profit	4 668	-	4 668	-	-
Claim for service provided	-	-	-	-	-
Claim for Overtime	400	-	-	-	400
Arbitration claim	-	1 002	-	-	1 002
Subtotal	26 635	1 682	4 712	-	23 605
Environmental Liability					
Subtotal					
Other					
Subtotal					
TOTAL	26 635	1 682	4 712	-	23 605

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ANNEXURE 4
CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
KZN Dept of Agriculture, Environmental Affairs & Rural Development		6 726	5 981	2 159		8 885
KZN Dept of Arts & Culture		6 358	3 321		3 321	6 358
KZN Dept of Community Safety and Liasion		-	1 545		1 545	2 267
KZN Dept of Co-operative Governance & Traditional Affairs		1 218	7 929	7 126		8 344
KZN Dept of Economic Development & Tourism		108	2 339			108
KZN Dept of Education		46 391	276 359	108 883		155 274
KZN Dept of Health		22 259	66 328	53 212		75 472
KZN Dept of Human Settlements		441	32 622	49 824		50 265
KZN Office of the Premier		3 727	990	4 654		8 381
Provincial Parliament		2 175	2 347	-	2 347	2 175
KZN Provincial Treasury		1 497	-	-	-	-
KZN Dept of Social Development			1 255	22 819		22 819
KZN Dept of Sport and Recreation		486	921	2 064		2 550
The Royal Household						
KZN Dept of Transport		5 472	18 198	403	18 198	5 875
Transport & Public Works - Western Cape				37		37
National Department of Health and Soc Dev						
National Public Works				76		76
SAPS						
National Department of Labour	-	-	27	-	27	-

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Government Communication and Information Systems	-	-	-	-	-	-	-	-	-
Education Western Cape	-	-	-	-	-	-	-	-	-
Water & Sanitation	-	-	-	-	40	-	-	-	40
Correctional Services	-	-	-	40	-	-	-	-	-
Home Affairs	-	-	-	-	-	-	-	-	-
Public works& Infrastructure –Free State	-	-	-	30	-	-	-	-	-
Health and social development	-	-	-	-	-	-	-	-	-
Rural development	-	-	-	-	-	-	-	-	-
Public Works-Eastern Cape	-	-	-	-	-	-	-	-	-
Agriculture, Forestry & Fishers	-	-	-	-	-	-	-	-	-
	-	95 361	421 699	253 621	25 478	348 982			
Other Government Entities									
SASSA	-	-	12 178	12 637	12 178	12 637	-	-	-
Ezemvelo KZN Wildlife	-	-	-	-	-	-	-	-	-
	-	-	12 637	12 637	12 178	12 637			
TOTAL	-	95 361	433 877	266 258	37 656	361 619			

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ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000

DEPARTMENTS

Current

Department of Arts and Culture						
Department of Agriculture						
Department of Health	1	27			1	27
Department of Justice	376	402	1 151	801	1 527	1 203
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						
Office of the Premier				35		35
Department of Labour						
Rural development						
Human settlement						
Provincial Treasury		916				916
Subtotal	377	1 345	1 151	1 030	1 528	2 375

Non-current

Subtotal

Total	377	1 345	1 151	1 030	1 528	2 375
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OTHER GOVERNMENT ENTITY
Current

Subtotal

Non-current

Total Inter Governmental	377	1 345	1 151	1 030	1 528	2 375
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	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	34 323	31 582	31 597	97 502
Dwellings	-	-	-	-
Non-residential buildings	34 323	31 582	31 597	97 502
Other fixed structures	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
SOFTWARE	33 420	-	-	33 420
Software	33 420	-	-	33 420
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
Mastheads and publishing titles	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
Patents, licences, copyright, brand names and trademarks	-	-	-	-

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RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-
SERVICES AND OPERATING RIGHTS				
Services and operating rights	-	-	-	-
TOTAL	67 743	31 582	31 597	130 922

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

	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	30 028	-	22 981	18 686	71 695
Dwellings	-	-	-	-	-
Non-residential buildings	30 028	-	22 981	18 686	71 695
Other fixed structures	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
SOFTWARE	39 258	(5 838)	-	-	33 420
Software	39 258	(5 838)	-	-	33 420
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
Mastheads and publishing titles	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
Patents, licences, copyright, brand names and trademarks	-	-	-	-	-

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RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
SERVICES AND OPERATING RIGHTS					
Services and operating rights	-	-	-	-	-
TOTAL	69 286	(5 838)	22 981	18 686	105 115

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

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000

NATIONAL DEPARTMENTS
Current

Subtotal
Non-Current

Subtotal

PROVINCIAL DEPARTMENTS
Current

KZN : Health	-	-	-	-	-	-
KZN Dept of Human Settlements	-	-	8 490	--	8 490	-
KZN Office of the Premier	-	-	10 309	10 309	10 309	10 309
KZN economic development	-	-	-	-	-	-
KZN- Department of education	-	-	-	-	-	-

Subtotal	-	-	18 799	10 309	18 799	10 309
Non-Current						

**KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**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 407

Facilities per function:

Facilities	2020	2019
Schools	246	232
Hospitals	4	4
Clinics	31	27
Office Buildings	30	29
Housing	62	62
Other	116	189
Storage		
Total	489	543

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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	2020	2019
Schools	291	318
Hospitals	2	2
Clinics	36	42
Office Buildings	24	45
Housing	60	51
Other	31	32
Total	444	490

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	2020	2019
Schools	4 449	4 307
Hospitals	29	31
Clinics	405	406
Office Buildings	179	172
Housing	236	239
Storage	1	1
Other	359	341
Total	5 658	5 497

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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	2020	2019
Schools	20	35
Hospitals	1	-
Clinics	16	25
Office Buildings		3
Dwellings		8
Storage	-	-
Other	118	200
Total	155	271

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	2020	2019
Schools	304	493
Hospitals	-	3
Clinics	28	37
Office Buildings	7	9
Dwellings	9	28
Storage	-	-
Other	14	27
Total	362	597



KWAZULU-NATAL PROVINCE

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REPUBLIC OF SOUTH AFRICA

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