

REPORT





VOTE 14

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GENERAL INFORMATION

GENERAL INFORMATION

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LIST OF ABBREVIATIONS/ ACRONYMS

AGSA Auditor General South Africa

AOP Accounting Officer
Annual Operational Plan
APP Annual Performance Plan

AR Annual Report

COHOD
COHOD
COHOD
COMMITTEE
COMMITTEE
Committee Head of Departments
Departmental Evaluation Plans

DEWG Department's Evaluation Working Group

DPME Department of Planning, Monitoring and Evaluation

DPWI Department of Public Works & Infrastructure

DWY&PD Department of Women, Youth and Persons with Disabilities

EPWP Expanded Public Works Programme

ECDP Eyesizwe Contractor Development Programme

EXCO Department's Executive Committee

EQPRS Electronic Quarterly Performance Reporting System

FMPPI Framework for Managing of Programme Performance Information

GWM&EF
GWM&ES
Government Wide Monitoring and Evaluation Framework
Gwm&ES
Government Wide Monitoring and Evaluation System

HOD Head of Department

Immovable Asset Management

INTS Information and Communication Technology
Infrastructure Management and Technical Support

KZN KwaZulu-Natal

MANCO Department's Management Committee

M&E Monitoring and Evaluation
MEC Member of Executive Council
MTSF Medium Term Strategic Framework

NAPROV National and Provinces

NEPF National Evaluation Policy Framework

NT National Treasury
OTP Office of the Premier

PGDS Provincial Growth Development Strategy

PIAS Provincial Internal Audit Services

PMPPI Policy for Management of Programme Performance Information

PFMA Public Finance Management Act

POA Programme of Action

SASQAF
South African Statistics Agency Quality Assurance Policy
SMART
Specific, Measurable, Achievable, Realistic and Time-bound

TR Treasury Regulations

TIDS Technical Indicator Descriptors



FOREWORD BY THE MEC FOR PUBLIC **WORKS AND INFRASTRUCTURE**

HONOURABLE M. MEYER Member of the Executive Council for Department of Public Works and Infrastructure KwaZulu-Natal

Not so long ago we marked a year of the current administration of Government of Provincial Unity (GPU). Indeed, this is a milestone for the government of the day. Closer to home, for KwaZulu-Natal Public Works and Infrastructure, it has been a year of shooting the lights out. One way that best characterizes this past year for our department is that it has been a year of exceptional achievements.

I often look back and think that not so long ago this department and the important role it plays in the lives of people of this province was not known or fully understood. As a result, the influence, leverage, responsibility, and significance held by KZN Public Works and Infrastructure was, to an extent, also fully appreciated from within its very own walls. Now this has all changed – every effort and stride our dedicated professionals make is in perfect synchronization with the needs and support shown by the public we serve. It is as if KZN Public Works and Infrastructure and the KZN public have found each other and move in unison. We see this through the applause on our platforms and cheers on the ground which reflect one thing - we are the public and the public is us.

Our newly found rhythm is also felt within the walls and corridors by all sector in the public and private sphere, some who previously may have paid no attention to KZN Public Works and therefore maybe downplayed our role within the mission to build KZN. Some viewed us as merely a provincial overdraft facility, while some simply failed to see that KZN Public Works and Infrastructure is the intertwining fiber that links departments, infrastructure, facilities. life-saving services, and the people.

However, once we realized our own true potential, we took a different approach. We chose to extend our hand, open our doors, make room at the table, create conversations, and help each other. We chose to put the past behind and overlook any differences, but instead, keep a laser focus on the bigger picture - the people. By taking this approach, we embraced the value of ubuntu and the principal that 'I am because you are'.

So, what did this unusual, and perhaps, unexpected approach do for this amazing department of ours and this beautiful province?

Through constructive engagements we have started seeing client departments coming forward to decide to pay us. This has drastically reduced amounts owed to us, which at one point, stood at a staggering R814 million. One client paid a lump sum of just over R300 million. This allowed us to meet other financial obligations such as contractor payments where we have so far released over R550 million and brought down all outstanding payments to be well within the 30-day period. This is the power of choosing to work with, as opposed to against others.

Another unexpected new approach we have adopted this past year was to pay a special focus on the professionals who help extend our footprint - the contractors. We held a very successful Contractors

Imbizo roadshow and reinforced our relationship with them, proving it was an overdue and important undertaking going forward. On the other hand we procedurally dealt with seven contractors who failed to uphold the standard of work that we expect from them by initiating the blacklisting process, of course not without offering assistance and a chance for them to motivate their cases.

Our decision to hold hands with contractors is because KZN Public Works and Infrastructure understands that it takes a village to raise a promising and thriving KZN. We didn't stop there, however. We also took this further through our Memorandum of Understanding with the Western Cape province which will see this province benefit through bolstered infrastructure support, especially at times of flooding and calamitous weather conditions. We also partnered with and engaged TVET institutions, Department of Higher Education and Learning, Shukela Training facility and Westown developers more recently to shock back to life our artisans offering through the EPWP programme.

We have also answered the call to bring connectivity to rural KZN by partnering with MTN so that residents can benefit through immediate connections to health facilities, police stations, ambulances, the internet and schooling. We did this by leveraging eight sites we already own. By doing so we added life-saving value to our already existing properties.

We did not stop at leveraging properties for connection purposes. We also undertook and announced the biggest property and land parcels disposal initiative that has never-before-done by KZN Public Works and Infrastructure. And our only and key condition that we attached to the R120 million worth parcels was that we would give precedence to those wanting to utilize the assets for learning, skills development, and community upliftment purposes as well as NGOs.

This move alone has saved KZN Public Works R24 million in rates. This goes a long way in several ongoing efforts to reduce our rates bill which includes offloading or handing over unutilized buildings to the benefit of communities.

Since we believe in practicing what we preach, cost-saving measures have also been adopted internally. I am particularly proud that we have intensely reduced the monthly expenditure of cellphone and data usage.

Through our digitization move which will see us going paperless, we expect to cut down on a further R1,3 million per annum.

Our Auditor General's report confirms that all these above-mentioned measures are putting KZN Public Works and Infrastructure well on track to becoming a department that others can look up to.

For the first time in a long time I am proud to say that KZN Public Works and Infrastructure has been given an unqualified audit with only one material finding. However, the finding is an external factor in that it is the issue of non-payment by client departments which hindered our ability to pay contractors on time.

This couldn't be a prouder stamp of approval for us as a once forgotten, misunderstood, sidelined department that has emerged to become one of the most recognizable names, not only in KZN but across the country.

Looking ahead, I look forward to the many other things that this department, through its dedicated and hardworking team members, can achieve.

We came, we saw, and we continue to conquer with our mission now to include even international governments and expertise. Stay tuned for the next level of KZN Public Works and Infrastructure.

Thank you

Honourable M. Meyer

MEC for Public Works & Infrastructure

Date: 31 May 2025



ACCOUNTING OFFICER'S REPORT

DR V. GOVENDER Acting Head: Department of Public Works and Infrastructure, KwaZulu-Natal

We cannot build tomorrow on broken foundations. Our province, KwaZulu-Natal, like the rest of the world, is changing fast. Technology is moving forward, the climate is changing, and communities expect better services from government. These changes affect how we build and take care of our provincial buildings, and facilities that our people rely on every day.

KwaZulu-Natal faces its own challenges. Inadequate investment in infrastructure, delays in maintenance, alleged corruption, and criminal activity in the construction sector, all of which slow down progress and affect the lives of ordinary people.

But the Department of Public Works and Infrastructure is not standing still. The Department has committed itself to the 7th administration's goal of driving an "infrastructure and skills revolution." This means building faster, training more people, and delivering efficient services that create jobs and opportunities, ultimately improving the quality of life for all our citizens.

Our work supports the province's Medium-Term Development Plan, which focuses on three big goals:

- a) Growing the economy and creating jobs,
- b) Reducing poverty and the high cost of living, and
- c) Building a government that is competent, ethical, and focused on developing the needs of people.

A nation's wealth is built in bricks and roofs, but its

strength is built in trust. This Annual Performance Plan sets out how we will deliver on those goals. More than R2 billion has been allocated to speed up infrastructure delivery, from government buildings and offices to community facilities, so that projects are completed on time and create jobs along the way.

We have already achieved some encouraging results. As the coordinator of the Expanded Public Works Programme (EPWP), our department has already created over three thousand work opportunities more than the planned target. This success came from stronger coordination across all regions and better reporting systems.

We have also inspected and improved the use of state-owned buildings, paid municipal property rates on and strengthened the management of government-owned land and buildings. However, we still face delays in selling properties we no longer need, mainly due to slow legal processes. We are now putting turnaround plans in place to resolve this.

Our biggest challenge remains financial constraints. When client departments delay payments to us, our projects slow down, and contractors cannot be paid on time. This creates a ripple effect across the supply chain, as the department is then unable to pay suppliers and contractors promptly. We are therefore actively working with all our partners to resolve these payment issues.

Despite obstacles, our focus on good governance is stronger than ever. We are working hard to rebuild trust in government by being open, fair, and accountable. Alongside cutting wasteful spending and following procurement legislative prescripts, we continue to support economic empowerment of our people. We are actively rooting out corruption by enforcing strict consequence management, expediting disciplinary hearings and holding accountable those who undermine our vision.

We are steadfast in our goal to achieve a clean audit, proving that public money is managed with the highest integrity and care. Every brick we lay is not just construction, it is a promise that tomorrow will be better than today. As the custodian of the province's public infrastructure, our solemn responsibility is to serve the people of KwaZulu-Natal with integrity, excellence, and unwavering determination.

The road ahead will not be without challenges, but with hard work, unity, and an unshakable commitment to excellence, we can build a province where infrastructure is not only reliable and sustainable, but also a true foundation for dignity, opportunity, and hope for every citizen.

LET'S BUILD KZN BETTER.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

		2024/20	25	2023/2024			
Departmental receipts	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection	
	R'000	R'000	R'000	R'000	R'000	R'000	
Sale of goods and services other than capital assets	7 328	8 141	(813)	7 077	9 124	(2 046)	
Transfers received	-	-	-	-	-	-	
Fines, penalties and forfeits	-	-	-	-	-	-	
Interest, dividends and rent on land	275	1 125	(850)	263	484	(221)	
Sale of capital assets	385	1 225	(840)	575	155	420	
Financial transactions in assets and liabilities	1031	842	189	988	2 566	(1 578)	
Total	9 019	11 333	(2 314)	8 903	12 328	(3 425)	

2024/25 FINANCIAL YEAR

Sale of Goods and Services other than Capital Assets

High collection is mainly due to arrear rentals received from Star College as well as for Durban University of Technology in the eThekwini Region.

Interest, dividends and rent on land

High collection is mainly due to interest received from the purchase of property: remainder of ERF 5 Madadeni J.

Sale of Capital Assets

High collection is mainly due to the sale of ERF 296 Kloof to Dia Kgadi (PTY) LTD for the establishment of a medical rehabilitation centre in eThekwini.

Financial transactions in assets and liabilities

Under-collection is mainly due to debts relating to previous year which did not materialize as anticipated.

2023/24 Financial Year

Sale of Goods and Services other than Capital Assets

High collection is mainly due to arrear and advance rental payment received from Vodacom and MTN for cellphone masts, as well as for arrear rental received from Star College in the eThekwini Region.

Interest, dividends and rent on land

High collection is due to interest received from the sale of property: ERF 452 Shorts Retreat.

Sale of capital assets

Under-collection is due to the sale of motor vehicles that did not materialise as anticipated.

Financial transactions in assets and liabilities

High collection is mainly due to previous years' expenditure, legal fees owing to the department by the Public Service Association (PSA) who represented an official, and monies received by the department for a Government Housing overpayment to an official who had transferred out of the department.

New measures instituted during the year to raise additional revenue.

Monitoring of monthly collection in respect of rentals received from leased state properties

Revenue Rates

2024/2025 Financial Year Tariffs						
Source of Revenue	Tariff	Policy on Tariff				
Rental Dwellings	R900	Determined by DPSA				
Parking	- External R70 undercover parking R50 open parking	Determined by Provincial Treasury				
Commission on Insurance and Garnishee	2.5%	Determined by National Treasury				
Request for Access to Information	-	Determined by PAIA				

Constant monitoring of departmental rental income for leased state properties was undertaken to recover accrued rental from tenants.

In terms of Treasury Regulations 10.2.2, tariffs in respect of the sale of immovable state property is at market-related value unless Treasury approves otherwise. Tariffs in respect of dwellings, parking. commission on insurance and garnishee, as well as access to information fees are determined by DPSA, Provincial Treasury, National Treasury and the Promotion of Access to Information Act, 2000 (PAIA), respectively as indicated in the table above.

The department reflects under-collection under previous years' expenditure which highly fluctuates.

The higher than anticipated revenue generated in 2024/25 is attributed to the sale of ERF 296 Kloof to Dia Kgadi (PTY) LTD. The land was sold at market value for the establishment of a medical rehabilitation centre in eThekwini, which will contribute to transformation of the public sector.

• Programme Expenditure

		2024/2025		2023/2024			
Programme Name	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	
Administration	463 981	463 981	-	427 721	427 680	41	
Property Management	1 613 449	1 613 449	-	1 281 219	1 281 214	5	
Provision of Buildings, Structures & Equipment	59 911	59 903	8	505 015	505 015	-	
Total	2 137 341	2 137 333	8	2 213 955	2 213 909	46	

2024/25 Financial Year

Programme 1: Administration was fully spent after the department processed net virements of R6.787 million savings from Programme 2 and R3.163 million savings from Programme 3 to reduce unauthorised expenditure under this programme.

Programme 2: Public Works Infrastructure was fully spent after the department processed virements of R6.787 million savings from this programme to reduce unauthorised expenditure under programme 1.

Programme 3: Expanded Public Works was under-spent by R8 000 after the department undertook net virements of R3.163 million savings from this programme to reduce unauthorised expenditure under Programme 1.

Virements/ Rollovers

The department undertook the following virements from Programme 2 and Programme 3 to reduce unauthorised expenditure under Programme 1 as follows:

R6.787 million net savings were identified in Programme 2: Public Works Infrastructure under Compensation of employees due to various vacant budgeted posts within the department. The total savings were allocated to Programme 1: Administration to address spending pressures under Compensation of employees mainly attributed to the 2024 wage agreement, which was not adequately budgeted for as well as to Goods and services to offset spending pressures in respect of higher than budgeted increases relating to Auditor-General fees, legal services fees for state attorney costs as well as fleet services in respect of fuel, oil and maintenance costs.

R3.163 million net savings were also identified in Programme 3: Expanded Public Works under Compensation of employees as well as from Goods and services. The savings under Compensation of employees were due to various vacant budgeted posts, as previously mentioned. The savings under Goods and services were due to enforced savings in respect of agency and support/outsourced services. The total savings of R3.163 million were allocated to Programme 1 under Goods and services to address spending pressures in respect of fuel, oil and maintenance costs relating to fleet services.

Fruitless and Wasteful Expenditure

In terms of Public Finance Management Act (PFMA) section 38(1)(c)(ii) and section 38(1)(f), the Auditor-General had tested property payments and detailed that the Department had paid interest on late payments. The total of R2000 was disclosed in the final Annual Financial Statements for 2024/2025. The Department has amended the payment checklist and SOPS to ensure that payments made do not include interest. Further the Department ensures that all payments will be paid within the stipulated timeframes as set out in section 38(1)(f) of the PFMA and treasury regulation 8.2.3 so that interest is not incurred.

The Department will engage with COGTA Inter-Governmental Relations to ensure that Municipalities are sensitised to the PFMA on payment of interest on invoices. Further the Department has immediately implemented Treasury Instruction No.1 (Amendment 1 of 2025): Inter Departmental accounts which will assist with cash flow in the Department and ensure that payments adhere to section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

Strategic focus over the short to medium term period

Over the short to medium term, the department maintained a strategic focus in several key areas. In terms of Public Private Partnerships, there were no PPPs reported in the previous financial year, and no new PPPs were entered into

Regarding key activities that were discontinued or are to be discontinued, there were no such activities reported. As for new or proposed key activities, none were introduced during the reporting period.

In the area of Supply Chain Management (SCM), there were no unsolicited bid proposals concluded for the year under review. The SCM Policy for Goods and Services, Infrastructure Procurement and Delivery Management, SCM Delegations of Authority, as well as the SCM Standard Operating Procedures, are all aligned to the legislative framework governing SCM. These policies are in place to prevent irregular expenditure, and officials are fully compliant.

The challenges experienced by SCM included a backlog of unfinalized bids due to the centralisation of the evaluation process. This was resolved by decentralising the process to the Regions. Another challenge was the high cost for cell phone contracts and usage, which was addressed through a clean-up of the cell register, termination of lines for officials who exited the department, and the usage of the transversal contract and updated cell phone policy. In addition, non-filling of vacant posts due to budget constraints was resolved by repositioning officials to ensure the continuous running of the section.

In terms of gifts and donations received in kind from non-related parties, there were none received by the department during the reporting period. With regard to exemptions and deviations from the National Treasury, there were none received.

Looking at events after the reporting date, there were no events—whether adjusting or non-adjusting, favourable or unfavourable—that occurred after the reporting date and up to the date of approval of the Annual Financial Statements. In relation to other material facts or circumstances, there were none that may have an effect on the understanding of the financial state of affairs.

In conclusion, the department aims to establish itself as a proponent of ethical and sound governance by implementing mechanisms to enhance leadership and accountability. The department has successfully met its objectives for effective Enterprise Risk Integrity Management, efficient budget utilisation, and compliance with PFMA (Section 55(2)(a)), adhering to the approved procurement plan submitted to the Provincial Treasury by 31 March 2025. The department also recorded an overachievement in the increase in Economic Empowerment through procurement.

The incremental realisation of this aim will depend on the department's capacity to implement systems and methods that reduce inefficient and irregular expenditure, while strengthening governance, leadership, transparency, and accountability. Throughout the department's five-year strategic plan, the department intends to enhance its operations to achieve the established objective of securing a clean audit. This will ideally align the department for a favourable audit conclusion.

Dr V. Govender

Acting Head of Department

Date: 29 August 2025

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2025.

Yours faithfully

Dr V. Govender

Acting Head of Department

Date: 31 May 2025

6

STRATEGIC OVERVIEW

VISION

To be a leading force in the development and management of public infrastructure and properties, driving inclusive economic growth, job creation, and sustainable development.

MISSION

We are committed to delivering and managing high-quality infrastructure, maximizing the utilization of government property, and spearheading efforts to maintain an environmentally sustainable and integrated public infrastructure system that meets the needs of the people of KwaZulu-Natal Province.

VALUES

The KwaZulu-Natal Department of Public Works and Infrastructure 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.

Excellence

We are dedicated to providing high quality, 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.

Teamwork

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

Professionalism

As a department which provides a professional service in relation to infrastructure delivery, provincial co-ordination, and maintenance. The department commits itself to professional conduct in all areas of management, operations, finance, and administration.

Innovation

We embrace a challenging style that encourages creativity, free thought and calculated risk-taking in pursuit of ever higher goals.

We seek to implement new ideas, create dynamic service options and improve services.

We strive to be creative thinkers who view challenges and opportunities from all possible perspectives

LEGISLATIVE & OTHER MANDATES

CONSTITUTIONAL MANDATE

Schedule 4, Part A of the Constitution provides that the Department has a responsibility to provide public works needs for provincial departments so that they may discharge their responsibilities to administer functions especially assigned to them in terms of the Constitution or any other law. Public Works and Infrastructure is a functional area of concurrent national and provincial legislative competence (concurrent National Department is the National Department of Public Works and Infrastructure).

There are mandates within the broad statutory mandates of government institutions that guide the KwaZulu-Natal Department of Public Works and Infrastructure's core functions of infrastructure development and immovable asset management. The department therefore renders the following services listed here below:

- Immovable asset management serving as custodian and management agent of all provincial-state immovable assets registered in the name of the Province of KwaZulu- Natal.
- Manage, coordinate, and monitor infrastructure programmes in respect of all provincial Departments.
- Coordination of Catalytic projects in respect of key milestones.
- Manage projects throughout their lifecycle.
- · Render professional advice to client Departments
- Manage, coordinate, and monitor the Expanded Public Works Programme in KwaZulu-Natal
- Manage, coordinate, and monitor the emerging contractor development programme.
- Register and manage all state-owned immovable assets into an immovable asset register that is fully compliant to the minimum requirement from National Treasury.
- Provide and manage an integrated office accommodation solution to all provincial Departments.
- Manage, facilitate, and monitor property development and valuations, as well as disposal and letting of provincial-state immovable assets
- Implement and monitor (within set period terms) the following programmes:
- Expanded Public Works Programme (EPWP)
- Izandla Ziyagezana (IZ)
- Professional Services
- · Bursary and Internship Programme
- The Construction Industry Development Board (CIDB) Outreach Programme
- National and Provincial Government-led programmes.

LEGISLATIVE AND POLICY MANDATES

Within the broad statutory mandates of government institutions, the following mandates currently guide the KZN Public Works and Infrastructure Department's core functions of infrastructure development and property management.

Legislative Mandates:

Government Immovable Asset Management Act 19 of 2007

This Act provides for a uniform framework for the management of immovable assets that are held or used by a national or provincial department. It provides for ensuring the co-ordination of the use of an immovable asset with the service delivery objectives of the national or provincial department and for issuing of guidelines and minimum standards in respect of immovable asset management by a national or provincial department.

KwaZulu-Natal Land Administration and Immovable Asset Management Act 2 of 2014

In terms of this Act, the Department is designated as the custodian of all provincial state-owned land and immovable assets in the province of Kwazulu-Natal.

This Legislation enables the Department to:

- * Administer the management of the Provincial state assets, including the process of:
 - · Acquisition of property.
 - Disposal of provincial state land.
 - Expropriation of property.
 - · Management and maintenance of provincial state assets,
- * Establish and maintain a current register for all Provincial State Properties
 - Harmonise provincial land administration and management legislation with Government Immovable Asset Management Act (GIAMA).
- * The Act specifically stipulates that the MEC for KZN Public Works and Infrastructure is responsible for the aforementioned functions. It also makes provision for user departments to submit user asset management plans to the Department, setting out how it uses or intends to use immovable assets in its possession, which user asset management plans will assist the Department in compiling its Custodian Asset Management Plan, relating to all immovable assets in its custody, thus ensuring alignment with GIAMA.

Construction Industry Development Act 38 of 2000

To provide for the establishment of the Construction Industry Development Board; to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith.

The Infrastructure Development Act 23 of 2014

To provide for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic; to ensure that infrastructure development in the Republic is given priority in planning, budgeting and implementation; to ensure that the Development goals of the state are promoted through infrastructure development; to improve the management of such infrastructure during all life-cycle phases, including planning, budgeting, implementation and operations; and to provide for matters incidental thereto.

Construction Regulations, 2025

Sub-Regulation 11(2) requires an owner of structures to ensure that a competent person carries periodic inspections of structures at least once every six months for the first two years after its construction and thereafter yearly to render the structure safe and that the structure is maintained so that it remains safe for continued use.

Spatial Planning and Land Use Management Act, 2013 Act 16 of 2013

To provide for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of Government.

Policy Mandates:

- * Public Works White Paper: Towards the 21st century (1997)
- * Public Works White Paper: Creating an enabling environment for Reconstruction, Growth and Development in the Construction Industry (1999)
- * EPWP Recruitment Guidelines

The purpose of these EPWP Recruitment Guidelines is to ensure uniformity, across all sectors, in the recruitment of participants from within the EPWP target group.

- * National Spatial Development Framework
- * KZN Provincial Spatial Development Framework:

National Government developed the Integrated Urban Development Framework (IUDF) in 2016 and it seeks to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions of the people. It identified Spatial Integration as a Strategic Goal.

Spatial Integration was further prioritised through the Provincial Growth and Development Strategy (PGDS) and through the Provincial Spatial Development Framework (PSDF).

ORGANISATIONAL STRUCTURE AS AT 31 MARCH 2025

KwaZulu-Natal Department of Public Works & Infrastructure Organisational Structure

ACTING HEAD OF DEPARTMENT Dr V. Govender





MS D. FIHLELA
Acting Chief
DirectorInfrastructure
Maintenance and
Technical Support



MS X. NTANZI Acting Chief Director-Immovable Asset Management



MS A. KHAN Chief Director-Corporate Services



MR P.K. BALLARAM Acting Chief Financial Officer



MS N. GCABA Acting Chief Director-Expanded Public Works Programme and Special Projects

9

ENTITIES REPORTING TO THE MEC

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



PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 144 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

One of the critical success factors to achieve the departmental mandate include full implementation of back-to-basics strategy, which includes good governance; capacity building; putting client needs first, sound financial management and institutionalized long-range human resource planning.

Our geographic spread across all district municipalities in KwaZulu-Natal facilitates ease of access for clients and proximity to facilities being serviced for maintenance and construction works.

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.

Some of the pressures facing Public Works stem from client departments failing to provide adequate project scopes, adequate budget for projects already committed, interruptions of projects on site by business forums and community unrests, delays in project readiness from client departments and non-performance of service providers resulting in cancellation of projects mid-implementation. It is acknowledged that the department needs to improve its approach to planning and project management to deliver quality infrastructure on time and at reasonable cost. The loss of trust in the department's capabilities poses a serious threat to the department's delivery on its mandate, reputational damage for the department and conflict with contractors.

Increase in leased office space because of non-availability of suitable state buildings or funding or refurbished buildings to bring the in line needs from user departments. There is a dire need for maintenance of government buildings to house government departments and the use of Public Private Partnerships and development leases is being explored to mitigate against limited maintenance budget.

Some opportunities to be explored include generation of innovative and creative ideas to address changes in socio-economic conditions through partnerships with tertiary institutions, enhanced implementation of green building principles and taking the lead in creation of sustainable infrastructure.

Lack of responsiveness to changing sector, economic and environmental conditions has been cited as a threat to the continued effectiveness of the department, hence the need to revisit the service delivery model and funding mechanism for maintenance of public infrastructure.

2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. 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	Desired standard of service	Actual achievement
Implementation of infrastructure projects.	11 Clients departments	Achievement of all targeted projects	141 of the infrastructure projects on the user client IPIPs to be completed within contract period.	127 projects completed within contract period.
Implementation of infrastructure projects	11 Clients departments	6 approved IPIPs received prior the implementation financial year	09 approved IPIPs received prior the implementation financial year.	05 approved IPIPs.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation		
Client satisfaction surveys undertaken with 6 clients departments.	11 client satisfaction surveys conducted (clients department)	7 of 9 client departments participated in the client satisfaction survey
Conducted Organisational climate survey	Organisational climate survey conducted	Organisational climate survey conducted and action plan approved for implementation
Program Infrastructure Delivery Committee (PIDC) meetings conducted with client departments	22 Program Infrastructure Delivery Committee (PIDC) meetings conducted (2 per client annually	36 Program Infrastructure Delivery Committee (PIDC) meetings conducted overall
Information		
Availability of suggestion boxes at all Public Works offices	16 offices availability of suggestion boxes	15 offices with suggestion boxes.
Availability of service-related information on all platforms	Availability of service-related information on all platforms	All service-related information is on the departmental website. i.e tenders, vacancies, strategic documents
Access		

Current/actual arrangements	Desired arrangements	Actual achievements
Compliance with universal access measures (as per the National Strategic Framework on Universal Design and access- 2021)	Availability of the following in all offices: - Parking bays - Toilets - Ramps - Voice guided lifts with brailed lift buttons Emergency measures for people with disabilities	Availability of the following in all offices: - Parking bays - Toilets - Ramps - Voice guided lifts with brailed lift buttons.
Service Standard		
Outdated Contract Administration standard operating procedures	Updated Contract Administration standard operating procedures	Operations & Maintenance processes, project management processes & infrastructure procurement SOPS approved on 6 August 2024.
Value for money		
% reduction in variation orders	3% reduction in variation orders	11% reduction in variation orders between 2023-24 and 2024-25

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Availability of service-related information at Help-desks and departmental website	Availability of service-related information on relevant platforms	All strategic documents are posted as and when required or requested by relevant Directorates.
		Job advertisements circulated through departmental notices and newspapers.
	Departmental service charter	Tender information is published on notice boards and newspapers.
	commitment to be published on website.	Departmental service charter commitment is available on the website.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints / Suggestions Management System developed	Complaints / Suggestions Management System fully implemented	The department has an approved Complaints and Suggestions Procedure in place, supported by a functional Complaints Forum.

2.3 Organisational environment

There are key issues that considered as game changers which will be pursued through the identified outcomes and outputs are

- Make Radical Economic Transformation (RET) an operational culture
- Greater access to work opportunities
- Restructure the project cycle and reduce the use of consultants
- Improve efficiency within the administration by reorganizing operations
- Ensure employment equity with a bias to women and disabled applicants
- · Improve the audit outcomes

The 2024/2025 financial year focused on transformation of the property sector and empowerment of beneficiaries of the Expanded Public Works Programme with developing skills that will aid their employment prospects beyond their participation in the programme.

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 2024/2025 Annual Performance Plan.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

2019-2024 Medium Term Strategic Framework Outcome Statements	2019-2024 Medium Term Strategic Framework Output indicators	2019-2024 Medium Term Strategic Framework Output targets	Progress
Improved leadership, governance and accountability	Auditor General's audit outcome	Unqualified Audit Opinion from Auditor General	Unqualified Audit Opinion from Auditor General with findings
Productive Assets (Maintenance of Facilities & Productive use of Facilities)	% of maintained assets/ facilities to the portfolio size of assets.	80%	76%
Productive use of Facilities)	% of productive assets	90%	122%
Sustainable Infrastructure Investment (Construction &	Hectares of land released through socio- economic purposes	75ha	70.4ha
Addressing Spatial imbalances)	% of planned infrastructure projects completed	100%	101%
4. Optimized Job Opportunities	Number of work opportunities created by Public Works through EPWP.	25 130	12810

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

Programme 1: Administration

Programme 2: Public Works Infrastructure

Programme 3: Expanded Public Works Programme

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 outcomes, annual targets and actual performance for 2024/2025 for the administration programme are detailed below:

Strategic Outcomes are as follows:

4.1.1. Improved leadership, governance, and accountability

Annual Performance Plan 2024/2025

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 2.4.4.2:

Programme 1: Administration

Sub Programme 2: Management of the Department

Sub Programme 3: Corporate Support

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned target to Actual Achievement 2024/2025	Reasons for deviations	
Improved leadership, governance, and accountability	Effective Enterprise Risk Integrity Management in the department	1.1 Strategic Risk register approved by 30 June 2024	New	1	1	1	0	Target achieved	
	Effective utilization of the budget	utilization of	1.2 Percentage of budget variation	n/a	0%	Within 2% budget variation	0%	0%	Target achieved
		1.3 Percentage reduction of irregular expenditure	New	40%	20%	55%	+35%	Target over- achieved 77 instances have bee submitted to Condonation Committe in 2024 in the amount R183 627 922,19. All cases were condoned. This is attributed to the Consultant that was dedicated to finalising all cases of Irregular Expenditure.	
	Compliance to PFMA (Section 55(2) (a)	1.4 Approved procurement plan submitted to Provincial Treasury by 31 March 2025	New	1	1	1	0	Target achieved	

Programme 1: Administration

Sub Programme 2: Management of the Department

Sub Programme 3: Corporate Support

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned target to Actual Achievement 2024/2025	Reasons for deviations
	An increased in Economic Empowerment through procurement	1.5 Percentage budget spent on designated groups owned enterprises through 30% on procurement of goods, services, and departmental infrastructure projects. Women: 40% Youth: 50% Persons with disabilities: 5% Military Veterans: 5%	New	120%	100%	207%	+107%	Target over-achieved Due to the increased number of Women and Youth-owned companies who have participated and benefited from Supply Chain Management processes. The under-achievement on Persons with disabilities and military Veterans is due to the limited number of entities from these designated groups to participate in procurement processes being implemented by the department.
	Reduction of vacancy rate	1.6 Percentage of posts filled in the Human Resource Provisioning Plan (HRPP)	n/a	n/a	75%	41,5%	-33,5%	Target not achieved. Due to suspension on the filling of posts still in place due to financial constraints.

Programme 1: Administration

Sub Programme 2: Management of the Department

Sub Programme 3: Corporate Support

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned target to Actual Achievement 2024/2025	Reasons for deviations
		1.7 Percentage representation of Youth in the staff compliment	18,7%	15%	30%	11,8%	-18,2%	No progress made on this target due to posts not being filled.
		1.8 Number of external Students awarded bursaries for built environment studies.	5	34	10	10	0	Target achieved
		1.9 Percentage representation of staff with disabilities	1,8%	2%	2%	2%	0%	Target achieved
		1.10 Percentage of Women at SMS level	42%	50%	50%	50%	0%	Target achieved
	Build positive DPW image	Number of User Satisfaction Surveys conducted	New	1	No target	-	-	-
	Effective and efficient IT Operational System	1.11 Number of ICT projects completed.	New	1	1	1	0	Target achieved

Linking performance with budgets

Programme 1: Expenditure

Sub- Programme		2024/2025		2023/2024			
Name	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							
Office of the MEC	16 608	16 608	-	16 094	16 053	41	
Management	281 276	281 276	-	411 627	411 627	-	
Corporate Support	166 097	166 097	-	-	-	-	
Total	463 981	463 981	-	427 721	427 680	41	

2024/25 Financial Year - Actual expenditure was at 100.0 % of the Final Appropriation. The department fully spent the budget under Programme 1.

2023/24 Financial Year - The department under-spent Programme 1 by R41 000. The under-expenditure relates to unspent funds under Goods and services relating to the OSS budget which are specifically and exclusively appropriated.

Strategy to overcome areas of under performance

Areas of under performance	Strategy to overcome under performance				
1.6 Percentage of posts filled in the Human Resource Provisioning Plan (HRPP)	Budgetary constraints have been the sole factor contributing to the underperformance in this area. In order to address this, the Department has identified critical service delivery positions and has committed to prioritising existing funded vacancies to first address these roles within the available budget. The Department also intends conducting a rationalisation exercise to reallocate existing staff to vacant, critical positions to fill urgent gaps. Where budget permits, and for scarce technical skills, the Department will also consider the absorption of qualifying candidate interns into short-term contract positions to address any skills shortages affected by budgetary constraints.				
1.7 Percentage representation of Youth in the staff compliment	Due to budgetary constraints which have affected the filling of posts for permanent appointments, and thus this target, the focus has shifted from recruitment of youth in permanent positions to the development of the youth via developmental programmes consisting of internships, in-service trainee and Work Integrated Learning opportunities, such as those funded by Sector Education and Training Authorities (SETAs). These programmes provide the youth with practical workplace exposure, training and mentorship opportunities and aim to equip the youth with technical and professional skills required for future employment. As aforementioned, where budget permits, the Department will consider the absorption of its qualifying built environment candidate interns into short-term contract positions to optimise investments made in their training. By virtue of this shift in focus, the Department has committed itself to strengthening the capabilities of the youth, not only for employment within this organisation, but within society as a whole.				

4.2 PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Purpose: To provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, management and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. Erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services are:

- Immovable Asset Management
- Infrastructure Maintenance and Technical Support

Sub-Programmes:

(i) Immovable Asset Management

Purpose: Provides for the management of immovable assets in terms of GIAMA

(ii) Infrastructure Maintenance and Technical Support

Purpose: Construction, upgrading or refurbishment of the department's capital infrastructure

The strategic outcomes, annual targets and actual performance for 2024-2025 for Public Works Infrastructure programme are detailed below:

Strategic Outcomes are as follows:

- 4.2.1 Productive Assets (Maintenance of Facilities)
- 4.2.2 Sustainable infrastructure investment (Construction)

Annual Performance Plan 2024/2025

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

IMMOVABLE ASSET MANAGEMENT

One of the Strategic Outcome relates to improved immovable asset management and custodianship of all provincial assets and facilities, and the department is the custodian of immovable assets and has ensured the following key strategic achievements:

The Department has successfully utilized the property rates budget for the financial year 2024/2025 to the value of R1 087 225 billion, including the additional budget of R345 795 million received from the Provincial Treasury in October 2024.

The Department had a target of 150 facilities to be assessed in terms of facility condition assessment, and 161 was over achieved.

The Department had a target of 80 properties to be endorsed, and 82 properties were endorsed into the name of the Provincial Government of KZN.

The Department had a target of 5% of leases concluded with black landlords, and 8% was over achieved.

INFRASTRUCTURE MAINTENANCE AND TECHNICAL SUPPORT

In the 2024/2025 financial year, the overall expenditure on infrastructure delivery was R1 736 910 447 (107%)

Education

158 Department of Education projects were completed in 2024/2025 financial year with the annual expenditure of R 679 402 731 (122%) expenditure of the revised budget allocation was achieved by the end of the financial year.

Amongst others, the following are the completed project.

- 1 Special School (LSEN)
- 18 Storm damage projects
- 74 Water and Sanitation Projects
- 2 Repairs and Renovations Projects
- 40 School and Non-School Maintenance
- 23 Boreholes projects completed

Health

The allocated budget for Department of Health was R604 941 017 The expenditure achieved was R602 007 893 at the end of 2024 / 2025 financial year resulting to an expenditure percentage of 99.5%. There were 310 projects completed during the financial year amongst which were;

- Clinics Backlogs Maintenance Programme
- Hospitals and Clinics Fencing
- Upgrading of MV Switchgears and Diesel tanks Programme
- Storm damaged/Floods
- Hybrid Solar Invertor Programme
- NHI
- HVAC system
- Upgrade &Additions, Refurbishments &Renovations for Hospitals and Clinics.

Other Clients

The total Budget Allocation for 2024/2025 Financial Year for other Clients was R466 868 230 and the expenditure at the end of the financial year was R455 499 823 (98%).

The Department of Public works had undertaken Projects for the following Client Departments, which are Office of the Premier, Department of Transport, Department of Public Works, Department of Human Settlements, Department of Art& Culture, Department of COGTA, KZN Legislature, Department of Social Development and Department of Agriculture. There were 416 projects completed for Other Clients Portfolio during the 2024/2025 financial year.

Table 2.4.4.2:

Programme 2: Public Works Infrastructure
Sub Programme 1: Immovable Asset Management

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Productive Assets (Maintenance of facilities)	Inspections conducted for optimal utilization	2.1 Number of utilization inspections conducted for office accommodation (State Owned) Sector indicator	101	100	100	100	0	Target achieved
		2.1 Number of utilization inspections conducted for office accommodation (Hired) Sector indicator	n/a	103	180	180	0	Target achieved
	Property rates for Municipalities	2.2 Percentage of total budget spent on approved property rates invoices from municipalities.	100,1%	100%	100%	100%	0%	Target achieved
	Effective management of immovable assets	2.3 Number of properties registered into the name of the KZN Provincial Government	89	80	80	82	+2	The over-achievement is due to some properties that share one title deed.

Programme 2: Public Works Infrastructure Sub Programme 1: Immovable Asset Management

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
	State owned building with finalized condition assessments	2.4 Number of condition assessments finalized on state owned buildings.	0	150	150	161	+11	The over- achievement is due to the ff; 2023/24 target for Facility condition Assessment was 150, however Provincial Treasury had set aside (already within the subject financial year) a budget to assist Department of Public Works and Infrastructure (DPWI) with more facilities to be assessed (68). DPWI had already started the procurement process but finalization was late, the period of three months for contract then overlapped over two financial years (2023/2024 late to early 2024/2025), The consultant had to deliver 82 FCA'S for 2023/2024 then the balance of 76 was due in 2024/2025. For 2024/2025, DPWI appointed a consultant and it delivered 85 FCA reports. The 85 was added to 76 from 2023/2024 appointed consultant.

Programme 2: Public Works Infrastructure Sub Programme 1: Immovable Asset Management

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
	Approved Custodian Asset Management Plan (C-AMP)	2.5 Approved Custodian Asset Management Plan (C-AMP) submitted to Relevant Authority by 31 December 2024.	1	1	1	1	0	Target achieved
	Facilities	2.6 Number of facilities provided.	New	102	56	59	+3	The over achievement is due to the backlog of leases being signed and extensions/deviations.
	Optimized entrepreneurship opportunities	2.7 Percentage of leases concluded with black Landlords.	New	73%	5%	8%	+3%	The over- achievement is a result of short-term leases being concluded due to delays in the long-term process in order to ensure compliance with sound contract management.
	Disposal of redundant state properties for socio- economic purposes	2.8 Hectares of land released for socio-economic purposes.	10ha	10ha	10ha	4,2892 ha	-5,7108ha	The non achievement is due to the required Deeds office processes not being met by the conveyancer appointed by the Donee for donation of property to the Department of Higher Education namely Portion 12 of Erf 363 Pietermaritzburg in extent of 6,5853ha for this one site that would have made up the 10 hectares target.

Programme 2: Public Works Infrastructure Sub Programme 2: Infrastructure Maintenance and Technical Support

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Sustainable infrastructure investment (Construction)	Sustainable Infrastructure delivery	2.9 Number of new construction projects completed.	n/a	2	2	0	-2	Target not achieved 1. Enyokeni Cultural Precinct 2. Woodlands PS These projects were not achieved as planned due to delays in settling contractor invoices which affected progress on site. Department of Transport Regional offices and Motor licensing Bureau (8 Hysloop road) was not on the 2024/25 APP but achieved in Q4.
		2.10 Number of planned maintenance projects (refurbished/renovated) completed.	11	14	13	11	-2	 Cedara College was not achieved as planned due to delays in settling contractor invoices which affected progress on site. Prince Mshiyeni hospital was not achieved as planned due to additional work requested by client. Qiniselani MaNyuswa TAC was not on the 2024/25 APP but achieved in Q1, Similarly, King Dinizulu hospital was not on the 2024/25 APP but was achieved in Q4.

Programme 2: Public Works Infrastructure
Sub Programme 1: Immovable Asset Management

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
		2.11 Number of upgrades and addition projects completed.	New	New	27	24	-3	Target not achieved 1. Msenteli PS 2. Ndwedwe CHC 3. Sokhela Clinic These projects were not achieved as planned due to delays in settling contractor invoices which affected progress on site. The following 3 projects were not on the 2024/25 APP but achieved in Q3: 1. Mgabhanyongo PS 2. Mphumulo Hospital 3. Ngudwini Clinic

Linking performance with budgets

Programme 2: Expenditure

Sub Programme: 1 Immovable Asset Management

Sub Programme: 2 Infrastructure Management and Technical Support

Sub- Programme		2024/2025		2023/2024			
Name	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							
Immovable Asset Management	1 192 925	1 192 925	-	1 281 219	1 281 214	5	
Construction	420 524	420 524	-	-	-	-	
Total	1 613 449	1 613 449	-	1 281 219	1 281 214	5	

2024/25 Financial Year

Actual expenditure was at 100.0 % of the Final Appropriation. The department fully spent the budget under Programme 2.

2023/24 Financial Year

The department under-spent Programme 2 by R5 000. The under-expenditure relates to unspent funds under Goods and services realized against cost-cutting items.

Strategy to overcome areas of under performance

Areas of under performance	Strategy to overcome under performance				
2.8 Hectares of land released for socio-economic purposes.	 The Department is closely monitoring the Deeds office processes with appointed conveyancers to ensure that properties are transferred timeously. 				
2.9 Number of new construction projects completed.	Optimize project delivery cycles to reduce delays by 50% within 2 years.				
2.10 Number of planned maintenance projects (refurbished/renovated) completed.	 Enhance project quality standards and compliance Strengthen governance and accountability frameworks 				
2.11 Number of upgrades and addition projects completed	 Build capacity through targeted training and recruitment Leverage digital tools for project monitoring and reporting Leverage digital tools for project monitoring and reporting Foster stakeholder collaboration for inclusive infrastructure planning 				

4.3 PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Purpose: Creating of jobs through the EPWP initiatives and provincial coordination of EPWP;

Sub Programmes:

- (i) Programme Support
- (ii) Community Development.

The strategic outcomes, annual targets and actual performance for 2024-2025 for the Provision of buildings, structures & equipment (Infrastructure Maintenance and Technical Support) programme are detailed below:

Strategic Outcomes are as follows:

4.3.1 Optimized job opportunities

Annual Performance Plan 2024/2025

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Department EPWP Work Opportunities Created

The Department had made strides to align itself towards the achievement of Priority 1: "Job creation and transformation" the Department managed to create **3 035**Work Opportunities against a target of 3 000 and **848 Full Time Equivalents** (FTEs) against a target of 810 FTEs by end of March 2025 through the EPWP Programme. In the 2024/2025 financial year, the Department implemented the EPWP Maintenance Programme across all District Municipalities including the eThekwini Metro, and the beneficiaries were recruited through the School Governing Bodies (SGB) and Operation Sukuma Sakhe (OSS) Structures.

Izandla Ziyagezana 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 **337 work opportunities** and the breakdown is as follows: **228 Women**, **183 Youth** and **1 people with disabilities** (some women are also youth).

Provincial EPWP Work Opportunities Created

The Provincial EPWP Programme is coordinated by the Department of Public Works. A total of **155 256 Work Opportunities** have been reported in the Province by Provincial Departments and Municipalities against a nationally set target of 135 238 Work Opportunities in the financial year 2024/25. A total of **65** Provincial public bodies have reported on EPWP in the Province. **Twelve (12) interventions** were implemented to support public bodies in form of the Integrated Grant Workshop (DORA), Labour Intensive in Construction Training, District Forum Meetings, Council Inductions, KZN EPWP Indaba, and Provincial Steering Committee Meetings for all 65 Public Bodies.

Emerging Contractors Trained

The Youth, Women and People with Disabilities Programme is responsible for ensuring and advocating for participation of designated groups in the Departmental programme. Together with Department EPWP, contractor trainings were conducted, and **6 trainings provided to emerging contractors** against the target of 6 in the 2024/25 financial year

Prioritisation of Designated Groups

The Department through the youth, women and persons with disabilities (Y,W&PWD) directorate advocates for the empowerment programmes for these groups under the Departmental programmes that HR through internships, bursaries and work integrated learnings. Further, the designated groups benefit through procurement spent on infrastructure, leases, disposals, goods and services. The citizens with low levels of education and skills are prioritised through Expanded Public Works Programme, Izandla Ziyagezana, skills development and learnerships as part of EPWP exit strategies.

The Department through the Departmental EPWP overachieved the targets for designated groups as follows. For women, 2135 work opportunities were created which translated to 70% against the set target of 60%. For youth 1660 work opportunities created which translate into 54% which is 1% lower than 55% set target. For people with disabilities 93 work opportunities which is 3% against the set 2%. For Izandla Ziyagezana Programme, the people with disabilities target were not met, however, this will be addressed in the next recruitment.

Some of the programmes have not been able to meet the targets due to various challenges including policy limitations, budget cuts and industry related challenges. The prioritisation for designated groups in procurement through specific goals is assisting the Department to target these sectors a certain level, however, this option is limited as the bid can be awarded to other groups if the total points scored by the targeted sector is lower than other bidders. However, the Department is intentional about achieving the designated groups targets as they have been incorporated in the strategic planning processes and are accounted for in the Departmental Annual Performance Plans and Annual Operations Plans.

Programme 3:	Expanded Publi	c Works Programme						
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Optimized job opportunities	Paid work created	3.1 Number of work opportunities created by Provincial Public Works and Infrastructure (Sector indicator)	1688	3019	3000	3035	+35	The overachievement is attributed to cleaners that are now reported by all regions, previously, only the North Coast Region reported on cleaners employed under EPWP.
	Empowerment interventions	3.2 Number of Beneficiary empowerment interventions	5	4	4	4	0	Target achieved
		3.3 Number of trainings provided to emerging Contractors.	346	400	6	6	0	Target achieved
	Participation of public bodies in EPWP	3.4 Number of Public Bodies reporting on EPWP targets in the province (Sector indicator)	66	66	65	65	0	Target achieved
		3.5 Number of interventions implemented to support Public Bodies participating in the EPWP.	4	12	14	15	+1	The overachievement is due to resuscitation of the EPWPs coordinators forum as one of the platforms that assist in monitoring the performance of all EPWP sectors.

Linking performance with budgets

Programme 3: Expanded Public Works Programme Expenditure

Sub- Programme		2024/2025		2023/2024			
Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	
Programme Support	25 650	25 650	-	505 015	505 015	-	
Community Development	34 261	34 253	8	-	-	-	
Total	59 911	59 903	8	505 015	505 015	-	

2024/25 Financial Year - The department under-spent Programme 3 by R8 000. The under-expenditure of R8 000 was mainly due to savings realised under Compensation of employees.

2023/24 Financial Year - Actual expenditure was at 100.0 % of the Final Appropriation. The department fully spent the budget under Programme 3.

Strategy to overcome areas of under performance

All the performance targets for EPWP were achieved as planned in 2024/25 financial year.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The KZN DPWI did not make transfer payments to public entities during the period under review.

5.2 Transfer payments to all organizations other than public entities

There were no transfer payments to all organizations during the period under review.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

Conditional Grant 1:

Department/ Municipality to whom the grant has been transferred	KZN Public Works and Infrastructure- Departmental EPWP
Purpose of the grant	EPWP Integrated Grant to Province is to expand Job Creation
Expected outputs of the grant	The department has targeted 3000 work opportunities and 810 Full time Equivalents by the end of March 2025
Actual outputs achieved	A total number of 3035 work opportunities were created against a target of 3000 and 848 Full Time Equivalents (FTEs) against a target of 810 FTEs by end of March 2025
Amount per amended DORA	n/a
Amount transferred (R'000)	R 3 722 m
Reasons if amount as per DORA not transferred	n/a
Amount spent by the department/ municipality (R'000)	R 3 722 m
Reasons for the funds unspent by the entity	n/a
Monitoring mechanism by the transferring department	The monthly in year monitoring tool used by Provincial Treasury to be submitted on monthly basis by the 15 th of every month; Submit a quarterly non-financial performance report on the EPWP Integrated grant within 30 days after the end of each quarter. To report on a quarterly basis, within 15 calendar days after the end of each quarter, the progress of EPWP programmes/ projects on the EPWP reporting system.

6.2. Conditional grants and earmarked funds received

There were no conditional grants and earmarked funds received by the department during the period under review.

7. DONOR FUNDS

7.1. Donor Funds Received

There were no donor funds received by the department during the period under review.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

In the 2024/25 financial year, KZN-DPWI was allocated a baseline budget of R27.858 million for infrastructure projects (capital and maintenance). The Department focused on maintenance of existing facilities due to budgetary constraints.

Breakdown in terms of the nature of investments and funding source was as follows:

Nature of Investments Budget

Maintenance and repairs: R14.446 million

Upgrades and additions: R450 Thousands

Refurbishment and rehabilitation: R6.516 million

New infrastructure assets: R6.446 million

Total Infrastructure Allocation: R27.858 million

As at end of 2024/25 financial year, the Department spent R23.496 million against a baseline budget allocation of R27.858 million that was 84.34% overall expenditure. The Department has an under-expenditure of 15.66% on infrastructure budget. The reason for under-expenditure is the financial constrains encountered by Department resulted to prioritized infrastructure budget in mid-term to accommodate the department other urgent pressures.

Progress made on implementing the capital, investment and asset management plan.

Due to Budgetary constraints, there were no capital projects that were in construction, The department only prioritized day-to-day maintenance and payment of final accounts for Construction of Parking for State Vehicles under eThekwini Region, New Administration Wing under Southern Regional Offices and Payment of Ilembe New Office invoice that was an accrual.

Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)

There were no projects on construction during the 2024/2025 Financial year.

Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed,

The Department is planning to commence with repairing damages to the Old Legislature Administrative Building in North Coast Regional office that was adversely affected by storm between December 2024 to February 2025. The construction is planned to start at the last quarter of 2025/26 Financial year.

Plans to close down or down-grade any current facilities,

The Department of Public Works and Infrastructure has identified a number of facilities (houses, depots etc) which are no longer utilized by the client departments especially the ones that are on Ingonyama Trust land. The intention is to hand over for re-purposing by the Board, as they have been identified as surplus to the needs of the Provincial Government.

The Department further identified 81 vacant land parcels and five (5) unutilized facilities, which have been put out on bid for disposal to the public, thereby creating an enabling environment for increased property ownership by the Private Sector.

Progress made on the maintenance of infrastructure

- Maintenance of LA Building Electrical, Mechanical and Landscaping
- Maintenance on OR Tambo Building, i.e. Air conditioners and Toilets
- Day to day maintenance for all offices

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

Due to budget constraints, the department has reprioritised to focus on repairing damages to LA Building and focus on day-to-day maintenance to all Departments offices.

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft n/a

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

The Department managed to perform reconciliation of its Immovable Asset Register with the Deeds Data, as obtained from the National Department of Public Works, further to that the Department is finalising its immovable asset verification project, which is done internally by departmental officials. Once completed the Department will formulate an action plan, especially for the unutilised and illegally occupied immovable assets

The current state of the department's capital assets.

Asset Group	General Description	Action Required	Total
Group A	Immovable assets that are in an acceptable condition to the User.	Preventative maintenance	67
Group B	Immovable assets that are suitable to Users' requirements but require technical condition assessment as the asset performance does not meet minimum functional requirements of the facility.	Renovate or Refurbish (essential maintenance only)	65
Group C	Immovable assets that have been identified as unsuitable to current Users' requirements.	Condition-based maintenance / Dispose	20

Major maintenance projects that have been undertaken during the period under review

There were no major maintenance projects during the 2024.2025 financial year

Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track

The maintenance backlog is still an issue due to the budgetary constraints, however the Department is currently utilising the available budget by ensuring optimum usage of the internal artisan that are responsible at attending maintenance issues.

Infrastructure projects		2024/2025		2023/2024			
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	
New and replacement assets	11.938	11.938	-	39 107	39 107	-	
Existing infrastructure assets	11 558	11 558	-	23 099	23 099	-	
- Upgrades and additions	89	89	-	4 206	4 206	-	
- Rehabilitation, renovations and refurbishments	706	706	-	3 095	3 095	-	
- Maintenance and repairs	10 763	10 763	-	15 798	15 798	-	
Infrastructure transfer	-	-	-			-	
- Current	10 763	10 763	-	15 798	15 798	-	
- Capital	12 733	12 733	-	46 408	46 408	-	
Total	23 496	23 496	-	62 206	62 206	-	



GOVERNANCE

1. INTRODUCTION

The Department prioritises integrity as fundamental to fulfilling its mandate. Ethical conduct is central to the quality of organisational behaviour, with all officials adhering to established moral values, standards and rules. Integrity is believed to directly influence all organisational actions, decisions and moral choices. Senior management play a critical role in fostering integrity within the Department by building relationships of trust both within the work environment and with external stakeholders. The primary goal of the Department is to safeguard public interest through a robust governance system that ensures the protection of rights, accountability and integrity in all activities and from all officials. The Department's numerous initiatives, policies, governance structures and processes are designed to promote value and integrity, thereby positively impacting accountability.

2. RISK MANAGEMENT

Risk Management is paramount to good governance, as the Department's governance framework integrates both strategic and operational decision-making. Robust governance ensures that ethical values, roles and responsibilities are executed within a comprehensive risk management framework. The Department's Risk Management system facilitates the achievement of its objectives, enhances financial reporting and upholds its reputation.

The Department's Risk Management Committee provides strategic direction, oversight and leadership in monitoring and reporting on risk management and fraud prevention. The Committee meets quarterly, ensuring the implementation of the Department's Risk Management Policy and that effective procedures are in place to identify, assess and manage both strategic and operational risks.

Quarterly reports are presented to the Cluster Audit and Risk Committee which oversees and evaluates the Department's performance. The Department has implemented a Risk Management Strategy and Risk Management Policy. This encompasses conducting risk assessments in various risk areas, including Strategic, Occupational Health and Safety, Business Continuity, Information and Communication Technology, Fraud, Ethics and Corruption, and Operational activities across all business units.

During these risk assessments, emerging risks are documented and rated, controls identified and risk mitigation plans are developed. The Department continually monitors and manages identified risks to ensure timely corrective actions, thereby mitigating their impact.

The Department reviewed the following policies to align with revised prescripts and best practice:

- a. Integrity Management Strategy,
- b. Risk Management Strategy,
- c. Prohibition of Conducting Business With an Organ of State Policy,
- d. Other Remunerative Work Policy,

- e. Whistleblowing Policy,
- f. Conflict of Interest Policy,
- g. Gifts and Hospitality Policy,
- h. Integrity Management (Ethics) Policy,
- i. Risk Management Committee Terms of Reference, and
- j. Integrity Management Committee Terms of Reference,

The Department has implemented comprehensive control mechanisms to enhance the evaluation of applications for the performance of outside remunerative work. These mechanisms include a risk assessment and a verification on the government's central supplier database to ensure that the outside work does not involve conducting business with an organ of State. Out of thirty applications evaluated for approval, seventeen were approved, nine reviewed and pending approval by the executive authority, two were withdrawn by the applicants, one was returned to the applicant with queries and one were declined.

Gift registers are circulated quarterly to Responsibility Managers to submit details of gifts received by themselves and staff within their control. The only gifts declared were as follows: In quarter two, six gifts were declared to the total value of R1409.00 and in quarter three, five gifts were declared to the total value of R42.85.

No staff have been identified by the Auditor-General as conducting business with the State. This can be attributed to the robust awareness workshops conducted by the Department.

The Department conducted eleven Integrity (ethics) Management Workshops. These workshops were enhanced by making PowerPoint presentations more graphical, audio-visual and interactive. Presentations included contemporary cases and real-life incidents that affected government employees. Workshops were marketed through notification letters and custom emails to officials at district offices, encouraging them to attend. A workshop evaluation form has been implemented to obtain feedback from participants and improve outcomes. A comprehensive report was then provided to the Head of Department. The Integrity Management Workshops, held department-wide, included segments on Other Remunerative Work and the Prohibition on Conducting Business with the State. These efforts are aimed at minimising conflicts of interest and creating a culture of transparency.

The Whistleblowers Policy has been revised to include guidance on criteria to be provided to make investigations more viable. The Department has also included the facilitation of witness protection through the Department of Justice and the National Prosecuting Authority's Office for the Witness Protection Programme.

3. PREVENTION OF FRAUD AND CORRUPTION

The Department considers the prevention of fraud and corruption of as an integral part of its overall Departmental Risk Management Strategy. The Department has implemented the Fraud Prevention Policy to ensure a zero-tolerance approach to fraud and corruption in the Department. The Policy contains clear response mechanisms to report, investigate and resolve incidents of fraud and corruption that affect service delivery in the Department.

The Department specifically focuses on fraud and corruption prevention through the conducting of awareness workshops. The Department conducted fourteen Fraud Awareness Workshops.

During the International Fraud Awareness Week in November 2024, email notices were circulated informing employees about the nature and impact of fraud and corruption as well as the channels that can be used to report incidents in anonymity. The workshops highlighted the detection and prevention of fraud, the importance of maintaining effective control and in ensuring that continuous monitoring and oversight are performed.

To promote a culture of zero tolerance towards corruption, all new officials are trained at compulsory orientation workshops on Ethical Conduct, Fraud and Anti-Corruption measures. New officials are also appraised of the various reporting channels available. The Department has created an Anti-Fraud and Corruption Whistle Blowers email (ReportFraud@kznworks.gov.za) and Hotline (082 804 3293) that staff and members of the public can use to report any alleged acts of Unethical Conduct, Fraud and Corruption.

4. MINIMISING CONFLICT OF INTEREST

The Department's Integrity Management Committee provides strategic direction, oversight, and leadership on Integrity Management. Meeting quarterly, the Committee is responsible for monitoring and reporting on Integrity Management and Anti-Corruption initiatives to ensure good governance through the development of an ethical culture within the Department.

The Department has implemented several policies to uphold integrity, including the Prohibition of Conducting Business with an Organ of State, the Other Remunerative Work Policy, the Gifts and Hospitality Policy, the Conflict-of-Interest Policy, the Whistleblowers Policy and the Integrity Management Policy.

In striving for full compliance with mandatory requirements set by the Department of Public Service and Administration (DPSA), the Department ensures that employees accurately declare their financial interests annually. It achieved a 100% electronic financial disclosure submission rate for all members of the Senior Managers Service (SMS) and Deputy Directors (Level 11 and 12), as well as all Finance and Supply Chain Management staff from Level 5 to Level 8. In January 2024, the Department successfully implemented Lifestyle Reviews, finding no discrepancies and thus requiring no further Lifestyle Audits or Investigations.

Adopting the Office of the Premier's slogan, "I do right," the Department brands all awareness workshops with this motto. Awareness campaigns have been conducted using posters placed near and inside elevators and at reception areas in all offices, highlighting key Integrity Management concepts.

Notices were circulated to all employees, requesting them to register for and complete the National School of Government's free Ethics Online Course to enhance the ethical culture within the Department.

All new appointment letters now include requirements for financial disclosures, acceptance of gifts, other remunerative work and the responsibility of reporting fraud and corruption. New officials must complete a financial disclosure form within thirty days of appointment, which is then verified against relevant government databases as required by DPSA.

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 systematic processes in implementing the following prescripts: Guide on Formal and Informal Discipline, Abscondment Procedure & Grievance Handling Timeframes.

Employee Relations had targeted Eight (08) Workshops on Labour Relations Policies and Procedures.

• The Sub-directorate conducted twelve (19) workshops. The target was over achieved due to new appointments.

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 ten (10) misconduct cases handled, eight (08) cases were finalised within prescribed time and two (02) case pending, which marks a 80% achievement.
- There were Nine (09) grievances lodged and all grievances were finalised however four (04) were finalised outside the prescribed timeframe. That marks 100% percent achievement.
- There were two (02) dispute cases lodged, both cases were finalised and in favour of the Employer. That marks 100% 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 the PWLRSC to be conducted when necessary. Each Region / Head Office had to conduct four (4) WLRSC meetings.
- Head Office two (02), EThekwini Region one (1), Midlands Region (0), North Coast Region (0) and Southern Region (0).

The under achievement was caused by unavailability of members and or non-submission of agenda items.

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 Health Environment Risk and Quality (SHERQ) Committee, which convenes on regular basis to review health, safety and environmental matters.

In support of effective Occupational Health and Safety, the Department had trained 29 employees on First Aid Level one, Basic Fire Fighting and Legal Liability, Safety Health Representatives training. The Emergency Evacuation Procedure was approved by Head of Department. 16 Emergency Evacuation drills workshops were conducted. 19 SHERQ awareness sessions were conducted. Occupational Health and Safety awareness sessions were conducted for staff. Legal appointments were done in line with Occupational Health& Safety Act. In 1 April 2022 to 31 March 2023, 15 emergency evacuation drills were conducted. Newsletters of safety issues were circulated departmentally. Floor plans were designed and displayed in all strategic positions to show the exit points in case of emergency.

OHS compliance inspections were conducted in all offices on quarterly basis. The approved Guideline in mitigating transmission of COVID-19 in the workplace is in place. COVID-19 Steering Committee established at Head Office and Regions and are functional. Approved Terms of Reference (TOR) are in place and functional.

The Accounting Officer formally appointed the Compliance Officers at Head Office and Regional Offices and Districts. All Departmental buildings were deep cleansed at regular intervals and when a COVID-19 case was reported.

Security Officers were trained on the use of thermostats for temperature testing as well as sanitizing of employees entering the buildings. 66 thermometers procured and issued to all offices. SHERQ inspections were conducted in all offices. Checklist is in place (using SHERQ and incorporating COVID Regulation Requirements. Fifty thousands (50 000) disposable masks were procured and distributed to all employees. The department had further procured 6000 cloth masks, which were distributed to all employees. Sanitisers were provided to employees. Psychosocial support and mental wellbeing programmes were provided to employees who were affected and infected by the pandemic. The Department held Covid-19 Steering Committee quartely meetings in monitoring departmental implementation of Covid-19.

- Nesletters with Covid 19 awareness were circulated on monthly basis.
- Covid 19 screening was done on daily basis at departmental main entrances.
- Sanitizers were placed in strategic points departmentally.
- Social distance markers were placed in strategic points.
- Employees were encouraged to vaccinate through circulated newsletters.
- Fire fighting equipments (fire extinguishers, fire hydrants, fire horsereels were serviced throughout the
 Department. 23 workshops on the Procedure for reporting Injury on Duty were conducted. 66 Fisrt Aid Boxes
 were procured and mounted on the walls as regulated by OHS Act 85 of 1993. 2 Lux Metres, OHS Act and
 Basic Condition of Employment Act chatrs were procured. Approved SHERQ Risk Register is in place.

7. PORTFOLIO COMMITTEES

Committee	Date of Meeting	Topic for Discussion	Matters raised by the Committees	How the Department addressed the matters raised
Portfolio Committee	16 January 2025	 Departmental mandate, values, and reporting structures. Overview of the three core programmes of DPWI. Financial processes and budget cycles. Study bursaries (10 awarded annually in the Built Environment field). Planned infrastructure projects and immovable asset management. Business opportunities: Leasing of 56 buildings Sale of 10 hectares of land Maintenance of 25 buildings Renovation of 60 buildings Expanded Public Works Programme (EPWP): roles, benefits, and operational details. 	 Lack of Clarity in Roles and Responsibilities: Department acknowledged communication issues; committed to holding a community workshop in collaboration with the local municipality. EPWP Role & Payment: Clarified EPWP's function, payment rates, and contract duration; committed to organizing further awareness sessions. Need for Business Workshops in Ilembe: EPWP Director committed to arranging a workshop with key stakeholders (Ithala, CIDB, SCM, etc.) for local businesses. Confusion over Implementing Agents: DDG Infrastructure explained difference between DPWI and client departments, emphasizing that DPWI is not the only implementing agent. General Empowerment & Access to Information: Department emphasized its values (transparency, 	Community Confusion on Project Ownership The Deputy Director-General (Infrastructure) clarified the roles of DPWI vs. client departments. Explained that DPWI is not the sole implementing agent, and that communities should understand which department is responsible for which projects (e.g., provincial vs. national). Lack of Communication with Communities The department acknowledged previous communication shortcomings and committed to: Organizing a community workshop in partnership with the municipality (once terms are agreed). Improving transparency and public awareness around project planning and implementation. Need for Clarity on EPWP The Director for EPWP & Special Projects clarified: The purpose of EPWP (temporary

Committee	Date of Meeting	Topic for Discussion	Matters raised by the Committees	How the Department addressed the matters raised
			accountability, professionalism) and committed to continued engagement to empower local communities.	employment and income relief). Rates and contract durations for beneficiaries.
				Committed to more awareness and education sessions to ensure communities understand how EPWP operates.
				Business and Contractor Involvement
				In response to stakeholder calls for inclusion of local businesses:
				The EPWP Director committed to arranging a dedicated workshop in Ilembe involving key stakeholders:
				CIDB, SCM, Ithala, and others from the construction sector.
				Public Empowerment and Information Sharing
				The department reiterated its commitment to:
				Transparency, professionalism, and accountability.
				Educating the public on financial and operational terminology, processes, and opportunities (e.g., sale of land, building renovations).

Committee	Date of Meeting	Topic for Discussion	Matters raised by the Committees	How the Department addressed the matters raised
	11 February 2025	Quarterly Performance Reports (Q1 – Q3, 2024/25)	 Concern over declining performance from 92% in Q1 to 60% in Q3. 	Committed to achieving outstanding indicators in Q4.
		- Performance against set indicator targets across Programmes 1 (Corporate Services), 2 (IAM & IMTS), and 3 (EPWP).	related to human resources, budget variation, and project	Cited issues such as slow site progress, lack of equipment, and HR challenges.
			 Delays due to inter-departmental account non-payments, especially affecting school 	Highlighted early delivery of some projects (e.g., Masibonisane Secondary School completed ahead of schedule).
			infrastructure delivery.	
		 Financial Performance (Q3, 2024/25) Revenue collection, expenditure, conditional grants, and budget adjustments. 	 Noted improved revenue collection. Concern over outstanding interdepartmental debts, especially from the Department of Education (R434M total debt, with R114M disputed). 	 Reported 89% expenditure by December 2024. 97.52% spent on specifically and exclusively appropriated funding. Interventions in place with Treasury to address interdepartmental account issues.
		Bad Buildings & Community Engagement on Projects State of dilapidated government buildings. Involvement of community and addressing construction mafias.	 Concerns about safety of staff working in damaged buildings like the old Legislative Assembly in Ulundi. Suggested collaboration among departments to share renovation costs. 	 MOUs signed with eThekwini and other municipalities for improved building management. SAPS and NPA working jointly to address illegal construction forums. Plans to establish a community liaison directorate. Committed to full assessment and seeking national financial support for Ulundi buildings.
		Human Resource Challenges High vacancy rate and HR Provisioning	 Delays in filling critical posts affecting service delivery. Requested a full HR report. 	 Committed to tabling HR report at next meeting. Working on HR Provisioning Plan to address vacancy rates and improve youth, women, and disability representation.

Committee	Date of Meeting	Topic for Discussion	Matters raised by the Committees	How the Department addressed the matters raised
		Draft Budget 2025/26 & APP Budget projections, programme allocations, and annual targets	 Sought clarity on EPWP allocations and sustainability. Emphasized importance of linking targets to narrative explanations. 	 Shared revised budget and MTEF projections. Additional funding secured for property rates and EPWP. EPWP targets detailed (e.g., 3,890 work opportunities in 2025/26). Strategic goals include improved audit outcomes, risk management, and increased empowerment initiatives.

8. SCOPA RESOLUTIONS

Resolution No.	Subject		Details		Response by the department	Resolved (Yes/No)
37/2025	Department of Public Works: Compliance with key legislations: Expenditure	(a)	Noting that: The department continues to monitor the	a)	The Department has made notable strides in addressing financial obligations, including settling outstanding property rates with municipalities and clearing long overdue invoices to service providers. The 2025/2026 rates have been cash flowed monthly and aligned to the Departments financial cycle.	Yes
	management (relating to resolution 224/2024)		processing of all payments to ensure that payment is effected within 30 days.	b)	Payments from client departments have played a pivotal role in resolving interdepartmental accounts, leading to improved cash flow within the department. This financial stability has enabled the department to settle long-outstanding invoices to service providers, thereby enhancing supplier relationships and ensuring the continuity of services. Treasury Instruction Note 1 of 2025/26 empowers Provincial Treasury to intervene in inter-departmental account issues by ring-fencing funds, ensuring timely fulfilment of financial obligations.	
		(b)	The Department has initiated the payment of monthly property rates, as opposed to paying the annual rates billed by the municipalities. This will ensure that funds are available monthly to pay all creditors.	c)	Additionally, the department has reported a reduction in financial commitments carried over from the previous fiscal year, reflecting improved financial management and planning.	
		(c)	Furthermore the 2024/25 commitments are being monitored to ensure that the			

		Department does not over commit in the current financial year. This will ultimately ensure that the Department does not commence the 2025/26 financial year with huge deficit.		
		The Committee resolves: - The accounting officer report to the committee by 30 June 2025 on the outcome of strategies implemented to address this auding finding.		
38/2025	Department of Public Works: Irregular expenditure in 2023/24: R1.5 million (relating to resolution 226/2024 and 227/2024)	Noting that: (a) The Department has made excellent progress in dealing with the backlog of prior years' Irregular Expenditure (IE) and of the financial year under review. A	 a) The Department has opened with a total of R333 049 000.00 for the 2024/2025 financial year. b) During the financial year a total of R188 758 000.00 was condoned and removed from the irregular registers. c) The Department closed with a total of R149 745 000.00 for irregular Expenditure. d) As at the end of May 2025 there were 3 applications that were submitted to Provincial Treasury Condonation Committee for condonement. e) The total of the 3 applications was (R5994636.77+ R6539878.11+ R15554868.98) R28 089 383.86. f) The closing balance for IE at the end of May 2025 is currently R121 653 134.57. g) It is anticipated that an amount of approximately R21 million will be submitted for condonement by end of June 2025, for leases. h) The Department is currently working on condonement of the remainder of the Irregular Expenditure 	Yes

	total R227 477 during this financial year.	
	507.88 of prior	
	year has been	
	condoned.	
(b)	b) By the end of	
	May 2025 DPW	
	is anticipating	
	clearing the	
	remaining IE	
	expenditure of	
	prior years.	
(c)	c) The IE of R1,5	
	million is included	
	in the cases for	
	conclusion by	
	end of May 2025	
	and as such will	
	be reported to the	
	committee.	
	he committee	
	esolves:	
	hat the accounting	
	fficer report to the	
co	ommittee by <u>30 June</u>	
	025 on:	
[1]		
	the determination	
	testing of the	
	irregular	
	expenditure, as	
	required in terms	
	of the PFMA	
	Compliance and	
	Reporting	

		Framework issued under National Treasury Instruction Note 4 of 2022/23 and time frames for concluding the determination testing. [2] Outcome and progress made in submitting a request for condonation to the relevant authority and the outcome of the condonation request.		
39/2025	Department of Public Works: Infrastructure delivery weaknesses: Adams Mission Depot (relating to resolution 230/2024	Noting that: a) The Adams Mission Depot officials are currently stationed at the eThekwini District while internal deliberations are underway to facilitate the transfer of the facility back to the Ingonyama Trust Board (ITB), the rightful landowner. Concurrently, the department has initiated	The department can confirm that the maintenance plan is available with estimated budget, however, the department maintains its position of being unable to spend due to financial constraints and also unable to invest on asset that is listed for disposal. The department notes that the land and the assets where Adams Mission Depot is located belongs to Ingonyama Trust Board. The department intends to surrender the land back to ITB and will initiate discussions with ITB with an aim of soliciting the best possible way forward for the treatment of the facility, taking into account the costs in relation to municipal rates, maintenance and management of the property since the Provincial Government of KwaZulu-Natal no longer requires it. Labour has been engaged and has since submitted a proposal that they would like to be compensated for relocation costs as per the Policy of Resettlement. Whilst the department is looking at the proposal, it must be noted that the department is currently facing financial constraints and in light of the above has put a counter proposal of providing transport to ferry in affected employees to and from Adams Mission and Mayville Public Works Complex. Looking at the profile below, most of the employees are about to exit the public service so this decision to provide transport looks to be mutually beneficial and	Yes

engagements with the relevant organized Labour to permanently relocate the officials to the district. The implementation date for the relocation will be determined upon the conclusion of these engagements between the Department and the unions.

b) The Department initially developed a maintenance and repair plan prioritizing task based on urgency and their impact on the facility's operations. This prioritization was informed by findings from the conditional assessment report. However, the execution of the plan was hindered by budgetary constraints, resulting in its postponement.

cost effective to both parties. It must be noted that the services that were rendered at Adams Mission Depot will continue irrespective that the staff has been moved to eThekwini District Offices.

	SURNAME	NAMES	PERSAL NO.	IDENTITY NO.	LEVEL	AGE	RANK
1.	CETSHANE	MAQHUDE DESMOND	60275545	6707205502085	3	58	HANDYMAN
2.	DISANE	MBHEKISISWA ROBERT	12449881	6411245476083	5	61	ARTISAN
3.	DUMA	MAYEMBANE	12450171	671105347088	3	58	GROUNDSMAN
4.	HLONGWA	MANSUET BHEKA	61720089	7104095639087	5	54	ADMIN CLERK
5.	MAPHUMULO	ZWELITHINI MBONGENI	12452386	6907165519083	7	56	ARTISAN
6.	MHLONGO	BOY PHUZEBHEKA	60244283	6305025442085	4	62	DRIVER
7.	MHLONGO	GILBERT KHOHLWANGIFILE	12453129	6305135647086	3	62	GROUNDSMAN
8.	MZIZI	ZWELETHU ALEXANDER	16191994	7105285413084	3	54	HANDYMAN
9.	MZWULINI	HLANGANANI TIMOTY	60277718	6510105466082	3	60	HANDYMAN
10.	NDABA	KHANYISILE	60252651	6010220589082	6	64	HR O
11.	ZINDELA	NDODO MAYFORD	62522329	7605165782086	3	49	ARTISAN

	Th off co 20 of of str fur	ne committee esolves: nat the accounting ficer report to the emmittee by 30 June 125 on the outcome the implementation the turnaround rategy after sourcing ands to execute the eman.				
of V Fo Inves (rel res	artment Public /orks: rensic stigations ating to olution 1/2024)	Noting that: The department has made a tremendous progress in implementing recommendations on the 13 investigations made by Provincial Forensic Unit, which covered the period 2015 to 2024. There were also recommendations made by the department's internal forensic investigations.	No 1		 Allegation Investigation of fraudulent activities (WIMS) regarding the payment made to a service provider. Criminal Civil Recovery	Yes

The committee resolves:

[1] That the accounting officer report to the committee by 30 June 2025 on the implementation of the remaining recommendations on completed investigations, progress made in the outstanding disciplinary cases and if finalised. the sanctions imposed, steps taken to recover any losses and remedial measures implemented to avoid a recurrence.

The matter was finalised. All seven officials were disciplined as follows:

- a) Two received two months suspension without pay,
- b) One received a one-month suspension without pay,
- c) Three received final written warnings, and
- d) One official was dismissed.

The matter was finalised. The state has concluded its case in the criminal investigation for Ladysmith 586/10/2015. The matter was adjourned on 18 September 2024, as the magistrate was not available and resumed on 22 and 23 October 2024. The matter was part heard with cross questioning of the service provider and adjourned to 13 November 2024. The matter was in court on 13 November 2024 for the defence to finalise its case and the matter was remanded to the 27 November 2024 for closing arguments. The matter was remanded to 13 February 2025 for judgement and was further remanded until 3 March 2025 due to the defence advocate being ill. The matter is in progress. The matter was heard on 27 November 2024 for closing arguments and remanded to 13 February 2025 for judgement. The matter did not proceed on 13 February 2025 and was remanded to 3 March 2025 due to the defence advocate being ill. Mr BP Sibisi and his company Sihlose Okuhle Trading 28 CC was charged on three counts of Fraud and three counts of Money laundering to the total value of R620 000-00. The court handed down judgement on 26 March 2025 in the Regional Court 2 in Pietermaritzburg and found Mr BP Sibisi guilty of all (3) counts of Fraud and Money Laundering. The matter was remanded to 6 May 2025 for sentencing however the defense attorney took ill and the matter was further remanded to 23 May 2025. This matter is now closed. On 23 May 2025, the Department of Correctional Services (DCS) provided testimony

Not Applicable

				l	
				regarding a new development in Mr.	
				Sibisi's case—namely, that he is now	
				blind. The testimony addressed DCS's	
				capacity to accommodate Mr. Sibisi as a	
				visually impaired inmate, as well as the	
				associated challenges of managing his	
				incarceration under these	
				circumstances. As a result, sentencing	
				has been postponed and is now	
				scheduled to take place on 28 May 2025.	
				Mr Sibisi was in hospital on 28 May 2025	
				and the case was postponed to 10 July	
				2025.	
No	FR	Date Issued	Amount	Allegation	<u> </u>
	Number				
2	33/2017			Alleged fraudulent use of a signature of an	official
Dis	ciplinary			Criminal	Civil
					Recovery
The	e matter was fi	inalised. One off	icial was	Not Applicable	Not
die	ciplined with a	sanction of three	e months		Applicable
uis					
	pension witho	ut pay.			
	spension witho	ut pay. Date Issued	Amount	Allegation	
sus	spension witho		Amount	Allegation	
sus	spension witho		Amount R97 587.00	Allegation Allegations of fraud and collusion against t	
No	FR Number	Date Issued			he project
No No	FR Number	Date Issued 20 June		Allegations of fraud and collusion against t	he project
No 3	FR Number	Date Issued 20 June		Allegations of fraud and collusion against t leader for School of Industries Project: Rep	he project
No 3	FR Number 02/2018	Date Issued 20 June		Allegations of fraud and collusion against t leader for School of Industries Project: Rep ZNB 17/255/2/3-S	he project pair of roof:
No Dis	FR Number 02/2018	Date Issued 20 June	R97 587.00	Allegations of fraud and collusion against t leader for School of Industries Project: Rep ZNB 17/255/2/3-S	he project pair of roof:
No 3 Dis	FR Number 02/2018	Date Issued 20 June 2019	R97 587.00	Allegations of fraud and collusion against t leader for School of Industries Project: Rep ZNB 17/255/2/3-S Criminal	he project pair of roof: Civil Recovery
No 3 Dis	FR Number 02/2018	Date Issued 20 June 2019	R97 587.00	Allegations of fraud and collusion against t leader for School of Industries Project: Rep ZNB 17/255/2/3-S Criminal The matter was finalised. The criminal	he project pair of roof: Civil Recovery Not
No Sus No	FR Number 02/2018	Date Issued 20 June 2019	R97 587.00	Allegations of fraud and collusion against to leader for School of Industries Project: Rep ZNB 17/255/2/3-S Criminal The matter was finalised. The criminal case is in progress - Newcastle SAPS	he project pair of roof: Civil Recovery Not
No 3 Dis	FR Number 02/2018	Date Issued 20 June 2019	R97 587.00	Allegations of fraud and collusion against to leader for School of Industries Project: Rep ZNB 17/255/2/3-S Criminal The matter was finalised. The criminal case is in progress - Newcastle SAPS (CAS 399/3/2022 - Constable SI	he project pair of roof: Civil Recovery Not

				on 16 March 2024 due to no evidence to support the allegation files. The case was closed as undetected.	
No	FR	Date Issued	Amount	Allegation	
	Number				
4	26/2018	March 2019	R1 971 420.60	Allegations of fraud relating to a service pr Security Services	ovider and
Disc	ciplinary			Criminal	Civil Recovery
Not	Applicable. (I	No departmenta	ıl officials were	Not Applicable	Not
imp	licated)				Applicable
No	FR	Date Issued	Amount	Allegation	
No	FR Number	Date Issued	Amount	Allegation	
No 5	1	April 2023	Amount R190 446.00	Allegation Allegations of fraud and corruption against Project Leaders at Public Works	t various
5	Number			Allegations of fraud and corruption agains	t various Civil Recovery
Discontinuous Di	Number 28/2018 ciplinary matter was fixed the seedings were the seedings. Three offices are seedings.	April 2023 nalised. Discipli recommended a icials were acquinduct and one off	R190 446.00 nary gainst four tted on the	Allegations of fraud and corruption agains Project Leaders at Public Works	Civil
Discontinuous Di	Number 28/2018 siplinary matter was fireedings were tials. Three off rges of miscon	April 2023 nalised. Discipli recommended a icials were acquinduct and one off	R190 446.00 nary gainst four tted on the	Allegations of fraud and corruption agains Project Leaders at Public Works Criminal	Civil Recovery
Discontinuous The process office that already	Number 28/2018 ciplinary matter was fixed the seedings were contained by the seedings were	April 2023 nalised. Discipli recommended a icials were acquinduct and one off hissed.	nary gainst four tted on the icial had	Allegations of fraud and corruption agains: Project Leaders at Public Works Criminal Not Applicable	Civil Recovery
Discontinuous The process office that already	Number 28/2018 siplinary matter was fireedings were sials. Three off rges of miscorrady been dism FR	April 2023 nalised. Discipli recommended a icials were acquinduct and one off hissed.	nary gainst four tted on the icial had	Allegations of fraud and corruption agains: Project Leaders at Public Works Criminal Not Applicable	Civil Recovery Not Applicable.

agair the le servi	nst (seven offici egal proceeding ce provider. Th	alised. The disciplin ials) is pending the ogs that were institute e Bid Evaluation Cordication Committee (utcome of ed by the nmittee	Not Applicable	Not Applicable
the b peak validi offici any d	id document, h of COVID-19 P ity had lapsed, als are irreleva lisciplinary stel	after its validity perionad expired. This occ Pandemic during 202 any subsequent act nt and of no conseques ps taken may be chave unsuccessful.	curred during O. Since the bitions taken by uence. There	the bid's fore,	
No	FR Number	Date Issued	Amount	Allegation	
7	28/2015	10 August 2023	Unknown	Investigation on alleged prirregularities by contractors at the DPWI in eThekwini Region	ors and Works
Disci	iplinary			Criminal	Civil Recovery
matte	er are no longe	alised. The officials r employed by KZND isciplinary action co	PWI.	matter was referred to Le	gal Applicable. n of ovider. ces on. As
No	FR Number	Date Issued	Amount	Allegation	

3	19/2020 B	June 2022	Not Applicable	Investigation into recruitm process into the position of Director within the KZN DI is alleged to be irregular.	of an Assistant PW: Head Office that
Disciplinary				Criminal	Civil
Thou	mattar ia in nr	agrana Tha dinainlin	on proces has	Not Applicable	Recovery Not
The matter is in progress. The disciplinary process has been formally initiated against the implicated officials.				Not Applicable	Applicable
No	FR Number	Date Issued	Amount	Allegation	
9	11/2019	November 2023	R95 129.66	Allegations of fraud and corruption at Public Works uMkhanyakude Sub-District Office	
Disc	iplinary			Criminal	Civil
					Recovery
		Suspension without i	nay, effective from		Annlicable
Octo recei	ober 2024 to De ived a formal c	ecember 2024, while t	1		Applicable
Octo	ber 2024 to De	ecember 2024, while t	•	Allegation	Applicable
Octo recei	ober 2024 to De ived a formal c	ecember 2024, while t	he other official	Allegation Allegations of fraud and co	orruption at Public
Octo recei No 10	ober 2024 to Deived a formal c FR Number 11/2019-	ecember 2024, while to aution. Date Issued	he other official Amount	Allegations of fraud and co	orruption at Public
Octo recei No 10 Disc The I	FR Number 11/2019- B1 siplinary	Date Issued November 2023 November 2023 Note Issued	Amount Unknown as sanctioned with	Allegations of fraud and co	orruption at Public b-District Office
Octo recei No 10 Disc The I	ber 2024 to De ived a formal c FR Number 11/2019- B1 siplinary matter was finee-month susp	Date Issued November 2023 November 2023 Note Issued	Amount Unknown as sanctioned with	Allegations of fraud and co Works uMkhanyakude Sul Criminal	orruption at Public b-District Office Civil Recovery Not

)isci	plinary			Criminal		Civil Recovery
The matter was finalised. One official was sanctioned with a three-month suspension without pay, effective from October 2024 to December 2024.			Cas Poli is u mat	matter is in progress. SAPS e105/05/2024 in Ulundi ce Station. The Department nable to get an update on the ter, The challenges with dback was	Not Applicable	
lo	FR	Date Issued	Amount		escalated to DPCI who have also not been able to get updates for the department. Allegation	
2	02/2023	November 2024	+- R7 600 000.00		Forensic investigation into the material irregularity raised by Auditor-General South Africa payment for the unutilised so licenses for the Archibus Sys	the on the oftware
isci	plinary				Criminal	Civil Recovery
The matter was finalised as per recommendations, culminating in the successful implementation of disciplinary proceedings against four officials, who were issued with a final written warning. Three officials, including a former Head of Department and two former Chief Financial Officers, have since exited the Department, which has prevented formal charges from being instituted against them. In addition, disciplinary proceedings against the current Head of Department are actively underway, following due process in accordance with applicable prescripts. The Department remains resolute in upholding principles of integrity, transparency, and consequence management to safeguard public resources and maintain public trust.				nce	Not applicable. The misconduct is administrative in nature and there are no elements of fraud and/or corruption.	Not applicable

No	FR Number	Date Issued	Amount	Allegation	
Disci	29/2021 iplinary	30 November 2024	R421 000.00	Investigation in Allegations of Corruption and Over Expendit Payment of Stipends. Criminal	
Nove three Mana	mber 2024, has resolved of the officials, one of the officials.	ress. The report, receive commended discipling whom is a member of the SMS). The implementably underway.	nary action against he Senior	The matter is in progress. One official was given a final written warning. The investigation is still in progress for the second alleged official and the third alleged official is deceased.	Not applicable
No	FR Number	Date Issued	Amount	Allegation	
14	11/2022	November 2024	R36 000 000.00	Fraud and corruption on the p of the Archibus System.	rocurement
Disci	iplinary	1	1	Criminal	Civil Recovery

The matter was finalised as per recommendations,	Not applicable. The	Not
culminating in the successful implementation of disciplinary	misconduct is administrative	applicable
proceedings against one official, who was issued with a final	in nature and there are no	
written warning. Four officials, including a former Head of	elements of fraud and/or	
Department and two former Chief Financial Officers, have since	corruption.	
exited the Department, which has prevented formal charges		
from being instituted against them. In addition, disciplinary		
proceedings against the current Head of Department are		
actively underway, following due process in accordance with		
applicable prescripts. The Department remains resolute in		
upholding principles of integrity, transparency, and		
consequence management to safeguard public resources and		
maintain public trust.		

No	FR Number	Date Issued	Amount	Allegation	
15	03/2021B	April 2024	Not Applicable	Fraudulent activities by	/ senior officials.
Disc	iplinary		Criminal	Civil Recovery	
	natter was final tantiated.	lised. The allegation	Not Applicable	Not Applicable	
No	FR Number	Date Issued	Amount	Allegation	
No 16	1	Date Issued	Amount	Allegation Allegations on fraudule senior officials within the securing tenders within	he Department on

The matter was finalised. The investigation found no evidence o support the allegations of fraudulent or corrupt activities in				Not Applicable	Not Applicable
he a	warding of the b	oid. Consequently, th	e matter has been		
	ally closed.				
	•				
No	FR	Date Issued	Amount	Allegation	
	Number				
17	23/2021			Irregularities within the r	ecruitment
				process.	
Disci	plinary			Criminal	Civil
					Recovery
The n	natter was fina	lised. The reported a	llegations could not	Not Applicable	Not
oe su	bstantiated, as	they were deemed to	lack merit. No		Applicable
evide	nce of fraudule	nt or corrupt activitie	s was uncovered, and		
he m	natter has been	formally closed.			
No	FR	Date Issued	Amount	Allegation	
	Number				
18	30/2021			Allegations on in-conduc	cive working
				environment amongst H	RM officials within
				Midlands Region.	
					0:-:1
Disci	plinary			Criminal	Civil
Disci	plinary			Criminal	Recovery
		on is in progress by	ОТР.	Criminal	
		on is in progress by	ОТР.	Criminal	
orei	nsic Investigati				
	nsic Investigati	on is in progress by	OTP.	Allegation	
Forei	nsic Investigati FR Number			Allegation	Recovery
orei	nsic Investigati			Allegation Alleged irregularities in the	Recovery he award of the
Forei	nsic Investigati FR Number			Allegation Alleged irregularities in the bids for the upgrade and	ne award of the replacement of
Forei	nsic Investigati FR Number			Allegation Alleged irregularities in the bids for the upgrade and infrastructure at Woodla	ne award of the replacement of nds Primary
Forei	nsic Investigati FR Number			Allegation Alleged irregularities in the bids for the upgrade and infrastructure at Woodla School located at 111 Sy	ne award of the replacement of nds Primary
No 19	nsic Investigati FR Number			Allegation Alleged irregularities in the bids for the upgrade and infrastructure at Woodla	ne award of the replacement of nds Primary

					Recovery
Fore	nsic Investigation	is in progress by C	OTP.		
No	FR Number	Date Issued	Amount	Allegation	
20	07/2023	23 May 2025	Not Applicable	Alleged irregularities on the and selection process for th an Administration Officer wi Fleet Management at the KZ Office.	e position of thin the Asset
Disc	iplinary			Criminal	Civil Recovery
from Direct prove cond Admi	the Office of the Protorate found no able irregularities in fucted by KZNDPW inistration Officer v	I for the appointme within the Fleet Mar	May 2025. The FIS nd selection process nt to the position of	Not Applicable	Not Applicable
No	FR Number	Date Issued	Amount	Allegation	
21	21/2024 (February 2025)			Investigation into the award management of external but scholarships for the period 2 2023/2024.	rsaries and
Disc	iplinary			Criminal	Civil Recovery
Fore 2025	_	is in progress by C	OTP since February	Forensic Investigation is in progress by OTP since February 2025.	

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
As disclosed in note 14.6 to the financial statements, an impairment of receivables amounting to R291,97 million (2022-23: R169,92 million) was disclosed as a result of non-payments by other provincial departments for projects and maintenance undertaken on their behalf.	2022/2023	A task team has been established between Provincial Treasury and the department to review the inter-departmental accounts and to facilitate payment.
Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.	2022/2023	Management continues to ensure that all payments are paid within the set timeframes. The Department ensures the accuracy in the submission of the IN34 reporting to Provincial Treasury. Further the Department has immediately implemented Treasury Instruction No.1 (Amendment 1 of 2025): Inter Departmental accounts which was approved with effect from 1 April 2025.
The department procured 200 software licenses for the use of the Archibus system at a cost of R5,65 million (R4,58 million paid on 22 February 2021 and R1,07 million paid on (13 April 2021). Subsequent to this purchase, the department only loaded 15 users on the system which meant that only 15 of the 200 software licenses procured were being utilised. The department then renewed the licenses for an annual subscription fee of R0,95 million in March 2022 for the continued use and access to the 200 software licenses procured. As at 30 August 2022 there was no clear indication as to when the	2022/2023	The Department envisioned that it would go live within the specified go live dates and the software licenses would be utilised. The go live of the system was unfortunately not realised due to a number of factors that affected project progress. The delay in the go live led to the Department opting to cancel the contract with the service provider. It must however be noted that the licenses were used for testing of the system by the users. The Department has disclosed the full amount of R49 million as material irregularity.
system will go live. As at reporting date, there was still no clear indication of whether the system would be developed to conclusion or not. The procurement of unutilised licenses and the payment of the annual subscription fees amount to ineffective, inefficient and uneconomical use of the department's resources, in contravention of		There was a forensic investigations conducted by the Office of the Premier, the Department has finalised the implementation of consequence management. The forensic reports advised that disciplinary action be instituted against fourteen (14) officials.
section 38(1)(b) of the PFMA. The non-compliance is likely to have resulted in a material financial loss of R1,71 million as at 31 March 2022 and is likely to result in		Following the disciplinary investigations, six officials were fully exonerated, as no evidence was found to substantiate any allegations of misconduct or unethical behaviour.
ontinued subscription fees being paid on the unutilised software licenses.		Consequently, disciplinary proceedings were successfully implemented against four officials, all of whom received final written warnings. It is important to highlight that the misconduct in question was administrative in nature, with no evidence of fraud or corruption identified.
		The Department finalised the ICT Project Management Framework to monitor future ICT projects. ICT has further developed a Governance Policy on Application Development and Automation of Business Processes, which will assist the Department to address the inadequate controls identified when developing applications and automating the Department's business processes.

10. INTERNAL CONTROL UNIT

Discuss the work performed by the internal control unit during the year.

Output Indicators	Outputs Activities
100% of complete UIFW compliance reports submitted	As disclosed in the AFS for 2023/2024 the IE was R333.049 million. The Department received condonation for irregular expenditure cases in the amount of R183.628 million in the 2024/2025 financial year. On previous submissions of UIFW for condonation by Provincial Treasury, it was approved to de-recognise an amount of R5.130 million as it was found not to be irregular expenditure. An amount of R5.454 million was disclosed in this 2024/2025 financial year as irregular expenditure. Assessment/ investigation was completed on UIFW – leases. Compiled UIFW reports to Provincial Treasury Condonation Committee were submitted and waiting for approval. The Auditor-General reported material irregularity on procurement of the software licences to the Department. Following the investigation and determination assessment, the accounting officer decided to terminate the entire project and declared the full expenditure as fruitless and wasteful. The necessary actions and consequence management was taken by the accounting officer to implement the recommendations of the investigation and determination assessment and this was deemed appropriate by the Auditor-General to address the material irregularity and the matter is therefore resolved and closed.
Timeous update of registers and financial statements	UIFW registers and the Audit Log have been updated on a quarterly basis and the updates to Interim and Annual Financial Statements submitted.
Co-ordinate and manage Auditor General and PAIS y queries / recommendations efficiently and effectively.	100% of all RFI, COF and audit outcomes were co-ordinated and responded to. The Auditor-General issued an unqualified report to the Department. The Audit and Risk Committee Report (PAIS) issued and concurred with the positive result of AG.
enectively.	40% of internal audit recommendations implemented within the specified timeframe. There was 28 findings to be implemented, 11 findings were resolved with 17 to be completed in the next quarter.
	50% of external audit recommendations implemented within the specified timeframe. There was 16 findings to be implemented in financial year. 8 finding was resolved with 8 to be completed in the next year.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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. AUDIT COMMITTEE REPORT

The Audit and Risk Committee herewith presents its report for the financial year ended 31 March 2025, as required by Treasury Regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for provincial departments and is further subdivided into three Cluster Audit & Risk Committees (CARCs). The Audit and Risk Committee reports that it has adopted formal terms of reference contained in its Audit and Risk Committee Charter. The Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations.

1. Audit Committee Members and Attendance

The PARC which consisted of the members listed hereunder; and of which three of its members are specifically assigned to the Cluster responsible for the Department; have met as reflected below.

#	Name of Member	Ordinary Meetings Attended	Special Meetings Attended	CARC Meetings Attended
1.	Mr Z Zulu – PARC Chairperson	4 of 4	1 of 1	N/A
2.	Mr S Maharaj – CARC Chairperson	4 of 4	1 of 1	4 of 4
3.	Ms B Jojo – CARC member	4 of 4	1 of 1	4 of 4
4.	Mr L Mangquku – CARC member	3 of 4	1 of 1	3 of 4
5.	Ms S Makhathini	4 of 4	1 of 1	N/A
6.	Dr M Zakwe	4 of 4	1 of 1	N/A
7.	Mr S Mthethwa	4 of 4	1 of 1	N/A
8.	Ms P Ramphal	4 of 4	1 of 1	N/A
9.	Mr S Magagula	4 of 4	1 of 1	N/A

2. 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 the Management Report of the Auditor General of South Africa (AGSA) and has noted with concern the weaknesses in controls around the following areas:

- 3. Provision of Office Accommodation- Leases
- 4. Supply Chain Management
- 5. Expenditure Management
- 6. Impairment of Receivables

The Committee considered the appropriateness of management's planned interventions to improve the overall control environment and advised management to implement these measures urgently, to avoid the recurrence of audit findings.

3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the special PARC and CARC monitoring processes. The Committee evaluated PIAS' reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to conduct 14 audit assignments for the period under review, of which 13 were finalised and one (1) assignment was carried over to 2025/26 with the approval of PARC.

The Committee is satisfied that PIAS performed effectively during the period under review. PIAS maintained its independence during the period under review and complied with its quality assurance improvement plan. During the 2025/26 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans to ensure that it continues to fulfil its mandate and add value to the Department.

4. Risk Management

The Committee's risk management responsibilities are outlined in its Charter. During the reporting period, these duties primarily involved quarterly oversight of the Department's risk register and monitoring the Department's compliance with the minimum risk management standards set out in the provincial risk management framework. The tables below summarise a) The Department's risk register, including the number of risk mitigation plans implemented and b) The status of compliance with the minimum risk management standards.

Table A

Risk Register Summary	Risk Grouping						
Focus Area	Critical	Major	Moderate	Minor	Insignificant	Total	
Number of risks identified	1	7	14	13	0	35	
Number of agreed-upon risk mitigation plans	1	12	20	2	0	35	
Number of implemented risk mitigation plans	1	12	20	2	0	35	
% of implemented risk mitigation plans	100%	100%	100%	100%	N/A	100%	

Table B

Compliance with Minimum	Status of compliance					
Risk Management Standards	Number of risk	Number of guidelines %				
and related Guidelines	management standards	guidelines fully complied with compliance				
	15	76 75 99%				

The Department is commended for implementing 100% of its agreed-upon risk mitigation plans and compliance with 99% of the prescribed minimum risk management standards. To further improve its risk management practices, the Department is advised to:

- 4.12 Increase efforts to ensure full compliance with all minimum risk management standards.
- 4.13 Adopt a holistic and integrated approach to risk management through the adoption and implementation of the provincial combined assurance framework. The Department should report quarterly progress on this initiative during the 2025/26 financial year.

5. Quality of in-year monitoring and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in-year monitoring 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. However, the Committee raised a concern with the cash flow challenges experienced because of the non-payment of amounts owed to the department by other provincial departments. The department achieved 83.4% but spent 100% of its budget on the Public Works Infrastructure program. The Committee advised management to align its achievements with the budget. The Committee noted with concern the fruitless expenditure incurred by the department regarding spending money on unutilised software licenses. The Committee advised management to check if it can recoup the money from the company that it paid for the software.

The Committee will continue monitoring the implementation of corrective actions in respect of the detailed findings emanating from the previous regulatory audit, as well as PIAS audits on a quarterly basis through the CARC processes.

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6. Review of Annual Financial Statements

The Committee has:

- 6.12 Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and PIAS.
- 6.13 Reviewed the Auditor General's Management Report.
- 6.14 Reviewed the Department's processes for compliance with legal and regulatory provisions, and
- 6.15 Reviewed the conclusion on the usefulness and reliability of performance information resulting from the audit of the Department.

The Committee noted with concern an impairment of receivables amounting to R323,90 million, an increase from R291,97 million in 2023/24, due to the non-payments by other departments for projects and maintenance undertaken on their behalf and paid for upfront by the department. This had inevitably caused cash flow challenges for the Department. Furthermore, the department experienced cash flow constraints as they related to property rates charged by municipalities on the department's land and buildings, which exceeded the appropriated funds received for property rates.

The Committee noted that in respect of the material irregularity (MI) identified in the prior years, relating to Payment for unutilized software licences, the action plans implemented by the Department have been deemed sufficient to resolve the MI.

7. Forensic Investigations

The Committee noted that 22 investigations relating to procurement irregularities covering the period 2015 to 2025 had been conducted by the Office of the Premier. Six cases were still in progress, and sixteen cases were in phase two of the investigation process.

The Committee will follow up on these matters throughout the 2025/26 financial year as part of conducting its oversight responsibilities.

8. **Auditor-General's Report**

The Committee has met with the Auditor General of South Africa to discuss and evaluate the 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 concurs with and accepts the conclusion of the Auditor General's opinion on the Annual Financial Statements of an unqualified audit opinion with one material finding and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

Appreciation 9.

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 provided in enabling the Committee to fulfil its mandate.

Mr L. M. Mangquku CA (SA)

Chairperson: Provincial Audit and Risk Committee

14 August 2025

10. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	
Developing and implementing a preferential procurement policy?	Yes	Departmental Procurement Preferential Policy developed in line with the Preferential Procurement Regulations of 2022
Determining qualification criteria for the sale of state- owned enterprises?	No	
Developing criteria for entering into partnerships with the private sector?	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	



HUMAN RESOURCES MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

2.1 The status of Human Resources in the department.

The Department had 1 233 posts filled and 61 employees additional to the establishment. During **2024/25** a total of 22 posts were filled.

2.2 Human resource priorities for the year under review and the impact

HR Planning Priorities	Impact
1. Recruitment & selection to reduce vacancy rate.	Medium
2. Human Resource Development initiatives	Medium
3. Employment Equity & Service Delivery	Medium
4. Management of discipline and grievance	Medium

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

The Department undertakes Human Resource Planning in line with the provisions of the Department of Public Service and Administration (DPSA), which is assessed and monitored by the Office of the Premier (OTP). In terms of strategies to attract and recruit skilled and capable workforce, the Department has implemented the Occupational Specific Dispensation (OSD) for scarce and critical skills. It also implements an approved Retention Policy and a Performance Management System which recognises and addresses the performance of employee.

2.4 Employee performance management.

The Department monitors work performance through the Employee Performance Management and Development System. All employees are required to submit Performance Agreements, Work plans and Personal Development Plans by 31 May each year. In the **2024/2025** financial year, 1 218 out of 1285 employees submitted their documents timeously.

In addition, employees at a salary level 1-12 are required to submit the half yearly reports by 31 October each year, whereas the SMS members submit theirs by 30 November each year. In the **2024/2025** financial year 1097 out of 1265 employees at salary level 1-12 submitted their reports, whereas 15 out of 29 SMS members submitted their reports timeously.

Employees also submit Annual Performance Assessment reports which are due by 30 November of the following year annually and SMS members by 31 December of the following year. In the **2024/2025** financial year 656 out of 1253 employees at salary level 1-12 submitted their reports, whereas 2 out of 28 SMS members submitted their reports timeously.

Level 1-12

Document	Submitted	No of employees	Due Date
PA	1 218	1285	31 May 2024

Half Yearly	1 097	1265	30 October 2024
Annual Assessment	656	1253	30 November 2024

SMS

Document	Submitted	No of SMS	Due Date
PA	26	30	31 May 2024
Half Yearly	15	29	30 November 2024
Annual Assessment	2	28	31 December 2024

2.5 Employee Wellness Programmes.

Twelve (12) Employee Health and Wellness (EHW) newsletters developed and circulated departmentally. Twenty (20) Wellness screenings conducted at Head Office and Regions nine (09) blood drives campaigns held at Head Office. There were twenty-five (25) Occupational Health and Safety (OHS) Compliance Inspections conducted departmentally. Twenty-eight (28) First Aid Boxes Procured and mounted at Head Office. There were thirty-seven (37) Financial, Five (5) Stress Management, OHS and Healthy Lifestyle Workshops conducted at Head Office and in the Regions. Newly employed Interns were inducted on EHW matters. Provincial Inter-Departmental Games were attended by Head Office and Regions. Midlands and North Coast Region attended Districts Tournament in promoting Healthy Lifestyle among employees. There were nine (09) Injury on Duty cases reported and attended to.

- Well screenings were conducted on quarterly basis.
- Blood Drive is conducted on Quarterly basis.
- Social III awareness campaigns are conducted throughout the Department.
- Thirty-eight (38) Health and Safety Representatives from Southern Region, eThekwini Region and Head Office were trained on Fire Marshall and First Aiders
- OHS Circular was circulated Departmental in 2024/2025
- Fire Drill and Workshops has been conducted Departmentally during 2024/2025
- OHS Inspections were conducted Departmentally during 2024/2025
- DPSA reports are submitted to OTP on quarterly basis.
- Statement of intent was signed and displayed in all offices.

2.6 Management of discipline and grievance

There were fourteen (14) misconduct cases for the financial year 2024/2025, eleven (11) cases were finalised and three (03) cases were carried over to the financial year 2025/2026. This marked 78% achievement.

There were eighteen (18) grievance cases for the financial year 2024/2025. Sixteen (16) cases were resolved and two (2) cases were carried over to the 2025/2026 Financial year. This marked 89% achievement.

2.7 Challenges

A non-aligned organisational structure for HRM, funding in terms of filling vacant posts and implementing an electronic leave system pose challenges. A future goal will be the implementation of an aligned organisational structure and an electronic leave management system.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

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).

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2024 and 31 March 2025

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
1 Administration						
	463 981	333,906	3,289	0	72%	0
2.Public Works Infrastructure	59 903	53 595	0	0	89.5%	17
3. Expanded Public Works	1613 449	367 742	544	0	22.79%	600
Total	2 137,333	755,243	3,833	0	35.34%	174

Table 3.1.2 Personnel costs by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	3863,00	0,50%	16.00	241,438
Skilled (Levels 3-5)	157,090	20.40%	559.00	342,244
Highly skilled production (Levels 6-8)	230,654	29.90%	441.00	523,025
Highly skilled supervision (Levels 9-12)	246,716	32.00%	282.00	874,879
Senior management (Levels 13-16)	42,678	5.50%	26.00	1 641,462
Contract (1-2)	111	0	1.00	111,000
Contract (3-5)	1 192	0.20%	5.00	238,400
Contract (6-8)	4 742	0.60%	9.00	526,889
Contract (9-12)	40,422	5.20%	53.00	762,679

Contract (13-16)	3 608	0.50%	2.00	1 804,000
Contract Other	168	0	0	0
Periodical Remuneration	30 846	4.0%	3 077.96	10,022
Total	755,243	98.60%	4 471.96	174,313

<u>Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025</u>

	Salaries		Overtime		Home Owners Allowance		Medical Aid	
Programme	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
1 Administration	263,234	86.90%	137.00	0%	12,812	3.80%	27,280	8.00%
2 Property Management	85,605	77.50%	0	0%	1,636	1.70%	2,787	2.80%
3 Provision of Buildings, Structures and Equipment	270,575	81.50%	63	0%	9,153	2.80%	15,955	4.80%
Total	619,414	80.40%	200	0%	23,601	3.00%	46,022	6.00%

<u>Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025</u>

Salary band	Sa	laries	Ove	ertime	Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	2,481.00	64.00%	15.00	0.40	331	8.50	612	15.80
Skilled (Levels 3-5)	111,743	71.10%	66.00	0	9,703	6.20	18,693	11.90
Highly skilled production (Levels 6-8)	178,825	77.00%	59.00	0	8,919	3.80	18,515	8.00
Highly skilled supervision (Levels 9-12)	209,807	83.50%	14	0	4,323	1.70	7,731	3.10

management (Levels 13-16)	36,558	83.60%	0	0	291	0.70	359	0.80
Contract (1-2)	102	91.90%	0	0	0	0	0	3.10
Contract (3-5)	1,153	96.60%	19	1.60	0	0	0	0
Contract (6-8)	4,638	97.60%	0	0	0	0	0	0
Contract (9-12)	39,842	96.60%	0	0	33	0.10	61	0.10
Contract (13-16)	3,271	87.60%	0	0	2	0.10	51	1.40
Contract Other	148	88.10%	0	0	0	0	0	0
Periodical Remuneration	30,846	100%	0	0	0	0	0	0
Total	619 414	80.40%	173.00	0%	23,602	3.00	46,021	6.00

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2025

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
1 Administration	665	652	0.761%	2
2 Property Management	27	26	0%	0
3 Provision of Buildings,	617	555	0%	60
Structures and Equipment				
Total	1309	1 233	0.4038%	62

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2025

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	42	41	0%	0
Skilled (Level 3-5)	445	440	0%	2
Highly skilled production (Levels 6-8)	474	454	0%	8
Highly skilled supervision(Level 9-12)	313	270	0.86%	50
Senior management (Levels 13-16)	35	28	0	0
Contract (Levels 1-2)	1	0	0	0
Contract (Levels 3-5)	5	3	0	1
Contract (Levels 6-8)	19	2	0	0
Contract (Levels 9-12)	60	4	0	0
Contract (Level13) remuneration	2	2	0	0
Total	1337	1270	94.19%	61

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2025

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Engineer	25	11	56%	23
Architect	16	11	31.25%	8
Quantity Survey	24	12	50%	12
Construction Project Manager	43	26	39.5%	6
Total	108	60	44.4%	49

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2025

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	1	1	100%	0	0
Salary Level 15	1	0	0%	1	50%
Salary Level 14	5	3	80%	0	0%
Salary Level 13	25	23	92%	2	8%
Total	33	28	90.323%	3	96.77%

Table 3.3.2 SMS post information as on 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	1	0	0%	1	100%
Salary Level 14	5	4	80%	1	20%
Salary Level 13	27	25	93%	2	7,4%
Total	35	31	89%	4	11,4%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2024 and 31 March 2025

Advertising		Filling of Posts			
SMS Level	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months		
Director-General/ Head of Department	0	0	0		
Salary Level 16	0	0	0		
Salary Level 15	0	1	0		
Salary Level 14	0	1	1		
Salary Level 13	5	1	0		
Total	5	3	1		

<u>Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2024 and 31 March 2025</u>

Reasons for vacancies not advertised within six months

Posts had to be subjected to the job evaluation process and required approval from the Premier in terms of the cost cutting provisions.

Reasons for vacancies not filled within twelve months

Posts had to be subjected to the job evaluation process and required approval from the Premier in terms of the cost cutting provisions

<u>Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2024 and 31 March 2025</u>

Reasons for vacancies not advertised within six months

None

Reasons for vacancies not filled within six months

None

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of			Posts Upgraded		Posts downgraded	
	posts on approved establishment	Jobs Evaluated	evaluated by salary bands	Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Level 1-2)	16	0	0	0	0	0	0
Contract (1-2)	1	0	0	0	0	0	0
Contract (3-5)	5	0	0	0	0	0	0
Contract (6-8)	9	0	0	0	0	0	0
Contract (9-12)	53	0	0	0	0	0	0
Contract (Other)	9	0	0	0	0	0	0
Skilled (Levels 3-5)	460	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	444	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	286	0	0	0	0	0	0
Senior Management Service (level 13 -16)	26	2	0	0	0	0	0
Periodic Remuneration	0	0	0	0	0	0	0
Total	1309	2	0	0	0	0	0

<u>Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2024 and 31 March 2025</u>

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

<u>Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2024 and 31 March 2025</u>

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	-
Total number of employees v	0			
Percentage of total employed	0			

<u>Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 and 31 March 2025</u>

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

3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of employees at beginning of period-1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	46	0	0	0
Skilled (Levels 3-5)	469	5	37	7.8%
Highly skilled production(Levels 6-8)	461	8	17	6%
Highly skilled supervision(Levels 9-12)	217	5	8	8.7%
Other Permanent	59	0	16	0.74
Senior Management Service (Level 13 – 16)	29	4	2	6.2%
Contract (1-2)Permanent	1	0	1	0%
Contract (3-5) Permanent	4	0	2	6.0%
Contract (6-8) Permanent	22	0	18	
Contract (9-12) Permanent	38	0	17	50%
Contract (13-16) Permanent	2	0	2	0%
Contract (Other)	1	0	1	0%
Total	1349	22	121	9.8%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025

Critical occupation	Number of employees at beginning of period-1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineer	52	3	15	27.3%
Architect	71	0	4	5.6%
Quantity Surveyor	24	4	5	7.9%
Construction Project Manager	53	9	8	12.9%
Total	200	16	32	14.8%

Table 3.5.3 Reasons why staff left the department for the period 1 April 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	08	6.60
Resignation	13	10.70
Expiry of Contract	54	44.60
Discharged due to ill-health	1	0.80
Dismissal – misconduct	3	2.50
Retirement	42	34.70
Total	121	100%
Total number of employees who left as a % of total emplo	yment	9.40%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 and 31 March 2025

Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Engineer	52	4	7.7%	0	0
Architect	20	0	0	0	0
Quantity Surveyor	24	0	0		
Construction Project Manager	33	0	0	0	0
Total	129	4	3.10%	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	46	0	0%	9	60%
Skilled(Levels 3-5)	469	3	0.6%	389	74%
Highly skilled product (Levels 6-8)	461	24	5.50%	305	70%
Highly skilled supervision (Levels 9- 12)	217	16	5.8%	157	57.10%
Snr management (Levels13-16)	29	0	0%	11	39.30%
Contract (Levels 1-2)	1	0	0%	14	16.3%
Contract (Levels 3-5)	4	0	0%	1	20%
Contract (Levels 6-8)	22	0	0%	0	0%
Contract (Levels 9-12)	38	3	6.8%	1	2.30%
Contract (Other)	3	0	0%	0	0%
Periodic Remuneration	59	0	0%	0	0%
Total	1349	46	3.20%	887	61.7%

3.6 Employment Equity

<u>Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2025</u>

Occupational		Mal	е			Female					
category	African	Coloured	Indian	White	African	Coloured	Indian	White			
Legislators, senior officials and managers	63	1	9	1	51	1	7	1	134		
Professionals	65	1	10	6	87	3	14	3	189		
Technicians	120	1	8	2	144	5	13	6	299		
Clerks	73	1	6	1	177	5	11	13	287		
Service and sales workers	0	0	0	0	0	0	0	0	0		
Craft and related trades workers	91	0	2	1	19	0	0	0	113		
Plant and machine operators and assemblers	30	0	0	0	2	0	0	0	32		
Elementary occupations	94	0	2	0	37	0	0	0	133		
Other Perm	38	0	1	1	6	0	0	0	46		
Total	574	4	38	12	523	14	45	23	1233		
Employees with disabilities	14	0	0	1	7	0	2	1	25		

<u>Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025</u>

Occupational band		Male	9			Female					
	African	Coloured	Indian	White	African	Coloured	Indian	White			
Top Management	1	0	0	1	0	0	0	0	2		
Senior Management 13- 14	10	0	3	0	11	0	2	0	26		
Professionally qualified and experienced specialists and mid-management 10-12	92	2	12	7	69	2	14	3	201		
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents 6-9	202	1	18	4	250	11	26	16	528		
Semi-skilled and discretionary decision making 3-5	263	1	5	0	183	1	3	4	460		
Unskilled and defined decision making 1- 2	6	0	0	0	10	0	0	0	16		
Contract	7	0	0	0	3	1	0	0	11		
Total	574	4	38	12	523	14	45	23	1233		

Table 3.6.3 Recruitment for the period 1 April 2024 to 31 March 2025

Occupational band		Male				Female					
	African	Coloured	Indian	White	African	Coloured	Indian	White			
Senior Management	1	0	0	0	1	0	2	0	4		
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1		
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	1	0	9	0	2	0	17		
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0		
Total	8	0	1	0	11	0	4	0	22		
Employees with disabilities	1	0	0	0	0	0	0	0	1		

Table 3.6.4 Promotions for the period 1 April 2024 to 31 March 2025

Occupational band		Mal	е			Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White		
Top Management	1	0	0	0	0	0	0	0	1	
Senior Management	0	0	0	0	0	0	0	0	0	
Professionally qualified and experienced specialists and mid-management	2	1	0	0	5	0	0	0	8	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14	0	0	0	16	3	0	0	33	
Semi-skilled and discretionary decision making	2	0	0	0	2	0	0	0	4	
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	
Contract (Professionally qualified) Permanent	0	0	0	0	0	0	0	0	0	
Contract (Semi-skilled) Permanent	0	0	0	0	0	0	0	0	0	
Total	19	1	0	0	23	3	0	0	46	

Table 3.6.5 Terminations for the period 1 April 2024 to 31 March 2025

Occupational band		Ma	le			Total			
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	2	0	0	0	2
Top Management									
Senior Management	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	3	1	2	1	5	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	1	0	3	0	0	0	9
Semi-skilled and discretionary decision making	13	0	1	0	6	0	0	1	21
Unskilled and defined decision making	21	0	0	0	5	0	0	0	26
Contract (Prof qualified) Permanent	5	1	0	1	5	0	0	0	11
Contract (Skilled technician) Permanent	19	0	0	0	16	0	1	0	36
Contract (Unskilled permanent	0	0	0	0	1	0	0	0	1
Total	68	2	4	2	44	0	1	1	121
Employees with disabilities	14	0	0	2	7	0	2	1	25

Table 3.6.6 Disciplinary action for the period 1 April 2024 to 31 March 2025

Disciplinary action		Mal	ıle		Total				
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	1	0	0	0	0	0	0	0	1
Written Warning	0	0	0	0	0	0	0	0	0
Correctional Counseling	0	0	0	0	0	0	0	0	0
Verbal	0	0	0	0	0	0	0	0	0
Warning									
Suspended Without pay	3	0	0	0	2	0	0	0	5
Fine)	0	0	0	0	0	0	0	0	0
Demotion	0	0	0	0	0	0	0	0	0
Dismissal	2	0	0	0	1	0	0	0	3
Not guilty	0	0	0	0	0	0	0	0	0
Case withdrawn	0	0	0	0	0	0	0	0	0
Official resigned	0	0	0	0	1	0	0	0	1
Contract ended	0	0	0	0	1	0	0	0	1
Pending	1	0	0	0	2	0	0	0	3
Total	7	0	0	0	7	0	0	0	14

Table 3.6.7 Skills development for the period 1 April 2024 to 31 March 2025

Occupational category		Ma	ıle			Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White		
Legislators, senior officials and managers	55	0	11	0	53	0	3	0	122	
Professionals	54	8	6	5	28	0	3	4	108	
Technicians and associate professionals	3	0	0	0	0	0	0	0	3	
Clerks	122	0	11	0	132	0	10	0	275	
Skilled agriculture & 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	0	0	0	0	0	0	0	0	0	

assemblers									
Elementary occupations	2	0	1	0	4	0	0	0	7
Intern and in-service Trainee	87	0	4	0	107	0	5	0	203
Total	323	8	33	5	324	0	21	4	718

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2024

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	0	0
Salary Level 16	0	0	0	0
Salary Level 15	2	1	1	50%
Salary Level 14	4	3	3	75%
Salary Level 13	28	26	25	92.8%
Total	35	31	29	88.6%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2025

Reasons	
N/A	

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

<u>Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on</u> <u>31 March 2025</u>

Reasons

N/A

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2024 to 31 March 2025

	Beneficiary Profil	Cost			
Race and Gender	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African Female	0	523	0	0	0
African Male	0	574	0	0	0
Asian Female	0	45	0	0	0
Asian Male	0	38	0	0	0
Colored Female	0	14	0	0	0
Colored Male	0	4	0	0	0
White Female	0	23	0	0	0
White Male	0	12	0	0	0
Employees with a disability	0	25	0	0	0
Total	0	1233	0	0	0

<u>Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2024 to 31 March 2025</u>

	Beneficiary Prof	ile		Cost		Total cost as a % of	
Salary band	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	the total personnel expenditure	
Lower skilled (Levels 1-2)	0	16	0	0	0	0	
Skilled (Levels 3-5)	0	492	0	0	0	0	
Highly skilled production (Levels 6-8)	0	450	0	0	0	0	
Highly skilled supervision (Levels 9-12)	0	297	0	0	0	0	
Contract (Level 1-2)	0	1	0	0	0	0	
Contract (Level 3-5)	0	4	0	0	0	0	
Contract (Level 6-8)	0	23	0	0	0	0	
Contract (Level 9-12)	0	50	0	0	0	0	
Contract (Other)	0	16	0	0	0	0	
Periodical Remuneration	0	20	0	0	0	0	
Total	0	1369	0	0	0	0	

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2024 to 31 March 2025

	Beneficiary Profil	е	Cost		
Critical occupation	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Engineer	0	5	60%	0	0
Architect	0	23	9%	0	0
Quant Surveyor	0	25	8%	0	0
Construction	0	16	19%	0	0
Project Manager					
Total	0	69	14%	0	0

<u>Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2024 to 31 March 2025</u>

	Beneficiary Prof	file		Cost	Total cost as a %	
Salary band	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	of the total personnel expenditure
B and A	0	25	0	0	0	0
B and B	0	06	0	0	0	0
Total	0	31	0	0	0	0

3.9 Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2024 and 31 March 2025

Salary band	01 April 202	1	31 March 202	25	Change	Change		
	Number	% of total	Number	% of total	Number	% Change		
Lower skilled (Levels 1-2)	0	0	0	0	0	0		
Skilled (Levels 3-5)	0	0	0	0	0	0		
Highly skilled production (Levels 6-8)	0	0	0	0	0	0		
Highly skilled supervision (Levels 9-12)	1	100%	1	100%	0	0		
Senior management (Levels 13-16)	0	0	0	0	0	0		
Contract (Levels 6-8)	0	0	0	0	0	0		
Contract (Levels 9-12)	0	0	0	0	0	0		
Total	1	100%	1	100%	0	100%		

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2024 and 31 March 2025

Major occupation	01 A _l	oril 2024	31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	1	100%	1	100%	0	0%
Technicians and associated professionals	0	0%	0	0%	0	0%
Total	1	100%	1	100%	0	100%

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels1-2)	113	87.6	9	1	13	79
Skilled (Levels 3-5)	2 431	86.30	321	25	8	2 701
Highly Skilled production (levels 6-8)	2 485	80.80	325	35.5	8	4 750
Highly Skilled Production (levels 9-12)	1 388	79.90	205	22.40	7	4 339
Senior management (levels 13-16)	82	85.40	17	1.9	5	425
Contract (Levels 1-2)	0	0	0	0	0	0
Contract (Levels 3-5)	17	47.10	3	0.30	6	20
Contract (Levels 6-8)	33	72.70	6	0.70	6	64
Contract (Levels 9-12)	120	77.50	21	2.30	6	369
Contract (Levels 13-16)	2	0	1	0.10	2	17
Total	6 671	82.56	908	100%	7	12 764

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	109	100	2	3.5	55	77
Skilled (Levels 3-5)	1288	100	24	42.10	54	1439
Highly skilled production (Levels 6-8)	239	100	21	36.80	11	483
Highly skilled supervision (Levels 9-12)	299	100	9	15.80	33	934
Snr management (Levels 13-16)	5	0	1	1.80	5	25
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Level 13-16)	0	0	0	0	0	0
Total	1940	100%	57	100%	34	2958

Table 3.10.3 Annual Leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	329	15	22
Skilled Levels 3-5)	13 025	491	27
Highly skilled production (Levels 6-8)	11 848.84	456	26
Highly skilled supervision(Levels 9-12)	7 099	297	24
Senior management (Levels 13-16)	582	30	19
Contract (Levels 1-2)	0	0	0
Contract (Levels 3-5)	51	4	13
Contract (Levels 6-8)	207	25	8
Contract (Levels 9-12)	755	54	14

	8	2	4
Contract (Level 13-16)			
	116	18	6
Contract (Other)			
	34 020.84	1392	24
Total			

Table 3.10.4 Capped leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023
Lower skilled (Levels 1-2)				
	0	0	0	0
Skilled Levels 3-5)	22	4	6	65
Highly skilled production (Levels 6-8)	23	3	8	71
Highly skilled supervision (Levels 9-12)	0	0	0	61
Senior Management (Level 13-16)				132
	0	0	0	
Total	45	7	6	67

Table 3.10.5 Leave payouts for the period 1 April 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2024/25 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2024/25	3 022	38	79 526
Current leave payout on termination of service for 2024/25	2 661	84	84 557
Total	5 683	122	164 083

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
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.	OHS training has been conducted for staff departmentally. Ensuring that Regions have dedicated Safety Officers and Safety Health Representatives and ensure that are trained and appointed to ensure safe wok practices and procedures. Provision of protective clothing first aid kits and ensure that are maintained and replenished. Provision of Safety Equipment to all professional staff and undertake safety training for professionals, which has commenced and will continue.

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		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.	X		14 dedicated staff members within the EHW component at both regions and Head Office: Deputy Director: Ms ZL Mtolo, Assistant Director: Ms NP Mlotshwa, Admin Wellness: Ms N Tshangana, and Mr MO Xulu, Southern Region: Assistant Director: Mr L Luthuli Mrs Zama Ndebele Practitioner, North Coast Region: Ms N Mncwango and

		Mr Tarzan Ntsele: EHW Practitioner, Ms NB Zwane: Workplace Safety Officer and Mr S Mhlungu: Admin Officer, EThekwini Region: Assistant Director: Mr B Mkhize and Ms N Nkabinde: Workplace Safety Officer and Midlands Region: Ms Dolly Hlongwane: EHW Practitioner and Ms N Mabizela: Assistant Director. Financial restrictions, no dedicated budget allocated for EHW
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Х	Employee Wellness Management (all chronic illnesses) HIV/AIDS and TB Management
		Health & Productivity Management bereavement, personal problems, stress, rehabilitation, financial wellness, etc.
		SHERQ, e.g. medical surveillance
4. Has the department established (a) committee(s) as contemplated in the Public Service Regulations, 2016 as amended? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X	Reporting on the broad aspects of Employee Health and Wellness, including HIV/ AIDS is done through the Workplace Labour Relations Standing Committee
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X	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	X	Use of reference numbers for each employee instead of the name.
so, list the key elements of these measures.		Use of these numbers on all documentation and even on itineries for use of vehicles to take employees to Doctors.
		Awareness training for all staff members to break the stigma and consequent

		discrimination.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X	Yes. Employees are able to know their HIV status so that they will take more precautions.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X	

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2024 and 31 March 2025

Subject matter	Date
Total number of Collective agreements	None
Resolution 2 of 2024: Protocol Agreement on the wage negotiations process	09/07/2024
Resolution 1 of 2005: 2025/2025 Salary adjustments	17/02/2025
Resolution 2 of 2005: Agreement on matters referred to further process for research investigations	17/02/2025

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 and 31 March 2025

Outcomes of disciplinary hearings	Number	% of total
Final written warning	1	7.14%
Official Resigned	1	7.14%
Not Guilty	0	0
Contract ended	1	7.14%
Suspended without pay	5	36.71%
Written warning	0	0
Verbal warning	0	0
Correctional counseling	0	0
Fine	0	0

Demotion	0	0
Dismissal	3	21%
Case withdrawn	0	0
Pending	3	21%
Total	14	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Negligence	3	21.43%
Intimidating Threats	0	0
Unsatisfactory work performance	0	0
Coming to work under influence of alcohol	0	0
Use of abusive language	1	7.14%
Abuse of State equipment viz. Telephone	1	7.14%
Failure to adhere to official hours	0	
Failure to comply with leave procedure	1	7.14%
Failure to comply with given instructions	0	0
Assault	0	0
Failure to attend a counseling session	0	0
Unauthorized absence	1	7.14%
Theft	0	0
Social grant	0	0
Other	7	53%
Total	14	78%

Table 3.12.4 Grievances logged for the period 1 April 2024 and 31 March 2025

Grievances	Number	% of Total
Number of grievances resolved	16	88.8%
Number of grievances not resolved	2	11.11%
Total number of grievances lodged	18	89%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2024 and 31 March 2025

Disputes	Number	% of Total
Number of disputes upheld	2	25%
Number of disputes dismissed	1	12.2%
Total number of disputes pending	5	62.5%
TOTAL	8	100%

Table 3.12.6 Strike actions for the period 1 April 2024 and 31 March 2025

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2024 and 31 March 2025

Number of people suspended	20
Number of people whose suspension exceeded 30 days	07
Average number of days suspended	10
Cost of suspension(R'000)	R3 291 169.89

3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of	Training nee	eds identified at star	t of the reporting	period
		employees as at 1 April 2024	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators senior officials and managers	Female	71	0	100	0	100
3	Male	57	0	72	0	72
Professionals	Female	10	0	99	0	99
	Male	29	0	97	0	97
Technicians & associated professionals	Female	20	0	98	0	98
p. 0.0000.00.00	Male	24	0	113	0	113
Clerks	Female	408	0	415	0	415
	Male	215	0	117	0	117
Communality & Personnel service workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Interns (Built Environment & Admin)	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	88	0	22	0	22
	Male	222	0	69	0	69

Sub Total	Female	597	0	734	0	734
	Male	547	0	468	0	468
Total		1289	0	1202	0	1202

Table 3.13.2 Training provided for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of	Tı	raining provided v	vithin the reporting perio	od
		employees as at 1 April 2024	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials	Female	71	0	52	4	56
and managers	Male	57	0	64	2	66
Professionals	Female	10	0	32	3	35
	Male	29	0	71	2	73
Technicians and associate	Female	20	0	0	0	0
professionals	Male	24	0	0	3	3
Clerks	Female	408	0	103	39	142
	Male	215	0	115	18	133
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and	Female	0	0	0	0	0
fishery workers	Male	0	0	0	0	0

Interns (Built Environment &	Female	0	0	37	75	112
Admin)	Male	0	0	42	49	91
Plant and machine	Female	0	0	0	0	0
operators and assemblers	Male	0	0	0	0	0
Elementary occupations	Female	88	0	0	4	4
	Male	222	0	0	3	3
Sub Total	Female	597	0	224	125	349
	Male	547	0	292	77	369
Total		1289	0	516	202	718

3.14 Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2024 and 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	9	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	9	100%

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2024 and 31 March 2025

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
EPWP Technical Support	01	02 months	R 980 000, 00
Support and maintenance of Premis	01	36 months	R6 532 965,75

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
01	04	60 days	R 980 000, 00
01	11	1080 days	R6 532 965,75

<u>Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025</u>

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
EPWP Technical Support	100%	100%	02
Support and maintenance of Premis	0%	0%	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

Project title	Total Number of consultants that worked on project	Duration (Workdays)	Donor and contract value in Rand
N/A			

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
N/A			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

Project title	Percentage ownership by HDI groups	Number of consultants from HDI groups that work on the project
N/A		

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2024 and 31 March 2025

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



PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024	
	R'000	R'000	
Opening balance	333 049	741 128	
Adjustment to opening balance	-5 130	9 747	
Opening balance as restated	327 919	750 875	
Add: Irregular expenditure confirmed	5 454	1 503	
Less: Irregular expenditure condoned	-183 628	-419 329	
Less: Irregular expenditure not condoned and removed	0	0	
Less: Irregular expenditure recoverable ¹	0	0	
Less: Irregular expenditure not recoverable and written off	0	0	
Closing balance	149 743	333 049	
Include discussion here where deemed relevant.			

Reconciling notes

Description	2024/2025	2023/2024
-------------	-----------	-----------

	R'000	R'000
Irregular expenditure that was under assessment	144 289	331 546
Irregular expenditure that relates to the 2023/24 and identified in 2024/25	-	-
Irregular expenditure for the current year	5 454	1 503
Total	149 743	333 049

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

Description ²	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	100 691	301 347
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	49 052	31 702
Total	149 743	333 049
Include discussion here where deemed relevant.		

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned		
Employee vetting not established prior to appointment	-	86 398
Procurement process followed for renovation of Department building into a conference centre was done via urgent delegation however the reasons were not justified.	-	11 447
Awards not evaluated in accordance with the preferential point system. Please see attached Annexure B with	-	1 631

breakdown.		
Points awarded for B-BBEE where the contractor indicated an intention to sub-contract	-	1 688
Lease contract extensions not approved by Treasury	183 628	318 165
Total	183 628	419 329

Include discussion here where deemed relevant.

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Include discussion here where deemed relevant.

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

Include discussion here where deemed relevant.

f) Details of irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Include discussion here where deemed relevant.

Additional disclosure relating to Inter-Institutional Arrangements

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

scription	

Include discussion here where deemed relevant.

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

Description	2024/2025	2023/2024
	R'000	R'000
n/a		-

Include discussion here where deemed relevant.

³ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

i)	Details of disciplina	ry or criminal step	s taken as a resu	lt of irregular e	xpenditure

Disciplinary steps taken	
m/a	
n/a	

Include discussion here where deemed relevant.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	-
Adjustment to opening balance	0	-
Opening balance as restated	0	-
Add: Fruitless and wasteful expenditure confirmed	49 197	-
Less: Fruitless and wasteful expenditure recoverable ⁴	0	-
Less: Fruitless and wasteful expenditure not recoverable and written off	0	-
Closing balance	49 197	-

Include discussion here where deemed relevant.

Reconciling notes

⁴ Transfer to receivables

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	49 195	-
Fruitless and wasteful expenditure for the current year	2	-
Total	49 197	-

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

Description ⁵	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	2	-
Fruitless and wasteful expenditure under determination	0	-
Fruitless and wasteful expenditure under investigation	49 195	-
Total	49 197	-

Include discussion here where deemed relevant.

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

⁵ Group similar items

Include discussion here where deemed relevant.

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

Include discussion here where deemed relevant.

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

Disciplinary steps taken	
n/a	

Include discussion here where deemed relevant.

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorised expenditure confirmed	-	-

Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable ⁶	-	-
Less: unauthorised not recoverable and written off ⁷	-	-
Closing balance	-	-

Include discussion here where deemed relevant.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

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

Description ⁸	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

Include discussion here where deemed relevant.

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))9

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	-	-
Include discussion here where deemed relevant.		<u>-</u>

b)	Details	of other	material	losses
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Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	-

Include discussion here where deemed relevant and criminal or disciplinary steps taken by the institution.

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	-

Include discussion here where deemed relevant.

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

Include discussion here where deemed relevant.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	20 066	4 051 348
Invoices paid within 30 days or agreed period	15 329	3 556 639
Invoices paid after 30 days or agreed period	999	47 672
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	2 698	296 000
Invoices older than 30 days or agreed period (unpaid and in dispute)	n/a	n/a

The annual increases in property market values, in line with the new General Valuation Rolls, resulted in higher tariffs, which negatively impacted the department's budget allocation for property rates. As a result, the allocated budget often becomes insufficient to cover the invoices received. Furthermore, since the department acts as an implementing agent for all client departments, delays in recoveries from these departments also negatively affect the department's ability to process payments within the required 30-day period.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project Description	Name of Supplier	Type of procurement by Other Means	Contract Number	Value of contract
Installation and configuration of the Applinx software on a new server	Software AG Limited	Deviation From Normal Bid Processes	n/a	R816 297,87
Renewal of WINQS Software License Subscriptions	Advanced Cost Engineering Solutions CC	Deviation From Normal Bid Processes	n/a	R143 639,49
Renewal of WINQS Software License Subscriptions	Advanced Cost Engineering Solutions CC	Deviation From Normal Bid Processes	n/a	R143 639,49
Procurement of Goods and Services for OSS Imbizo at Amajuba District	Maxode Trading & Projects 12 of Malan Extension 34 Newcastle	Deviation From Normal Bid Processes	B001608	R1 578 823,50
To issue a purchase order to Totalcad for the renewal of Archicad Software licence subscription	Total CAD Solution Centre (PTY)	Deviation From Normal Bid Processes	B001612	R16 560.00
Procurement of Goods and Services for OSS Imbizo at Amajuba District	Maxode Trading & Projects 12 of Malan Extension 34 Newcastle	Deviation From Normal Bid Processes	B001608	R1 578 823.50
To issue a purchase order to Totalcad for the renewal of Archicad Software licence subscription	Total CAD Solution Centre (PTY)	Deviation From Normal Bid Processes	B001612	R16 560.00
ZNQSR011/2024-2025: Appointment of a Service Provider for the replacement of Laptop Screen	PartServe Channel Support	Deviation From Normal Bid Processes	ZNQSR011/2024-2025	R4 405.35

3.2. Contract variations and expansions

Project Description	Name of Supplier	Contract Modification type (Expansion or Variation	Contract Number	Original contract value	Value of previous contract expansion or variation of contract	Value of contract expansion or variation of contract
				R0'00	R0'00	R0'00
Uyengo Secondary School	GLOBACON (PTY) LTD	Variation	063459	R6 853 120,25	R 430 421,00	R676 423,00
Ongane Combined School	SERVIGYN 12CC	Variation	065982	R7 238 307,00	R 48 697,00	R424 380,69
Zombizwe High School	MET BUILDERS	Variation	063414	R28 324 967,49	R 28 440,00	-R241 876,62
King Dinizulu Hospital	THASELANI JV	Variation	062823	R18 622 092,60	-R931 067,00	R 103 556,00
Mboko Senior Primary	SOLUTION AT COSTS PROJECTS	Variation	063397	R4 670 856,10	R 150 729,00	-R546 773,49
Dundee Prov Hosp	SEACREST INVESTMENTS	Variation	055041	R9 146 580,00	R100 984,00	R 739 482,00
Prince Mshiyeni Memorial Hosp	MADUDLA CONTRACTORS	Variation	063682	R10 412 899,25	R 408 643,00	R 408 825,00
Dundee Regional Laundry	BOILER INDUSTRIAL & PLANT	Variation	0679263	R11 761 397,88	R 875 602,00	R 669 513,00
TOTAL				R87 883640,57	R1 017 185,00	R720 978,58





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

- I have audited the financial statements of the Department of Public Works set out on pages 158
 to 268, which comprise the appropriation statement, statement of financial position as at 31
 March 2025, statement of financial performance, statement of changes in net assets and the
 cash flow statement for the year then ended, as well as notes to the financial statements,
 including a summary of significant accounting policies.
- 2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MSC) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 24 of 2024 (DoRA).

Basis for opinion

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

Emphasis of matter

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

Impairment of receivables

7. As disclosed in note 14.6 to the financial statements the department disclosed an impairment of receivables amounting to R323,10 million (2023-24: R291,97 million) due to outstanding payments by other departments for construction and maintenance activities that were funded by the department on their behalf.

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 information set out on pages 269 to 308 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

- 10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirement 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.

Responsibilities of the auditor-general 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. This description, which is located at pages 152 to 153 of the annexure to the auditor's report forms part of my auditor's report.

Report on the audit of the annual performance report

- 14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
- 15. I selected the following programme presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected the programme that measures the department's

performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Public works infrastructure	32 - 41	To provide and facilitate the provision of accommodation and integrate property management services to clients through planned property life cycle (acquisition, management and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. Erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services are immovable asset management and construction.

- 16. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
- 17. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

- 18. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
- 19. I did not identify any material findings on the reported performance information for the selected programme

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

- 21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.
- 22. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 32 to 41.

Public works infrastructure

Targets achieved: 66.6% Budget spent: 100%		
Key service delivery indicator not achieved	Planned target	Reported achievement
2.9 Number of new construction projects completed.	2	0
2.10 Number of planned maintenance projects (refurbished/renovated) completed.	13	11
2.11 Number of upgrades and addition projects completed	27	24

Material misstatements

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

Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

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

Expenditure management

28. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

Other information in the annual report

- 29. The accounting officer is responsible for the other 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.
- 30. My opinion on the financial statements, and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
- 31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- 32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

- 34. The matters reported below are limited to the significant internal control deficiencies that resulted in the material finding on compliance with legislation included in this report.
- 35. The department had cash flow constraints as the property rates charged by municipalities on the departments' land and buildings exceeds the appropriated funds received for property rates. Furthermore, claims for inter-governmental receivables whereby the department undertook infrastructure development and maintenance were not settled timeously by client departments further hindering the cash flow of the department.

Material irregularities

36. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Payment for unutilised software licences

- 37. The department procured 200 software licenses for the use of the Archibus system at a cost of R5,65 million (R4,58 million paid on 22 February 2021 and R1,07 million paid on 13 April 2021). Subsequent to this purchase, the department only loaded 15 users on the system which meant that only 15 of the 200 software licenses procured were being utilised. The department then renewed the licenses for an annual subscription fee of R0,95 million in March 2022 for the continued use and access to the 200 software licenses procured. As at 30 August 2022 there was no clear indication as to when the system will go live. As at reporting date, the was still no clear indication of whether the system would be developed to conclusion or not. The procurement of unutilised licenses and the payment of the annual subscription fees amount to ineffective, inefficient and uneconomical use of the department's resources, in contravention of section 38(1)(b) of the PFMA. The non-compliance is likely to have resulted in a material financial loss of R1,71 million as at 31 March 2022 and is likely to result in further material financial losses for the Department of Public Works due to the continued subscription fees being paid on the unutilised software licenses.
- 38. The accounting officer was notified of the material irregularity on 27 September 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter.
- 39. The accounting officer responded by disagreeing that the procurement of the software licences is a material irregularity.
- 40. The accounting officer did not taken any action in response to being notified of the material irregularity. I recommended that the accounting officer should take the following actions to address the material irregularity by 18 January 2024:
 - Appropriate action should be taken to investigate the non-compliance in order to determine
 if any official should be held responsible. The investigation should also determine the

reasons and circumstances that led to the unutilised licenses and subscription fees, for the purpose of addressing control weaknesses.

- The financial loss should be quantified.
- All persons liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.
- Effective and appropriate disciplinary steps should be initiated, without undue delay, against
 any official that the investigation found to be responsible, as required by section 38(1)(h) of
 the PFMA.
- Appropriate action should be taken to ensure that resources of the department are used in
 effective and efficient manner and as part of this, progress should be monitored against the
 project implementation plan and corrective actions should be taken where there are delays.
- 41. On 20 February 2024, the accounting officer requested an extension to implement the recommendations. The request was approved and I granted the accounting officer additional time to implement the recommendations up 30 September 2024.
- 42. On 1 October 2024, the accounting officer submitted a response on the progress that was being made with the implementation of the recommendations and requested a further extension until 15 November 2024, as the investigation report was awaited that will impact on the actions to take in implementing the recommendations. The extension request was approved, and the revised implementation date was set for 15 November 2024.
- 43. The accounting officer provided a final written response and substantiating documentation on the implementation of the recommendations on 13 November 2024. A supplementary response with the investigation report was received on 19 February 2025. Between February 2025 and May 2025 additional responses and substantiating documentation were provided on the actions the accounting officer were taking to implement the recommendations and address the material irregularity. The accounting officer took the following actions to implement the recommendations and to address the material irregularity:
 - The contract with the service provider was terminated on 16 January 2024.
 - An investigation conducted by the KwaZulu-Natal Office of the Premier's (KZN OTP)
 Integrity Management and Forensic Investigations Unit identified several key issues,
 including findings, root causes, control weaknesses, quantification of fruitless and wasteful
 expenditure, and the officials responsible. The report also provided recommendations for
 the recovery of financial losses and the strengthening of internal controls.
 - Following the investigation, the accounting officer decided to terminate the entire project and declared the full expenditure as fruitless and wasteful.
 - As part of the disciplinary actions, the accounting officer issued final written warnings to four
 officials identified in the investigation report. Disciplinary proceedings were also initiated
 against an additional official and the process is on-going.

- The department has developed and implemented a Governance Policy for Application
 Development and Business Process Automation, which was approved on 23 January 2025.
 Additionally, an ICT Project Management Framework was approved on 4 March 2024 to
 enhance project governance and ensure effective implementation and oversight of ICT
 initiatives.
- Due to the serious nature of the allegations associated with the project, the matter has been referred to the Directorate for Priority Crime Investigation (DPCI) for a full-scope criminal investigation to determine whether criminal or civil proceedings should be pursued in relation to the financial losses incurred.
- 44. The actions taken by the accounting officer to implement the recommendation are deemed appropriate and have addressed the material irregularity and the matter is therefore resolved.

Other reports

- 45. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted. 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 provincial forensic unit conducted 22 investigations, which covered the period August 2015 to June 2025. The investigations related to allegations of possible irregularities with the tender process, fraud and corruption. Sixteen investigations have been completed where recommendations are currently being implemented while six investigations are still in progress at the date of this report.

Pietermaritzburg

30 July 2025

AUDITOR-GENERAL SOUTH AFRICA

AUDITOR - GENERAL

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii) Section 38(1)(d); 38(1)(h)(iii); 38(1)(j); 39(1)(a) Section 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(1); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a) Regulation 5.2.3(d); 5.3.14; 6.3.1(a); 6.3.1(b) Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1 Regulation 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4 Regulation 10.1.1(a); 10.1.2; 11.4.1; 11.4.2 Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2 Regulation 16A3.2(a); 16A6.1; 16A6.2(a) Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b) Regulation 16A6.3(c); 16A 6.3(e); 16A6.4 Regulation 16A7.6; 16A7.7; 16A8.2(1); 16A8.2(2) Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii) Regulation; 16A 9.1(d); 16A 9.1(e); 16A9.1(f) Regulation 19.8.4
Division of Revenue Act No. 5 of 2023	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i) Section 16(3)(a)(ii)(bb)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations, 2004	CIDB regulation 17; 25(7A)
PPPFA Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
PPR 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1 Regulation 10.1; 10.2 Regulation 11.1; 11.2
PPR 2022	Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4

Legislation	Sections or regulations
SITA ACT 88 of 1998	Section 7(3)
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4 (a);4.17 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 11 2020/21	Paragraph 3.4 (a); 3.4(b); 3.9
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 5 of 2009/10	Paragraph 3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3

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ANNUAL FINANCIAL INFORMATION FOR KZN DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE



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APPROPRIATION STATEMENT

for the year ended 31 March 2025

Appropriation per programme

			2024/25					2023	3/24
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	447,631	6,400	9,950	463,981	463,981	-	100.0%	427,721	427,680
2. Public Work Infrastructure	1,623,983	(3,747)	(6,787)	1,613,449	1,613,449	-	100.0%	1,281,219	1,281,214
3. Expanded Public Works	65,727	(2,653)	(3,163)	59,911	59,903	8	100.0%	505,015	505,015
								-	-
								-	-
Subtotal	2,137,341	-	-	2,137,341	2,137,333	8	100.0%	2,213,955	2,213,909
Statutory Appropriation									
President salary	-	-	-	-	-	-	-	-	-
Deputy President salary	-	-	-	-	-	-	-	-	-
Members' remuneration	-	-	-	-	-	-	-	-	-
Land Bank	-	-	-	-	-	-	-	-	-
Provincial equitable share	-	-	-	-	-	-	-	-	-
General fuel levy sharing with metropolitan municipalities	-	-	-	-	-	-	-	-	-
National Revenue Fund payments	-	-	-	-	-	-	-	-	-
Skills levy and sector education and training authorities	-	-	-	-	-	-	-	-	-
Auditor-General of South Africa	-	-	-	-	-	-	-	-	-
Debt service costs	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

ESKOM	-	-	-	-	-	-	-	-	-
International Oil Pollution Compensation Fund	-	-	-	-	-	-	-	-	-
South African Express Airways	-	-	-	-	-	-	-	-	-
South African Airways	-	-	-	-	-	-	-	-	-
Denel	-	-	-	-	-	-	-	-	-
National Skills Fund	-	-	-	-	-	-	-	-	-
Magistrates' salaries	-	-	-	-	-	-	-	-	-
Judges' salaries	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-		-	-	-	

		202	4/25	202	3/24
	Final Budget	Actual Expenditure		Final Budget	Actual Expenditure
	R'000	R'000		R'000	R'000
TOTAL (brought forward)					
Reconciliation with statement of financial performance					
ADD					
	44.000			40.000	
Departmental receipts	11,333			12,328	
NRF Receipts	-			-	
Aid assistance	-			-	
Actual amounts per statement of financial performance (Total revenue)	2,148,674			2,226,283	
ADD	-			-	-
Aid assistance	-			-	-

APPROPRIATION STATEMENT

Prior year unauthorised expenditure approved without funding	-		-	-
Actual amounts per statement of financial performance (Total expenditure)	2,137,333			2,213,909

APPROPRIATION STATEMENT

	2023/24								
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1,021,436	(190)	(2,247)	1,018,999	1,018,991	8	100.0%	963,187	963,141
Compensation of employees	768,229	-	(12,978)	755,251	755,243	8	100.0%	723,259	723,259
Goods and services	253,207	(190)	10,731	263,748	263,748	-	100.0%	239,928	239,882
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,095,936	-	2,134	1,098,070	1,098,070	-	100.0%	1,199,098	1,199,098
Provinces and municipalities	1,087,600	-	(94)	1,087,506	1,087,506	-	100.0%	1,186,164	1,186,164
Departmental agencies and accounts	-	-	-	-	-	-	-	612	612
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8,336	-	2,228	10,564	10,564	-	100.0%	12,322	12,322
Payments for capital assets	19,969	190	113	20,272	20,272	-	100.0%	51,409	51,409
Buildings and other fixed structures	13,412	-	(679)	12,733	12,733	-	100.0%	46,408	46,408
Machinery and equipment	6,557	190	677	7,424	7,424	-	100.0%	5,001	5,001
Heritage assets	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	115	115	115	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	261	261
Total	2,137,341	-	_	2,137,341	2,137,333	8	100.0%	2,213,955	2,213,909

Statutory appropriation per econo	omic classification	n											
	2023/24												
	Approved Budget					Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000				
Economic classification													
Current payments	-	-	-	-	-	-	-	-	_				
Compensation of employees	-	-	-	-	-	-	-	-	_				
Goods and services	-	-	-	-	-	-	-	-	-				
Interest and rent on land	-	-	-	-	-	-	-	-	_				
Transfers and subsidies	_	-	-	-	-	_	_	-	_				
Provinces and municipalities	_	-	-	-	-	-	-	-	-				
Departmental agencies and accounts	_	-	-	_	_	_	-	-	_				
Higher education institutions	-	_	-	-	-	-	-	-	_				
Foreign governments and international organisations	_	-	-	_	_	_	_	-	_				

APPROPRIATION STATEMENT

Public corporations and private enterprises	_	_	-	_	_	_	_	_	_
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	_
Payments for capital assets		_	_	_	_	_	_		_
Buildings and other fixed structures	-	<u>-</u>	-	-	-	_	_	-	_
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	_	_	_	_	-	_	_	_
Total	-	-	-	-	-	-	-	-	_

Households

KZN DEPARTMENT OF PUBLIC WORKS VOTE 14

APPROPRIATION STATEMENT

for the year ended 31 March 2025

Programme 1: Administration									
		2023	/24						
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office Of The MEC	17,232	-	(624)	16,608	16,608	-	100.0%	16,094	16,053
Management Of the Department	254,933	3,846	22,497	281,276	281,276	-	100.0%	411,627	411,627
Corporate Support	175,466	2,554	(11,923)	166,097	166,097	-	100.0%	-	
Total for sub programmes	447,631	6,400	9,950	463,981	463,981	-	100.0%	427,721	427,680
Economic classification									
Current payments	435,659	6,210	8,189	450,058	450,058	-	100.0%	415,722	415,681
Compensation of employees	334,683	-	(777)	333,906	333,906	-	100.0%	316,796	316,796
Goods and services	100,976	6,210	8,966	116,152	116,152	-	100.0%	98,926	98,885
Interest and rent on land	-	-	-	-	-	-		-	
Transfers and subsidies	6,508	-	1,109	7,617	7,617	-	100.0%	9,291	9,291
Provinces and municipalities	351	-	(70)	281	281	-	100.0%	338	338
Departmental agencies and accounts	-	-	-	-	-	-	-	612	612
Higher education institutions	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	

1,179

7,336

7,336

100.0%

8,341

8,341

6,157

APPROPRIATION STATEMENT

								-	-
Payments for capital assets	5,464	190	652	6,306	6,306	-	100.0%	2,708	2,708
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5,464	190	537	6,191	6,191	-	100.0%	2,708	2,708
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	115	115	115	-	100.0%	-	-
								-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	447,631	6,400	9,950	463,981	463,981	-	100.0%	427,721	427,680

Programme 2: Public Work Infrastr	ucture								
	2023/24								
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
Immovable Asset Management	1,190,606	(359)	2,678	1,192,925	1,192,925	-	100.0%	1,281,219	1,281,214
2. Construction	433,377	(3,388)	(9,465)	420,524	420,524	-	100.0%	-	-
Total for sub programmes	1,623,983	(3,747)	(6,787)	1,613,449	1,613,449	-	100.0%	1,281,219	1,281,214

APPROPRIATION STATEMENT

Economic classification									
Current payments	520,099	(3,747)	(7,161)	509,191	509,191	-	100.0%	94,714	94,709
Compensation of employees	378,139	-	(10,397)	367,742	367,742	-	100.0%	59,539	59,539
Goods and services	141,960	(3,747)	3,236	141,449	141,449	-	100.0%	35,175	35,170
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,089,379	-	913	1,090,292	1,090,292	-	100.0%	1,185,953	1,185,953
Provinces and municipalities	1,087,249	-	(24)	1,087,225	1,087,225	-	100.0%	1,185,826	1,185,826
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2,130	-	937	3,067	3,067	-	100.0%	127	127
Payments for capital assets	14,505	-	(539)	13,966	13,966	-	100.0%	291	291
Buildings and other fixed structures	13,412	-	(679)	12,733	12,733	-	100.0%	-	-
Machinery and equipment	1,093	-	140	1,233	1,233	-	100.0%	291	291
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	261	261
Total	1,623,983	(3,747)	(6,787)	1,613,449	1,613,449	_	100.0%	1,281,219	1,281,214

Households

KZN DEPARTMENT OF PUBLIC WORKS VOTE 14

APPROPRIATION STATEMENT

for the year ended 31 March 2025

Programme 3: Expanded Public W	/orks								
		2023/24							
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.Programme Support	29,491	(2,653)	(1,188)	25,650	25,650	-	100.0%	505,015	505,015
2.Community Development	36,236	-	(1,975)	34,261	34,253	8	100.0%	-	-
Total for sub programmes	65,727	(2,653)	(3,163)	59,911	59,903	8	100.0%	505,015	505,015
Economic classification									
Current payments	65,678	(2,653)	(3,275)	59,750	59,742	8	100.0%	452,751	452,751
Compensation of employees	55,407	-	(1,804)	53,603	53,595	8	100.0%	346,924	346,924
Goods and services	10,271	(2,653)	(1,471)	6,147	6,147	-	100.0%	105,827	105,827
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	49	-	112	161	161	-	100.0%	3,854	3,854
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	•
Higher education institutions	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	•
Public corporations and private enterprises	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-

112

161

161

100.0%

3,854

3,854

49

APPROPRIATION STATEMENT

Payments for capital assets	-	-	-	-	-	-	-	48,410	48,410
Buildings and other fixed structures	-	-	-	-	-	-	-	46,408	46,408
Machinery and equipment	-	-	-	-	-	-	-	2,002	2,002
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	65,727	(2,653)	(3,163)	59,911	59,903	8	100.0%	505,015	505,015

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2025

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	R'000	R'000	R'000	%
Administration	463,981	463,981	-	0%
Public Works Infrastructure	1,613,449	1,613,449	-	0%
Expanded Public Works	59,911	59,903	8	0%
Total	2,137,341	2,137,333	8	0%

100% of allocated budget spent, with a minimal under expenditure of R8 thousand.

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Economic classification	R'000	R'000	R'000	%
Current payments	1,018,999	1,018,991	8	0%
Compensation of employees	755,251	755,243	8	0%
Goods and services	263,748	263,748	-	0%
Interest and rent on land	-	-	-	-
Transfers and subsidies	1,098,070	1,098,070	-	0%
Provinces and municipalities	1,087,506	1,087,506	-	0%
Departmental agencies and accounts	-	-	-	-
Higher education institutions	-	-	-	-

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2025

Public corporations and private enterprises	-	-	-	-
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	10,564	10,564	-	-
Payments for capital assets	20,272	20,272	-	-
Buildings and other fixed structures	12,733	12,733	-	-
Machinery and equipment	7,424	7,424	-	-
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	115	115	-	-
Payments for financial assets	-	-	-	-
Total	2,137,341	2,137,333	8	0%

100% of allocated budget spent, with a minimal under expenditure of R8 thousand.

4.3 Per conditional grant

	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
Conditional grant	R'000	R'000	R'000	%
EPWP Integrated Grant for Provinces	3,722	3,722	-	0%
	-	-	-	-
Total	3,722	3,722	-	

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2025

4.4 Per Statutory Appropriation

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Statutory Appropriation	R'000	R'000	R'000	%
	-	-	-	-
Total	-	-	-	-

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	1	2,137,341	2,213,955
Statutory appropriation	2	-	-
Departmental revenue	3	11,333	12,328
NRF Receipts		-	-
Aid assistance	_	<u> </u>	-
TOTAL REVENUE	_	2,148,674	2,226,283
EXPENDITURE			
Current expenditure			
Compensation of employees	5	755,244	723,259
Goods and services	6	263,747	239,882
Interest and rent on land	7	-	-
Aid assistance	4	-	-
Total current expenditure		1,018,991	963,141
Transfers and subsidies			
Transfers and subsidies	9	1,098,070	1,199,098
Aid assistance	4	-	
Total transfers and subsidies		1,098,070	1,199,098
Expenditure for capital assets			
Tangible assets	10	20,157	51,409
Intangible assets	10	115	-
Total expenditure for capital assets		20,272	51,409
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	8	-	261
TOTAL EXPENDITURE	_	2,137,333	2,213,909
SURPLUS/(DEFICIT) FOR THE YEAR	 	11,341	12,374
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		8	46
Annual appropriation		8	46
Statutory appropriation		-	-
Conditional grants		-	-

STATEMENT OF FINANCIAL PERFORMANCE

Departmental revenue and NRF receipts	19	11,333	12,328
Aid assistance	4	-	-
Capitalisation reserve		<u> </u>	
SURPLUS/(DEFICIT) FOR THE YEAR		11,341	12,374

STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current assets		817,003	712,441
Cash and cash equivalents	11	28	28
Other financial assets	12	-	-
Prepayments and advances	13	-	-
Receivables	14	816,975	712,413
Loans	16	-	-
Voted funds receivable	17	-	-
Statutory Appropriation receivable	18	-	-
Aid assistance prepayments	4	-	_
Aid assistance receivable	4		-
Non-current assets		16,696	12,990
Investments	15	-	
Prepayments and advances	13	-	_
Receivables	14	16,696	12,990
Loans	16	-	-
Other financial assets	12		-
TOTAL ASSETS	_	833,699	725,431
LIABILITIES			
Current liabilities		815,231	710,881
Voted funds to be surrendered to the Revenue Fund	17	8	149
Statutory Appropriation to be surrendered to the Revenue Fund	18	-	-
Departmental revenue and NRF Receipts to be	19	613	1,927
surrendered to the Revenue Fund			
Bank overdraft	20	799,600	696,382
Payables	21	15,010	12,423
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	-	-
Non-current liabilities			
Payables	22	-	-
TOTAL LIABILITIES	_	815,231	710,881
NET ASSETS	_	18,468	14,550
	_		,

STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	2024/25 Note R'000	2023/24 R'000
Represented by:		
Capitalisation reserve	-	-
Recoverable revenue	18,468	14,550
Retained funds	-	-
Revaluation reserves	-	-
Unauthorised expenditure	-	-
TOTAL	18,468	14,550

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
Capitalisation reserves			
Opening balance		-	-
Transfers			
Movement in equity		-	-
Movement in operational funds Other movements		-	-
Closing balance	_	<u>-</u>	
Closing balance	_	- _	<u>-</u>
Recoverable revenue			
Opening balance		14,550	12,742
Transfers:	_	3,918	1,808
Recoverable revenue written off	8.3	-	-
Debts revised		1,138	987
Debts recovered (included in departmental revenue)		-1,207	-381
Debts raised		3,987	1,202
Closing balance	_	18,468	14,550
Detained funds			
Retained funds Opening balance			
Transfer from voted funds to be surrendered		-	-
(Parliament/Legislatures ONLY)		-	-
Utilised during the year		_	_
Other transfers		_	_
Closing balance	_		-
	_		
Revaluation reserve			
Opening balance		-	-
Revaluation adjustment (Human Settlements		-	-
departments)			
Transfers		-	-
Other	_		
Closing balance	_	-	
Unauthorised expenditure			
Opening balance		-	_
Unauthorised expenditure - current year		-	-
Relating to overspending of the vote or main division		-	-
within the vote			
Incurred not in accordance with the purpose of the		-	-
vote or main division			
Less: Amounts approved by Parliament/Legislature with		-	-
funding			
Less: Amounts approved by Parliament/Legislature		-	-
without funding and derecognised	Г		
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
Less: Amounts recoverable			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Less: Amounts written off		
Closing Balance		-
TOTAL	18,468	14,550

CASH FLOW STATEMENT

	Note	2024/25 R'000	2023/24 R'000
CASH FLOWS FROM OPERATING ACTIVITIES	71016	K UUU	K UUU
Receipts		2,147,449	2,226,129
•	1.1		
Annual appropriation funds received	2	2,137,341	2,213,955
Statutory appropriation funds received	3	0.335	11 047
Departmental revenue received	3.3	9,335	11,847
Interest received	3.3	773	327
NRF receipts	4	-	
Aid assistance received	4	-	
Net (increase)/decrease in net working capital		-105,681	-206,145
Surrendered to Revenue Fund		-12,796	-11,344
Surrendered to RDP Fund/Donor		-	-
Current payments		-1,018,991	-963,234
Interest paid	7	-	-
Payments for financial assets	8	-	-261
Transfers and subsidies paid	_	-1,098,070	-1,199,098
Net cash flow available from operating activities	23	- 88,089	-153,953
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	
Payments for capital assets	10	-20,272	-51,316
Proceeds from sale of capital assets	3.4	1,225	154
(Increase)/decrease in loans	16	-	
(Increase)/decrease in investments	15	-	-
(Increase)/decrease in other financial assets	12	-	-
(Increase)/decrease in non-current receivables	14	-	-1,512
(Increase)/decrease in non-current prepayments and advances	13	-	-
Net cash flow available from investing activities		-19,047	-52,674
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		3,918	1,808
Increase/(decrease) in non-current payables	22	-	-
Net cash flows from financing activities	_	3,918	1,808
Net increase/(decrease) in cash and cash equivalents		-103,218	-204,819
Cash and cash equivalents at beginning of period		-696,354	-491,634
Unrealised gains and losses within cash and cash equivalents		-030,004	-491,034 99
Cash and cash equivalents at end of period	24	-799,572	-696,354

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

1.	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	Going concern The financial statements have been 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.	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
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).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

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

Appropriated funds are measured at the amounts receivable.

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

7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

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

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

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- 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.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	Accruals and payables not recognised
	Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	Leases
8.4.1	Operating leases
	Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.
	The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases
	Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.
	The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.
	At commencement of the finance lease term, finance lease assets acquired are recorded and measured at:
	the fair value of the leased asset; or if lower,
	the present value of the minimum lease payments.
	Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.
9.	Aid assistance
9.1	Aid assistance received
	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.
	CARA Funds are recognised when receivable and measured at the amounts receivable.
	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.
9.2	Aid assistance paid
	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.
10.	Cash and cash equivalents
	Cash and cash equivalents are stated at cost in the statement of financial position.
	Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	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.
11.	Prepayments and advances
	Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.
	Prepayments and advances are initially and subsequently measured at cost.
	Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.
12.	Loans and receivables
	Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13.	Investments
	Investments are recognised in the statement of financial position at cost.
14.	Financial assets
14.1	Financial assets (not covered elsewhere)
	A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.
	At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets
	Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15.	Payables
	Payables recognised in the statement of financial position are recognised at cost.
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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

16.2 Movable capital assets

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

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

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

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

Biological assets are subsequently carried at fair value.

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

16.3 Intangible capital 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 impairment.

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

16.4 Project costs: Work-in-progress

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

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

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

17. Provisions and contingents

17.1 Provisions

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities
	Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets
	Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments
	Capital commitments are recorded at cost in the notes to the financial statements.
18.	Unauthorised expenditure
	Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
	Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:
	 approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
	 approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
	transferred to receivables for recovery.
	Unauthorised expenditure recorded in the notes to the financial statements comprise of
	• unauthorised expenditure that was under assessment in the previous financial year;
	 unauthorised expenditure relating to previous financial year and identified in the current year; and
	Unauthorised expenditure incurred in the current year.
19.	Fruitless and wasteful expenditure
	Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.
	Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:
	 fruitless and wasteful expenditure that was under assessment in the previous financial year;
	 fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
	fruitless and wasteful expenditure incurred in the current year.
20.	Irregular expenditure

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

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

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

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

21. Changes in accounting policies, estimates and errors

Changes in accounting policies are applied in accordance with MCS requirements.

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

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

22. Events after the reporting date

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

23. Principal-Agent arrangements

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24. Departures from the MCS requirements

25. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

26. Recoverable revenue

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

27. Related party transactions

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	The full compensation of key management personnel is recorded in the notes to the financial statements.
28.	Inventories
	At the date of acquisition, inventories are recognised at cost in the statement of financial performance.
	Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.
	Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.
	The cost of inventories is assigned by using the weighted average cost basis.
29.	Public-Private Partnerships
	Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.
	A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30.	Employee benefits
	The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.
	Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.
	The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
31.	Transfer of functions
	Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.
	Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
32.	Mergers
	Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.
	Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

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

	2024/25			2023/24		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropria- tion Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	463,981	463,981	-	427,721	427,721	-
Public Works Infrastructure	1,613,449	1,613,449	-	1,281,219	1,281,219	-
Expanded Public Works	59,911	59,911	-	505,015	505,015	-
Total	2,137,341	2,137,341	-	2,213,955	2,213,955	-

1.2. Conditional grants

	Note	2024/25 R'000	2023/24 R'000
Total grants received	45	3,722	3,897
Provincial grants included in total grants received	=	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

2. Statutory Appropriation

3.

	Note	2024/25 R'000	2023/24 R'000
President salary			
Deputy President salary			
Members' remuneration		-	-
Land Bank		-	-
Provincial equitable share		-	-
General fuel levy sharing with metropolitan municipalities		-	-
National Revenue Fund payments		-	-
Skills levy and sector education and training authorities		-	-
Auditor-General of South Africa		-	-
Debt service costs		-	-
ESKOM		-	-
International Oil Pollution Compensation Fund		-	-
South African Express Airways		-	-
South African Airways		-	-
Denel		-	-
National Skills Fund		-	-
Magistrates salaries		-	-
Judges salaries		-	-
Total		-	-
Actual Statutory Appropriation received	:	-	
Statutory Appropriation not requested / not received			
Departmental revenue			
	Note	2024/25 R'000	2023/24 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	8,141	9,124
Fines, penalties and forfeits	3.2	-	-
Interest, dividends and rent on land	3.3	1,125	484
Sales of capital assets	3.4	1,225	154
Transactions in financial assets and liabilities	3.5	842	2,566
Transfers received	3.6	-	-
Total revenue collected		11,333	12,328
Less: Own revenue included in appropriation	19	-	-
Total		11,333	12,328

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

3.1. Sales of goods and services other than capital assets

		2024/25	2023/24	
	Note	R'000	R'000	
Sales of goods and services produced by the department		8,135	9,097	
Sales by market establishment		7,108	6,673	
Administrative fees		-	-	
Other sales		1,027	2,424	
Sales of scrap, waste and other used current goods	ı	6	27	
Total	3	8,141	9,124	

3.2. Fines, penalties and forfeits

		2024/25	2023/24	
	Note	R'000	R'000	
Fines		-	_	
Penalties		-	-	
Forfeits		-	-	
Total	3	-	_	

3.3. Interest, dividends and rent on land

		2024/25	2023/24	
	Note	R'000	R'000	
Interest		773	327	
Dividends		-	-	
Rent on land		352	157	
Total	3	1,125	484	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

3.4. Sales of capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets		1,225	154
Buildings and other fixed structures		-	-
Machinery and equipment		-	154
Heritage assets		-	-
Specialised military assets		-	-
Land and subsoil assets		1,225	-
Biological assets		-	-
Intangible capital assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names and trademarks		-	_
Recipes, formulae, prototypes, designs, models		-	_
Services and operating rights		-	-
Total	3	1,225	154

3.5. Transactions in financial assets and liabilities

	2024/25	2023/24
Note	R'000	R'000
	-	-
	767	380
	-	-
	75	2,186
	-	-
3	842	2,566
	Note 3	R'000 - 767 - 75 -

3.6. Transfers received

		2024/25	
	Note	R'000	R'000
Other governmental units		-	-
Higher education institutions		-	-
Foreign governments		-	-
International organisations		-	-
Public corporations and private enterprises		-	-
Households and non-profit institutions		-	-
Total	3	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

3.6.1. Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)

		2024/25	2023/25
	Note	R'000	R'000
	Annex 1H		
Gifts		-	-
Donations		-	-
Sponsorships		-	-
Total gifts, donations and sponsorships received in kind	-	-	-

3.7.

Cash received not recognised (not	included in the main note)				
		2024/25			
	Opening balance	Amount received	Amount paid to the revenue fund	Closing balance	
Name of entity	R'000	R'000	R'000	R'000	
None	-	-	-	-	
Total		-	-	-	
		202	3/24		
	Opening balance	Amount received	Amount paid to the revenue fund	Closing balance	
Name of entity	R'000	R'000	R'000	R'000	
Please specify	-	-	-	-	
Total					
Total		-	-	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

4. Aid assistance

Ald assistance			
		2024/25	2023/24
	Note	R'000	R'000
Opening balance		-	
Prior period error			
As restated		-	
Transferred from statement of financial performance		-	
Transfers to or from retained funds		-	
Paid during the year		-	
Closing balance		-	
. Analysis of balance by source			
		2024/25	2023/24
	Note	R'000	R'000
Aid assistance from RDP		-	

4.2. Analysis of balance

CARA Funds
Closing balance

Aid assistance from other sources

	Note	2024/25 R'000	2023/24 R'000
Aid assistance receivable		-	_
Aid assistance prepayments (not expensed)		-	-
Aid assistance unutilised		-	-
Aid assistance repayable		-	-
Closing balance	4	-	-
Aid assistance not requested/not received			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

4.2.1. Aid assistance prepayments (expensed)

	Amount as at 1 April 2024	Less: Received in the current year	Less: Other	Amount as at 31 March 2025
Name of entity	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

			2023/24		
	Amount as at 1 April 2023	Less: Received in the current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2024
Name of entity	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
Capital assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

4.3. Prior period error

Nature of prior period error	Note	2023/24 R'000
Relating to 2022/23 [affecting the opening balance]		-
Relating to 2023/24		-
Total prior period errors		-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

4.4. Aid assistance expenditure per economic classification

		2024/25		
	Note	R'000	R'000	
Current		-	-	
Capital	10	-	-	
Transfers and subsidies		-	-	
Total aid assistance expenditure	-	-	-	

4.5. Aid assistance received in-kind (not included in the main note)

		2024/25	2023/24
	Note	R'000	R'000
List aid assistance received in-kind	Annex 1I	-	
		-	-
	_		
Total aid assistance received in kind	_	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

5. Compensation of employees

5.1. Analysis of balance

Note	R'000	R'000
	505,697	492,605
	15	72
	2,249	850
	1,321	2,301
	30,957	24,604
	103,850	98,970
	644,089	619,402
		15 2,249 1,321 30,957 103,850

5.2. Social contributions

		2024/25	2023/24
Employer contributions	Note	R'000	R'000
Pension		61,686	59,493
Medical		46,342	42,689
UIF		653	278
Bargaining council		154	161
Official unions and associations		-	-
Insurance		2,320	1,236
Total		111,155	103,857
Total compensation of employees		755,244	723,259
Average number of employees		1,337	1,417

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

6. Goods and services

	2024/25		2023/24
	Note	R'000	R'000
Administrative fees		419	390
Advertising		1,601	4,430
Minor assets	6.1	40	234
Bursaries (employees)		1,242	1,703
Catering		1,219	555
Communication		11,552	9,887
Computer services	6.2	41,573	33,395
Consultants: Business and advisory services		11,740	25,115
Infrastructure and planning services		-	-
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		7,768	3,105
Contractors		3,950	3,470
Agency and support / outsourced services		8,660	5,758
Entertainment		-	-
Audit cost - external	6.3	15,924	10,029
Fleet services		17,355	16,586
Inventories	6.4	-	-
Consumables	6.5	6,872	10,408
Housing		-	-
Operating leases		4,085	3,136
Property payments	6.6	106,907	88,833
Rental and hiring		54	-
Transport provided as part of the departmental activities		900	-
Travel and subsistence	6.7	16,499	16,476
Venues and facilities		175	31
Training and development		3,833	4,001
Other operating expenditure	6.8	1,379	2,340
Total	-	263,747	239,882

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

6.1. Minor assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets		40	234
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		40	234
Land and subsoil assets		-	-
Specialised military assets		-	-
Intangible capital assets		-	
Software		-	_
Mastheads and publishing titles		-	_
Patents, licences, copyright, brand names and trademarks		-	_
Recipes, formulae, prototypes, designs, models		-	_
Services and operating rights		-	_
Total	6	40	234

6.2. Computer services

Note	2024/25	2023/24
	R'000	R'000
	29,910	18,206
	11,663	15,189
6	41,573	33,395
	-	Note R'000 29,910 11,663

6.3. Audit cost - external

	2024/25	2023/24
Note	R'000	R'000
	15,924	10,029
	-	-
	-	-
	-	-
	-	-
6	15,924	10,029
		Note R'000 15,924

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

6.4. Inventories

		2024/25	2023/24
	Note	R'000	R'000
Clothing material and accessories		-	-
Farming supplies		-	-
Food and food supplies		-	-
Fuel, oil and gas		-	-
Learning, teaching and support material		-	-
Materials and supplies		-	-
Medical supplies		-	-
Medicine		-	-
Medsas inventory interface		-	-
Other supplies	6.4.1		
Total	6	-	

6.4.1. Other supplies

		2024/25	2023/24
	Note	R'000	R'000
Ammunition and security supplies		-	_
Assets for distribution		-	-
Machinery and equipment		-	-
School furniture		-	-
Sports and recreation		-	-
Library material		-	-
Other assets for distribution		-	-
Other	L	-	_
Total	6.4	-	
	=		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

6.5. Consumables

	Note	2024/25 R'000	2023/24 R'000
Consumable supplies		4,350	7,559
Uniform and clothing		2,060	2,531
Household supplies		954	2,075
Building material and supplies		-	-
Communication accessories		-	-
IT consumables		206	114
Other consumables		1,130	2,839
Stationery, printing and office supplies	ı	2,522	2,849
Total	6	6,872	10,408

6.6. Property payments

	Note	2024/25 R'000	2023/24 R'000
Municipal services		25,315	22,709
Property management fees		-	-
Property maintenance and repairs		10,767	15,798
Other		70,825	50,326
Total	6	106,907	88,833

6.7. Travel and subsistence

		2024/25	2023/24	
	Note	R'000	R'000	
Local		15,901	16,476	
Foreign		598	-	
Total	6	16,499	16,476	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

6.8. Other operating expenditure

		2024/25 Note R'000	2023/24 R'000
	Note		
Professional bodies, membership and subscription fees		-	_
Resettlement costs		31	914
Other		1,348	1,426
Total	6	1,379	2,340

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

	Note	2024/25	2023/24
Name of Commission / Committee of Inquiry		R'000	R'000
		-	-
		-	-
Total		<u>-</u>	

7. Interest and rent on land

		2024/25	2023/24
	Note	R'000	R'000
Interest paid		-	-
Rent on land		-	-
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

8. Payments for financial assets

		2024/25	2023/24
	Note	R'000	R'000
Material losses through criminal conduct		-	-
Theft	8.4	-	-
Other material losses	8.1	-	-
Purchase of equity	'	-	-
Extension of loans for policy purposes		-	-
Other material losses written off	8.2	-	-
Debts written off	8.3	-	261
Forex losses	8.5	-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		-	261

No debts were written-off in the current financial year.

8.1. Other material losses

		2024/25	2023/24	
Nature of other material losses	Note	R'000	R'000	
Group major categories, but list material items		-	-	
		-	-	
		-	-	
		-	-	
Total	8	-	-	

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

8.2. Other material losses written off

		2024/25	2023/24
Nature of losses	Note	R'000	R'000
Group major categories, but list material items		-	-
			-
Total	8		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

8.3. Debts written off

8.4.

8.5.

	-	
	-	
	-	
	-	
	-	
	-	
	<u> </u>	
	-	
		1
	-	2
8	-	2
	2024/25	2023/24
Note	R'000	R'000
	-	
	- -	
8	-	
	2024/25	2023/24
Note	R'000	R'000
	-	
	Note 8	2024/25 Note R'000 2024/25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Total	8	-	-

9. Transfers and subsidies

	Note	2024/25 R'000	2023/24 R'000
Provinces and municipalities	46,47	1,087,506	1,186,164
Departmental agencies and accounts	Annex 1B	-	612
Higher education institutions	Annex 1C	-	-
Foreign governments and international organisations	Annex 1E	-	-
Public corporations and private enterprises	Annex 1D	-	-
Non-profit institutions	Annex 1F	-	-
Households	Annex 1G	10,564	12,322
Total	- -	1,098,070	1,199,098

9.1. Gifts, donations and sponsorships made in kind (not included in the main note)

	Note	2024/25 R'000	2023/24 R'000
	Annex 1J		
Gifts		-	-
Donations		-	-
Sponsorships		-	-
Total	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

10. Expenditure for capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets		20,157	51,409
Buildings and other fixed structures		12,733	46,408
Heritage assets		-	-
Machinery and equipment		7,424	5,001
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible capital assets		115	-
Software		115	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names and trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		20,272	51,409
The following amounts have been included as project costs in Expenditure for capital assets Compensation of employees Goods and services			
Total			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

10.1. Analysis of funds utilised to acquire capital assets - Current year

	2024/25		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	20,157	-	20,157
Buildings and other fixed structures	12,733	-	12,733
Heritage assets	-	-	-
Machinery and equipment	7,424	-	7,424
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible capital assets	115	-	115
Software	115	-	115
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names and trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	20,272	-	20,272

10.2. Analysis of funds utilised to acquire capital assets - Prior year

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	51,409	-	51,409
Buildings and other fixed structures	46,408	-	46,408
Heritage assets	_	-	-
Machinery and equipment	5,001	-	5,001
Specialised military assets	_	-	-
Land and subsoil assets	_	-	-
Biological assets	_	-	-
Intangible capital assets	-	-	-
Software	-	-	-
Mastheads and publishing titles	_	-	-
Patents, licences, copyright, brand names and trademarks	_	-	-
Recipes, formulae, prototypes, designs, models	_	-	-
Services and operating rights	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Total 51,409 51,409

10.3. Finance lease expenditure included in Expenditure for capital assets

No	2024/25 te R'000	2023/24 R'000
Tangible capital assets	190	93
Buildings and other fixed structures	-	-
Heritage assets	-	-
Machinery and equipment	190	93
Specialised military assets	-	-
Land and subsoil assets	-	-
Biological assets	-	-
Intangible capital assets	-	-
Software	-	-
Mastheads and publishing titles	-	-
Patents, licences, copyright, brand names and trademarks	-	_
Recipes, formulae, prototypes, designs, models	-	-
Services and operating rights	-	-
		_
Total	190	93

11. Cash and cash equivalents

	Nata	2024/25	2023/24
	Note	R'000	R'000
Consolidated Paymaster General Account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		28	28
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		28	28

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

12. Other financial assets

Current	Note	2024/25 R'000	2023/24 R'000
Local		-	-
Group major categories, but list material items		-	-
		-	-
Total		<u>-</u>	
Foreign		-	-
Group major categories, but list material items		-	-
		-	-
Total			
Total Current other financial assets		-	-
Non-current	Note	2024/25 R'000	2023/24 R'000
Local		-	-
Group major categories, but list material items		-	-
		-	-
		_	_
Total		-	
		-	
Foreign		-	-
		-	-
Foreign		- - - - -	- - -
Foreign		- - - - -	- - - - -

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

13. Prepayments and advances

	Note	2024/25 R'000	2023/24 R'000
Staff advances		-	
Travel and subsistence		-	
Prepayments (Not expensed)	13.2	-	
Advances paid (Not expensed)	13.1	-	
SOCPEN advances		-	
Total		-	
Analysis of Total Prepayments and advances		-	
Current Prepayments and advances		-	
Non current Prepayments and advances		-	
Total		-	
	:		

No prepayments and advances made.

13.1. Advances paid (Not expensed)

		2024/25						
	Note			Amount as at 1 April 2024	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2025
		R'000	R'000	R'000	R'000	R'000		
National departments		-	-	-	-	-		
Provincial departments		-	-	-	-	-		
Public entities		-	-	-	-	-		
Other entities		-	-	-	-	-		
Total	13	-	-	-	-	-		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

2023/24

		2023/24					
	Note		Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024
		R'000	R'000	R'000	R'000	R'000	
National departments		-	-	-	-	-	
Provincial departments		-	-	-	-	-	
Public entities		-	-	-	-	-	
Other entities		-	_	-	-	-	
Total	13	-	-	-	-	-	

13.2. Prepayments (Not expensed)

2024/25

	Note	Amount as at 1 i April 2024	as at 1	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2025	
			R'000	R'000	R'000	R'000		
Goods and services		-	-	-	-	-		
Interest and rent on land		-	-	-	-	-		
Transfers and subsidies		-	-	-	-	-		
Capital assets		-	-	-	-	-		
Other		-	-	-	-	-		
Total	13	-	-	-	-	-		

Include discussion here where deemed relevant.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

2023/24

			Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000	
Goods and services		-	_	-	-	-	
Interest and rent on land		-	-	-	-	-	
Transfers and subsidies		-	-	-	-	-	
Capital assets		-	-	-	-	-	
Other		-	-	-	-	-	
Total	13	-	-	-	-	-	

13.3. Prepayments (Expensed)

	Amount as at 1 April 2024	Less: Received in the current year	Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

2023/24

	Amount as at 1 April 20XX	Less: Received in the current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2024		
	R'000	R'000	R'000	R'000	R'000		
Goods and services	-	-	-	-	-		
Interest and rent on land	-	-	-	-	-		
Transfers and subsidies	-	-	-	-	-		
Capital assets	-	-	-	-	-		
Other	-	-	-	-	-		
Total		-	-	-	-		

13.4. Advances paid (Expensed)

	Amount as at 1 April 2024	Less: Received in the current year	Less: Other	Amount as at 31 March 2025
National departments	R'000	R'000	R'000	R'000
Provincial departments	_	_	_	_
Public entities				-
	-	-	-	-
Other entities	-	-	-	-
Total	-	-	-	-

2023/24

	Amount as at 1 April 20XX	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
National departments	-	-	-	-	-
Provincial departments	-	-	-	-	-
Public entities	-	-	-	-	-
Other entities	-	-	-	-	-
Total	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

14. Receivables

			2024/25			2023/24	
		Current	Non- current	Total	Current	Non- current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	14.1	814,200		814,200	709,209	-	709,209
Trade receivables	14.2	-	-	-	-	-	-
Recoverable expenditure	14.3	-	-	-	-	-	-
Staff debt	14.4	2,775	16,696	19,471	2,416	12,990	15,406
Other receivables	14.5	-	-	-	788	-	788
Total		816,975	16,696	833,671	712,413	12,990	725,403

Receivables relates to inter departmental accounts (IDA).

14.1. Claims recoverable

		2024/25	2023/24
	Note	R'000	R'000
National departments		325	32
Provincial departments		800,003	696,121
Foreign governments		-	-
Public entities		13,872	13,056
Private enterprises		-	-
Higher education institutions		-	-
Households and non-profit institutions		-	-
Local governments		-	-
Total	14	814,200	709,209

14.2. Trade receivables

	Note	2024/25 R'000	2023/24 R'000
Group major categories, but list material items		-	-
		-	-
		-	-
		-	-
Total	14	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

14.3. Recoverable expenditure

	Note	2024/25 R'000	2023/24 R'000
Group major categories, but list material items		-	-
		-	-
		-	-
Total	14	-	-

14.4. Staff debt

	Note	2024/25 R'000	2023/24 R'000
Group major categories, but list material items			
Breach of contract		16,943	12,962
Employee		699	1,796
Ex – employee		1,207	373
Other		622	275
Total	14	19,471	15,406

Major contributor to this note relates to bursaries awarded to external students.

14.5. Other receivables

	Note	2024/25 R'000	2023/24 R'000
Group major categories, but list material items			
Unauthorised expenditure		-	_
Irregular expenditure		-	-
Fruitless and wasteful expenditure		-	-
Online Travel Account		-	788
Total	14		788
	-		

No other receivables at a reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

14.6. Impairment of receivables

		2024/25	2023/24
No	ote	R'000	R'000
Estimate of impairment of receivables		323,097	291,973
Total		323,097	291,973

Where a client department has failed to pay the outstanding debt within 12 months of the financial year in which the budgeted expenditure occurred. Client departments managed to confirm R556 031 million.

15. Investments

		2024/25	2023/24
Non-current	Note	R'000	R'000
Shares and other equity			
List investments at cost		-	-
		-	-
		-	-
		-	-
Total	-	-	
	-		
Securities other than shares	Annex 2A	-	-
List investments at cost		-	-
		-	-
		-	-
		-	-
Total	-	-	
	-		
Total non-current investments	-		
	-		
		2024/25	2023/24
Analysis of non-current investments	Note	R'000	R'000
Opening balance		-	-
Additions in cash		-	_
Disposals for cash		-	-
Non-cash movements		-	-
Closing balance	-	_	
•	-		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

15.1. Impairment of investments

		Note	2024/25 R'000	2023/24 R'000
	Estimate of impairment of investments		-	-
	Total		-	
16.	Loans			
			2024/25	2023/24
		Note	R'000	R'000
	Public corporations		-	-
	Higher education institutions		_	_
	Foreign governments		-	-
	Private enterprises		-	-
	Non-profit institutions		-	-
	Staff loans		-	-
	Total		-	-
	Analysis of balance	Note	2024/25 R'000	2023/24 R'000
	Opening balance		_	
	New issues		_	_
	Repayments		_	_
	Write-offs		-	_
	Closing balance		-	-
16.1.	Impairment of loans			
			2024/25	2023/24
		Note	R'000	R'000
	Estimate of impairment of loans		-	-
	Total		<u> </u>	
		•		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

17. Voted funds to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		149	103
Prior period error	17.2		-
As restated		149	103
Transferred from statement of financial performance (as restated)		8	46
Add: Unauthorised expenditure for the current year		-	-
Voted funds not requested/not received	1.1	-	-
Transferred to retained revenue to defray excess expenditure (Parliament/Legislatures)	17.1	-	-
Paid during the year		-149	-
Closing balance		8	149

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

		2024/25	2023/24
	Note	R'000	R'000
Opening balance		-	-
Transfer from statement of financial performance		-	-
Transfer from Departmental Revenue to defray excess expenditure	19		-
Total	17	-	_

17.2. Prior period error

Nature of prior period error	Note	2023/24 R'000
Relating to 2022/23 [affecting the opening balance]		-
Relating to 2023/24		-
Total prior period errors		-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

17.3. Reconciliation on unspent conditional grants

		2024/25	2023/24
	Note	R'000	R'000
Opening balance		-	-
Total conditional grants received	1.2	3,722	3,897
Total conditional grants spent		-3,722	-3,897
Unspent conditional grants to be surrendered		-	
Less: Paid to the Provincial Revenue Fund by Provincial department		-	
Approved for rollover		-	
Not approved for rollover		-	
Closing balance	'	-	-
Jioonig Balanoo	,		

18. Statutory Appropriation to be surrendered to the Revenue Fund

		2024/25	2023/24
	Note	R'000	R'000
Opening balance		-	_
Prior period error	18.1		-
As restated		-	
Transferred from statement of financial performance (as restated)		-	
Statutory appropriation not requested/not received	2	-	
Paid during the year		-	-
Closing balance	-	-	-

18.1. Prior period error

Nature of prior period error	Note	2023/24 R'000
Relating to 2022/23 [affecting the opening balance]		-
Relating to 2023/24		-
Total prior period errors		-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

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

	Note	2024/25 R'000	2023/24 R'000
Opening balance		1,927	943
Prior period error	19.1		
As restated		1,927	943
Transferred from statement of financial performance (as restated)		11,333	12,328
Own revenue included in appropriation		-	
Transfer from aid assistance	4	-	
Transferred to voted funds to defray excess expenditure (Parliament/Legislatures)	17.1	-	
Paid during the year		-12,647	-11,344
Closing balance		613	1,927

Prio year and current year departmental revenue collected and surrendered.

19.1. Prior period error

Nature of prior period error	Note	2023/24 R'000
Relating to 2022/23 [affecting the opening balance]		-
Relating to 2023/24		-
Total prior period errors		-

20. Bank overdraft

		2024/25	2023/24
	Note	R'000	R'000
Consolidated Paymaster General account		799,600	696,382
Fund requisition account		-	-
Overdraft with commercial banks (Local)		-	-
Overdraft with commercial banks (Foreign)		-	-
Total		799,600	696,382

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

21. Payables - current

	2024/25		2023/24
	Note	R'000	R'000
Amounts owing to other entities			-
Advances received	21.1	10,309	10,309
Clearing accounts	21.2	33	11
Other payables	21.3	4,668	2,103
Total	-	15,010	12,423
Advances received	-		

21.1. Advances received

		2024/25	2023/24
	Note	R'000	R'000
National departments		-	_
Provincial departments		10,309	10,309
Public entities		-	-
Other institutions		-	-
Total	21	10,309	10,309

21.2. Clearing accounts

	R'000	R'000
	18	6
	-	5
	15	-
21	33	11
	21	15

Uncleared suspense accounts at a reporting date.

21.3. Other payables

		2024/25	2023/24
Description	Note	R'000	R'000
Identify major categories, but list material items			
Tender Deposit		1,329	1,468
Unallocated Payments		3,339	635
Total	21	4,668	2,103

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Performance guarantees and credit balances on IDA receivables.

22. Payables - non-current

			2024/25				
		One to two years	Two to three years	Older than three years	Total	Total	
	Note	R'000	R'000	R'000	R'000	R'000	
Amounts owing to other entities		-	-	-	-	-	
Advances received	22.1	-	-	-	-	-	
Other payables	22.2	-	-	-	-	-	
Total		-	-	-	-	-	

22.1. Advances received

		2024/25	2023/24
	Note	R'000	R'000
National departments		-	-
Provincial departments		-	-
Public entities		-	-
Other institutions		-	-
Total	22	-	-

22.2. Other payables

		2024/25	2023/24	
Description	Note	R'000	R'000	
		-	-	
		-	-	
Total	22	-	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

23. Net cash flow available from operating activities

	Note	2024/25 R'000	2023/24 R'000
Net surplus/(deficit) as per Statement of Financial Performance		11,341	12,374
Add back non-cash/cash movements not deemed operating activities		-99,430	-166,327
(Increase)/decrease in receivables		-108,268	-206,350
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables - current		2,587	205
Proceeds from sale of capital assets		-1,225	-154
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		20,272	51,316
Surrenders to Revenue Fund		-12,796	-11,344
Surrenders to RDP Fund/Donors		-	-
Voted funds not requested/not received		-	-
Statutory Appropriation not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities	ı	-88,089	-153,953

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

		2024/25	2023/24
	Note	R'000	R'000
Consolidated Paymaster General account		-799,600	-696,382
Fund requisition account			-
Cash receipts			-
Disbursements			-
Cash on hand		28	28
Cash with commercial banks (Local)			-
Cash with commercial banks (Foreign)			-
Total		-799,572	-696,354

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

25. Contingent liabilities and contingent assets

25.1. Contingent liabilities

			2024/25	2023/24
Liable to	Nature	Note	R'000	R'000
Motor vehicle guarantees	Employees	Annex 3A	-	_
Housing loan guarantees	Employees	Annex 3A	-	-
Other guarantees		Annex 3A	-	-
Claims against the department		Annex 3B	3,940	9,558
Intergovernmental payables		Annex 5	24,093	3,067
Environmental rehabilitation liability		Annex 3B	-	-
Other		Annex 3B	-	-
Total		-	28,033	12,625

25.2. Contingent assets

Nature of contingent asset	Note	2024/25 R'000	2023/24 R'000
Claim for damages on vehicles		64	64
Recovery on Guarantee		28,800	6,305
Salary Overpayment & Unjust enrichment		253	253
Recoveries for cancellation of contract		7,036	7,036
Breach of contract		28,405	28,405
Recoveries of bursary debt		3,084	3,099
Recoveries on fraudulent payment		620	620
Rental		48	48
Claim for profession negligence.		15,801	15,801
Damage to security wall		-	-
Penalties and Recovery of monies in terms of final certificate		1,883	1,883
Recovery of damages for defective design		43,269	43,269
Total		129,262	106,783

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

26. Capital commitments.

	Note	2024/25 R'000	2023/24 R'000
Buildings and other fixed structures		1,824	3,808
Heritage assets		-	-
Machinery and equipment		-	3,385
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets			-
Total	-	1,824	7,193

27. Accruals and payables not recognised

27.1. Accruals

		2024/25		2023/24
	30 Days	30+ Days	Total	Total
Note	R'000	R'000	R'000	R'000
	13,074	825	13,899	14,264
	-	-	-	-
	12	-	12	2,851
	63	-	63	3
	-	-	-	-
	13,149	825	13,974	17,118
	Note	Note R'000 13,074 - 12 63 -	R'000 R'000 13,074 825 - - 12 - 63 - - -	Note R'000 R'000 R'000 13,074 825 13,899 - - - 12 - 12 63 - 63 - - -

		2024/25	2023/24
Listed by programme level	Note	R'000	R'000
Programme 1: Administration		8,826	10,555
Programme 2: Works Infrastructure		5,121	5,732
Programme 3: Expanded Public Works		27	831
Total	_	13,974	17,118

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

27.2. Payables not recognised

			2023/24			
		30 Days	30+ Days	Total	Total	
Listed by economic classification	Note	R'000	R'000	R'000	R'000	
Goods and services		12,927	11,992	24,919	43,897	
Interest and rent on land		-	-	-	-	
Transfers and subsidies		138,110	283,449	421,559	149,448	
Capital assets		-	559	559	9,379	
Other		-	-	-	-	
Total	_	151,037	296,000	447,037	202,724	

		2024/25	2023/24
Listed by programme level	Note	R'000	R'000
Programme 1: Administration		15,267	32,667
Programme 2: Works Infrastructure		431,732	160,932
Programme 3: Expanded Public Works		38	9,125
Total		447,037	202,724

		2024/25	2023/24
Included in the above totals are the following:	Note	R'000	R'000
Confirmed balances with other departments	Annex 5	2,042	4,899
Confirmed balances with other government entities	Annex 5	8,533	-
Total	_	10,575	4,899

Increase in Payables not recognised is due to Increase in market value of properties due to the implementation of the general evaluation roll.

28. Employee benefits

		2024/25	
	Note	R'000	R'000
Leave entitlement		40,437	38,762
Service bonus		19,449	18,577
Performance awards		-	-
Capped leave		23,193	24,881
Other		3,919	2,945
Total	-	86,998	85,165
	=		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

At this stage the department is not able to reliably measure the long term portion of the long service awards.

		2024/25	2023/24
Included in the above totals are the following:	Note	R'000	R'000
Confirmed balances with other departments	Annex 5	_	-
Confirmed balances with other government entities	Annex 5	-	-
Total	-	-	-

29. Lease commitments

29.1. Operating leases

2024/25

	Specialised military equipment	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	3,560	3,560
Later than 1 year and not later than 5 years	-	-	-	1,617	1,617
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	5,177	5,177

2023/24

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures	Machinery and equipment R'000	Total
	1 000	17 000	1 000		
Not later than 1 year	-	-	-	3,685	3,685
Later than 1 year and not later than 5 years	-	-	-	3,947	3,947
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	7,632	7,632

Operating leases relates to photocopiers.

		2024/25	2023/24
	Note	R'000	R'000
Rental earned on sub-leased assets	3	-	-
Total	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

29.2. Finance leases **

29.3.

2024/25

	Specialised military equipment	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	140	140
Later than 1 year and not later than 5 years	-	-	-	44	44
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	184	184

2023/24

	Specialised military equipment	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	_	-	-	146	146
Later than 1 year and not later than 5 years	-	-	-	86	86
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	232	232

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

Finance lease commitments relates to Cell phone contracts.

	2024/25	2023/24
Note	R'000	R'000
3	-	-
-	-	-
	Note 3	Note R'000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

29.4. Operating lease future revenue

2	N	2	1	12	5
	u	_	4	_	-

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

2023/24

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

30. Accrued departmental revenue

		2024/25	
	Note	R'000	R'000
Sales of goods and services other than capital assets		2,341	3,296
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Other		-	-
Total		2,341	3,296

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

30.1. Analysis of accrued departmental revenue

30.2.

30.3.

31.

	Note	2024/25 R'000	2023/24 R'000
Opening balance		3,296	2,20
Less: amounts received		1,259	11
Less: services received in lieu of cash		-	
Add: amounts recorded		304	1,20
Less: amounts written off/reversed as irrecoverable		-	
Less: amounts transferred to receivables for recovery		-	
Other (Specify)		-	
Closing balance	:	2,341	3,29
Accrued departmental revenue written off			
		2024/25	2023/24
Nature of losses	Note	R'000	R'000
Total			
mpairment of accrued departmental revenue	,		
		2024/25	2023/24
	Note	R'000	R'000
Estimate of impairment of accrued departmental revenue			
Total	,		
Jnauthorised, Irregular and Fruitless and wasteful expend	iture		
		2024/25	2023/24
	Note	R'000	R'000
Unauthorised expenditure - current year			
Irregular expenditure - current year		5,454	1,50
mogalar experiation carrent year		,	,
Fruitless and wasteful expenditure - current year		2	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

32. Related party transactions

Related party transactions		2024/25	2023/24
Revenue received	Note	R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Total	:	-	-
Payments made	Note	2024/25 R'000	2023/24 R'000
Compensation of employees			
Goods and services		_	_
Interest and rent on land		_	_
Expenditure for capital assets		_	_
Payments for financial assets		_	_
Transfers and subsidies		-	-
Total		-	-
		2024/25	2023/24
Year end balances arising from revenue/payments	Note	R'000	R'000
Receivables from related parties		-	-
Payables to related parties		-	-
Total		-	-
		2024/25	2023/24
Loans to/from related parties	Note	R'000	R'000
Non-interest bearing loans to/(from)		-	-
Interest bearing loans to/(from)		-	-
Total	:	-	
		2024/25	2023/24
Other	Note	R'000	R'000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Guarantees issued/received List other contingent liabilities between the department and related party		-	-
Total			
In-kind goods and services (provided)/received	Note	2024/25 R'000	2023/24 R'000
List in-kind goods and services between the department and related party		-	-
Total		<u>-</u>	

The Department shared same MEC - Mr. SC NKOSI with Human Settlement. The following departments occupies our buildings rent free, SASSA, Social Development, Cooperative government and Traditional Affairs, Transport, Health, Office of the Premier, Education, Human settlement, Arts and Culture, and Department of Agriculture.

KZN Department of Human settlement moved during second quarter and shared with KZN Department of Transport.

33. Key management personnel

	2024/25 R'000	2023/24 R'000
Political office bearers (<i>provide detail below</i>) Officials:	2,186	2,195
Level 16. HOD	2,260	2,115
Level 14 CFO and Chief Directors	6,027	6,029
Level 13 Acting Chief Directors	2,566	-
Family members of key management personnel	2,084	1,167
Total	15,123	11,506
Key management personnel (Parliament/Legislatures)	2024/25 R'000	2023/24 R'000
Speaker to Parliament/Legislature	-	
Deputy Speaker	-	_
Secretary to Parliament/Legislature	-	-
Deputy Secretary	-	-
Chief Financial Officer	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Legal advisor		-	
Other		-	
Total		-	
Dublic private partnership			
Public private partnership			
	Note	2024/25 R'000	2023/24 R'000
	Note	K'000	K 000
Concession fee received		-	
Base fee received		-	
Variable fee received		-	
Other fees received (Specify)		-	
Unitary fee paid		-	
Fixed component		-	
Indexed component		-	
Analysis of indexed component		-	
Compensation of employees		-	
Goods and services (excluding lease payments)		-	
Operating leases		-	
Interest		-	
Capital / (Liabilities)		-	
Tangible rights		-	
Intangible rights		_	
Property		_	
Plant and equipment		_	
Loans		-	
Other		<u>-</u>	
Prepayments and advances		_	
Pre-production obligations		_	
Other obligations		_	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

35. Impairment (other than receivables, accrued departmental revenue, loans and investments)

		2024/25	2023/24
	Note	R'000	R'000
Please specify		-	-
Total			

36. Provisions

		2024/25	2023/24
	Note	R'000	R'000
Retention		104	385
		-	-
Total	_	104	385

36.1. Reconciliation of movement in provisions - Current year

2024/25

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	385		385
Increase in provision	-	-	-	_
Settlement of provision	-	-281		-281
Unused amount reversed	-	-		_
Reimbursement expected from third party	-	-		-
Change in provision due to change in estimation of inputs	-	-		-
Closing balance	-	104		104

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Reconciliation of movement in provisions - Prior year

2023/24

	Provision 1	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000 R'000		R'000	
Opening balance	-	572	-	572	
Increase in provision	-	-	-	-	
Settlement of provision	-	-187	-	-187	
Unused amount reversed	-	-	-	-	
Reimbursement expected from third party	-	-	-	-	
Change in provision due to change in estimation of inputs	-	-	-	-	
Closing balance	-	385	-	385	

37. Non-adjusting events after reporting date

		2024/25
Nature of the event	Note	R'000
Include an estimate of the financial effect of the subsequent non- adjusting events or a statement that such an estimate cannot be made		-
Total		-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

38. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

			2024/25		
	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	195,700		6,623	1,150	201,173
Transport assets	72,815		-	365	72,450
Computer equipment	74,457		6,046	704	79,799
Furniture and office equipment	14,133		571	73	14,631
Other machinery and equipment	34,295		6	8	34,293
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-		-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
FINANCE LEASE ASSETS	291		112	-	403
Finance lease assets	291		112	-	403
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	195,991	-	6,735	1,150	201,576

Movable Tangible Capital Assets under investigation

	Number		Value
	Note		R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:		-	-
Heritage assets		-	-
Machinery and equipment		-	-
Specialised military assets		-	-
Biological assets		-	-
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

38.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	192,182	-	4,621	1,103	195,700
Transport assets	73,778	-	-	963	72,815
Computer equipment	70,624	-	3,973	140	74,457
Furniture and office equipment	13,620	-	513	-	14,133
Other machinery and equipment	34,160	-	135	-	34,295
SPECIALISED MILITARY ASSETS	-	-	-	-	
Specialised military assets	-	-	-	-	
BIOLOGICAL ASSETS	-	-	-	-	
Biological assets	-	-	-	-	
FINANCE LEASE ASSETS	125	-	166	-	291
Finance lease assets	125	-	166	-	291
TOTAL MOVABLE TANGIBLE					
CAPITAL ASSETS	192,307	-	4,787	1,103	195,991

Cell phone handset included as Finance lease assets.

38.1.1. Prior period error

Nature of prior period error Note		2023/24 R'000
Relating to 2022/23 [affecting the opening balance		
		-
Relating to 2023/24		-
reduing to 2020/21		-
		-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Total prior period errors	-
rotal prior poriou direit	

38.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

20	24/	25
----	-----	----

	Specialis ed military assets	Intangibl e assets	Heritage assets	Machiner y and equipme nt	Biologica I assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	12,948	-	23	12,971
Value adjustments					-		-
Additions	-	-	-	41	-	4	45
Disposals	-	-	-	136	-	-	136
Total Minor assets	-	-	-	12,853	-	27	12,880

	Specialis ed military assets	Intangibl e assets	Heritage assets	Machiner y and equipme nt	Biologica I assets	Finance lease assets	Total
Number of R1 minor assets	-	-	-	11,307	-	-	11,307
Number of minor assets at cost				7,775		8	7,783
Total number of minor assets				19,082		8	19,090

Minor capital assets under investigation

	Nu	Number		
	Note		R'000	
Included in the above total of the minor capital assets per the asset register that are under investigation:		_	-	
Specialised military assets		-	-	
Intangible assets		-	-	
Heritage assets		-	-	
Machinery and equipment		-	-	
Biological assets		-	_	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24

	Specialis ed military assets	Intangibl e assets	Heritage assets	Machiner y and equipme nt	Biologica I assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	12,714	-	2	12,716
Prior period error	-	-	-	-	-	-	-
Additions	-	-	-	234	-	21	255
Disposals	-	-	-	-	-	-	-
Total Minor assets	-	-	-	12,948	-	23	12,971

	Specialis ed military assets	Intangibl e assets	Heritage assets	Machiner y and equipme nt	Biologica I assets	Finance lease assets	Total
Number of R1 minor assets	-	-	-	11,272	-	-	11,272
Number of minor assets at cost	-	-	-	7,738	-	6	7,744
Total number of minor assets	-	-	-	19,010	-	6	19,016

38.2.1. Prior period error

		2023/24
Nature of prior period error	Note	R'000
Relating to 20WW/XX [affecting the opening balance]		-
		-
D 1 11 1 2000/04		-
Relating to 2023/24		-
Total prior period errors		_
Total prior period errors		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

38.3. Movable capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

		2024/25								
	Specialis ed military assets	Intangibl e assets	Heritage assets	Machiner y and equipme nt	Biologic al assets	Finance lease assets	Total			
	R'000	R'000	R'000	R'000	R'000	R'000	R'000			
Assets written off	-	-	-	627	-	-	627			
Total movable assets written off	-	-	-	627	-	-	627			

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	2023/24								
	-	Intangibl e assets	Heritage assets	Machiner y and equipme nt	Biologic al assets	Finance lease assets	Total		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		
Assets written off	-	1,941	-	1,042	-	-	2,983		
Total movable assets written off	-	1,941	-	1,042	-	-	2,983		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

38.4. Movable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

		2024/25				
		Opening balance 1 April 2024	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminate d	Closing balance 31 March 2025	
	Note	R'000	R'000	R'000	R'000	
Heritage assets		-	-	-	-	
Machinery and equipment		-	-	-	-	
Specialised military assets		-	-	-	-	
Biological assets		-	-	-	-	
Total		-	-	-	-	

Payables not recognised relating to Capital WIP		2024/25	2023/24	
	Note	R'000	R'000	
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress		-	-	
		-	-	
		-	-	
		-	-	
Total		-	_	

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24							
					Opening balance 1 April 20XX	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000			
Heritage assets		-	-	-	-	-			
Machinery and equipment		-	-	-	-	-			
Specialised military assets		-	-	-	-	-			
Biological assets		-	-	-	-	-			
Total	Annex 7	-	-	-	-	-			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

39. **Intangible Capital Assets**

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 **MARCH 2025**

ening lance	Additions	Di

2024/25

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	7,389	115	-	7,504
MASTHEADS AND PUBLISHING TITLES	-		-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS				
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-		-	-
SERVICES AND OPERATING RIGHTS	-		-	-
FINANCE LEASE ASSETS	-		-	-
TOTAL INTANGIBLE CAPITAL ASSETS	7,389	115	-	7,504

Intangible Capital Assets under investigation

	Nu	umber	Value
	Note		R'000
Included in the above total of the intangible capital assets per the asset register that are under investigation:		-	_
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models			-
Services and operating rights		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

39.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24

Opening balance	Prior period error	Additions	Disposals	Closing balance
R'000	R'000	R'000	R'000	R'000
9,330	-	-	1,941	7,389
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,330	-	-	1,941	7,389
	9,330	balance error R'000 R'000 9,330 - -	balance error Additions R'000 R'000 R'000 9,330 - - -	balance error Additions Disposals R'000 R'000 R'000 9,330 - - 1,941 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

39.1.1. Prior period error

Nature of prior period error	Note	2023/24 R'000
Relating to 20WW/XX [affecting the opening balan	nce]	-
Relating to 2023/24		-
		-
Total prior period errors		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

39.2. Intangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

		Opening balance 1 April 2024	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2025
	Note	R'000	R'000	R'000	R'000
Intangible assets	Annex 7	34,612	-	34,612	-
Total		34,612	-	34,612	-

The amount has been disclosed as fruitless and wasteful expenditure in the current financial year.

Payables not recognised relating to Capital WIP		2024/25	2023/24
	Note	R'000	R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress			- - -
Total			

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

		Opening balance 1 April 20XX	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000
Intangible assets		34,612	-	-	-	34,612
Total		34,612	-	-	-	34,612

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

40. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25							
	Opening balance	Additions	Disposals	Closing balance				
-	R'000	R'000	R'000	R'000				
BUILDINGS AND OTHER FIXED								
STRUCTURES	20,421,759	233,366	4,170	20,650,955				
Dwellings	689,838	18,028	-	707,866				
Non-residential buildings	19,731,921	215,338	4,170	19,943,089				
Other fixed structures	-	-	-	-				
HERITAGE ASSETS	_	-	-	-				
Heritage assets	-	-	-	-				
LAND AND SUBSOIL ASSETS	1,043,649	9,290	1,062	1,051,877				
Land	1,043,649	9,290	1,062	1,051,877				
Mineral and similar non-regenerative resources	-	-	-	-				
FINANCE LEASE ASSETS	-	-	-	-				
Finance lease assets	-	-	-	-				
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	21,465,408	242,656	5,232	21,702,832				

Included in immovable assets totalling R21 702 831 000 (2024: R21 465 407 000) is an amount of R746 360 635 (2024: R831 530 352) 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.

Immovable Tangible Capital Assets under investigation

		Number	Value	
	Note		R'000	
Included in the above total of the immovable tangible capital assets per the asset register that are under investigation:		-	-	
Buildings and other fixed structures		-	-	
Heritage assets		-	-	
Land and subsoil assets		-	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Total	 -

40.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24 Opening Prior period Closing balance error **Additions Disposals** balance R'000 R'000 R'000 R'000 R'000 **BUILDINGS AND OTHER FIXED STRUCTURES** 20,158,227 314,317 50,785 20,421,759 **Dwellings** 689,479 1,624 1,265 689,838 Non-residential buildings 19,468,748 312,693 49,520 19,731,921 Other fixed structures **HERITAGE ASSETS** Heritage assets _ LAND AND SUBSOIL ASSETS 1,050,344 1 710 7,406 1,043,649 1,050,344 1 710 7,406 Land 1,043,649 Mineral and similar non-regenerative resources **FINANCE LEASE ASSETS** Finance lease assets TOTAL IMMOVABLE TANGIBLE **CAPITAL ASSETS** 21,208,571 1 315,027 21,465,408 58.191

40.1.1. Prior period error

Nature of prior period error	Note	2023/24 R'000
Relating to 2022/23 [affecting the opening balance]		1
The adjustments relate to a land parcel that was endorsed Province of KwaZulu-Natal in prior years, but was erroneo omitted from the KZN Department of Public Works' asset r	usly	1
Relating to 2023/24		-
		-
		-
Total prior period errors		1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

40.2. Immovable tangible capital assets: Capital Work-in-progress CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

		2024/25				
		Opening balance 1 April 2024	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2025	
	Note Annex 7	R'000	R'000	R'000	R'000	
Heritage assets		-	-	-	-	
Buildings and other fixed structures		63,178	11,219	3,452	70,945	
Land and subsoil assets		-	-	-	-	
Total		63,178	11,219	3,452	70,945	

Payables not recognised relating to Capital WIP		2024/25	2023/24
	Note	R'000	R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress			7,742
Total	:		7,742

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24					
		Opening balance 1 April 2023	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024	
	Note	R'000	R'000	R'000	R'000	R'000	
Heritage assets		-	-	-	-	-	
Buildings and other fixed structures		30,892	-	43,408	11,122	63,178	
Land and subsoil assets		-	-	-	-	-	
Total		30,892	-	43,408	11,122	63,178	

40.3. Immovable tangible capital assets written off

IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

	2024/25					
	Building s and other fixed structure s	Heritage assets	Land and subsoil assets	Finance lease assets	Total	
	R'000	R'000	R'000	R'000	R'000	
Assets written off	-	-	-	-		
Total Immovable capital assets written off	_	_	-	-		

IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

2023/24				
Building s and other fixed structure s	Heritage assets	Land and subsoil assets	Finance lease assets	Total
R'000	R'000	R'000	R'000	R'000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Total immovable capital assets				-	
written off	-	-	-		-

40.4. Immovable capital assets (additional information)

			Note	2024/25	2023/24
		Estimated completion		Area	Area
a)	Unsurveyed land	date	Annex 9		
				KZN	KZN
b)	Properties deemed vested		Annex 9		
,	Land parcels			260	329
	Facilities				
	Schools			157	167
	Clinics			24	26
	Hospitals			3	-
	Office buildings			22	16
	Dwellings			54	51
	Storage facilities			-	-
	Other			106	123
c)	Facilities on unsurveyed land	Duration of use	Annex 9		
	Schools			182	207
	Clinics			34	41
	Hospitals			2	-
	Office buildings			26	30
	Dwellings			36	38
	Storage facilities			-	-
	Other			27	21
d)	Facilities on right to use land	Duration of use	Annex 9		
,	Schools			4,108	4,517
	Clinics			345	392
	Hospitals			53	25
	Office buildings			157	195
	Dwellings			277	237
	Storage facilities			-	-
	Other			406	367

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

e)	Agreement of custodianship	Annex 9		
	Land parcels			
	Facilities			
	Schools		-	-
	Clinics		-	-
	Hospitals		-	-
	Office buildings		-	-
	Dwellings		-	-
	Storage facilities		-	-
	Other		-	-

41. Principal-agent arrangements

41.1. Department acting as the principal

	Note	2024/25 R'000	2023/24 R'000
Include a list of the entities acting as agents for the department, the fee paid as compensation to the agent and any other transactions undertaken		-	-
Total			

41.2. Department acting as the agent

41.2.1. Revenue received for agency activities

		2024/25	2023/24
	Note	R'000	R'000
Include a list of the entities for which the department acts as an agent and the amounts received for these agency duties		-	-
Total			
1 0 6 6 1			

41.2.2. Reconciliation of funds and disbursements - Current year

	202	4/25
	Total funds received	Expenditure incurred against funds
Category of revenue or expenditure per arrangement	R'000	R'000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Total				-	
Reconciliation of funds and dis	bursements - Pri	ior year		2023/2)A
					Expenditure incurred against funds
Category of revenue or expend	diture per arrang	ement		R'000	R'000
Total				- - -	
.2.3. Reconciliation of carrying amou	unt of receivable	s and payabl	les - current y	ear	
Receivables					
			2024/25		
	Opening	Revenue	Less: Write	Cash received on	Closing

	2024/25					
	Opening balance 1 April 2024	Revenue principal is entitled to	Less: Write offs / settlements / waivers	Cash received on behalf of principal	Closing balance 31 March 2025	
Name of principal entity	R'000	R'000	R'000	R'000	R'000	
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
Total	-	-	-	-	-	

Payables

	2024/25						
	Opening balance 1 April 2024	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance 31 March 2025			
Name of principal entity	R'000	R'000	R'000	R'000			
	-	-	-	-			
	-	-	-	-			
		-	-				
Total	-	-	-	-			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Reconciliation of carrying amount of receivables and payables - prior year

Receivables

2023/24

	Opening balance 1 April 2024	Revenue principal is entitled to	Less: Write offs / settlements / waivers	Cash received on behalf of principal	Closing balance 31 March 2025		
Name of principal entity	R'000	R'000	R'000	R'000	R'000		
	-	-	-	-	-		
	-	-	-	-	-		
	-	-	-	-	-		
Total	-	-	-	-	-		

Payables

2023/24

	Opening balance 1 April 20XX	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance 31 March 2024			
Name of principal entity	R'000	R'000	R'000	R'000			
	-	-	-	-			
	-	-	-	•			
	-	-	-	-			
Total		-	-	•			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

42. Changes in accounting estimates and Changes in accounting policies

42.1. Changes in accounting estimates

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances

ransactions, assets, liabilities, events and circumstances			
	Value derived using the original estimate	Value derived using the amended estimate	R-value impact of change in estimate
	R'000	R'000	R'000
Accounting estimate change 1: Provide a description of the change in estimate	-	-	-
Line item 1 affected by the change	-	-	-
Line item 2 affected by the change	-	-	-
Line item 3 affected by the change	-	-	-
Line item 4 affected by the change	-	-	-
Line item 5 affected by the change	-	-	-
	Walaa	V-I	
	Value derived using the original estimate	Value derived using the amended estimate	R-value impact of change in estimate
	R'000	R'000	R'000
Accounting estimate change 2: Provide a description of the change in estimate	-	-	-
Line item 1 affected by the change		-	
Line item 2 affected by the change	-	-	
Line item 3 affected by the change	-	-	
Line item 4 affected by the change	-	-	
Line item 5 affected by the change	-	-	-
	Value derived using the original estimate	Value derived using the amended estimate	R-value impact of change in estimate
	R'000	R'000	R'000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Line item 1 affected by the change	-	-	-
Line item 2 affected by the change	-	-	-
Line item 3 affected by the change	-	-	-
Line item 4 affected by the change	-	-	-
Line item 5 affected by the change	-	-	-

0000/04

42.2. Changes in accounting policies

		2023/24						
		Opening balance before the change (1 Apr 2023)	Adjust- ment of opening balance	Restated opening balance after the change (1 Apr 2023)	Adjust- ment for 2023/24	Restated closing balance (31 Mar 2024)		
Nature of change in accounting policy	Note	R'000	R'000	R'000	R'000	R'000		
Finance lease assets								
Movable Tangible Capital Assets	38	-	125	125	166	291		
Intangible Capital Assets	39	-	-	-	-	-		
Immovable Tangible Capital Assets	40	-	-	-	-	-		
Minor Assets	38	-	2	2	21	23		

Included in the opening balances for 2023/24 and 2024/25 is a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by a department at the commencement of the lease term rather than at the end of the lease term. The change in accounting policy is applied retrospectively.

43. Prior period errors

43.1. Correction of prior period errors

		2023/24			
	Note	Amount bef error correction	Prior period error	Restated	
		R'000	R'000	R'000	
Revenue: (E.g. Annual Appropriation, Departmental revenue, Aid assistance, etc.)		-	-	-	
Line item 1 affected by the change		-	-	-	
Line item 2 affected by the change		-	-	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Line item 3 affected by the change		-	-	
			2023/24	
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)		-	-	
Goods and services (communications)	6	9,980	-93	9,887
Machinery & Equipment	10	4,908	93	5,001
		-	-	
Net effect	:	14,888	-	14,888
		Amount bef error	2023/24 Prior period	
	Note	bef error correction	Prior period error	Restated
Acceptant (For Pagainghlan Inventorents	Note	bef error	Prior period	Restated R'000
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)	Note	bef error correction	Prior period error	
Accrued departmental revenue, Movable tangible capital assets, etc.) Line item 1 affected by the change	Note	bef error correction	Prior period error	
Accrued departmental revenue, Movable tangible capital assets, etc.) Line item 1 affected by the change Line item 2 affected by the change	Note	bef error correction	Prior period error	
Accrued departmental revenue, Movable tangible capital assets, etc.) Line item 1 affected by the change Line item 2 affected by the change Line item 3 affected by the change	Note	bef error correction	Prior period error	
Accrued departmental revenue, Movable tangible capital assets, etc.) Line item 1 affected by the change Line item 2 affected by the change	Note	bef error correction	Prior period error	
Accrued departmental revenue, Movable tangible capital assets, etc.) Line item 1 affected by the change Line item 2 affected by the change Line item 3 affected by the change	Note	bef error correction	Prior period error	
Accrued departmental revenue, Movable tangible capital assets, etc.) Line item 1 affected by the change Line item 2 affected by the change Line item 3 affected by the change	Note	bef error correction	Prior period error R'000 -	
Accrued departmental revenue, Movable tangible capital assets, etc.) Line item 1 affected by the change Line item 2 affected by the change Line item 3 affected by the change	Note	bef error correction R'000 - - - - - - - - - - - -	Prior period error R'000 - 2023/24 Prior period	R'000
Accrued departmental revenue, Movable tangible capital assets, etc.) Line item 1 affected by the change Line item 2 affected by the change Line item 3 affected by the change		bef error correction R'000	Prior period error R'000 2023/24 Prior period error	R'000

Finance lease commitments

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Not later than 1 year	-	146	146
Later than 1 year and not later than 5 years	-	86	86
Net effect	_	232	232

		2023/24				
	Note	Amount bef error correction	Prior period error	Restated		
		R'000	R'000	R'000		
Other: (E.g. Unauthorised expenditure, Irregular expenditure, Fruitless and wasteful expenditure, etc.)		-	-	-		
Line item 1 affected by the change		-	-	-		
Line item 2 affected by the change		_	-	-		
Line item 3 affected by the change		-	-	-		
Net effect		-	-	-		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

44. Transfer of functions and mergers

44.1. Transfer of functions

Provide a brief description of the functions transferred or acquired and the reason for undertaking the transaction or event.

44.1.1. Statement of Financial Position

		Balance before transfer date	Functions (transferred) / received	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
			Dept name (Specify)	Dept name (Specify)	Dept name (Specify)	
	Note	R'000	R'000	R'000	R'000	R'000
ASSETS						
Current Assets		-	-	-	-	-
Cash and cash equivalents		-	-	-	-	-
Other financial assets		-	-	-	-	-
Prepayments and advances		-	-	-	-	-
Receivables		-	-	-	-	-
Loans		-	-	-	-	-
Voted funds receivable		-	-	-	-	-
Statutory Appropriation receivable		-	-	-	-	-
Aid assistance prepayments		-	-	-	-	-
Aid assistance receivable		-	-	-	-	-
Non-Current Assets		-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Investments	_	_			_
	_	-	-	-	-
Prepayments and advances	-	-	-	-	-
Receivables	-	-	-	-	-
Loans	-	-	-	-	-
Other financial assets	-	-	-	-	-
TOTAL ASSETS	-	-	-	-	-
LIABILITIES					
Current liabilities	-	-	-	-	-
Voted funds to be surrendered to the Revenue Fund	-	-	-	-	-
Statutory Appropriation to be surrendered to the	-	-	-	-	-
Revenue Fund					
Departmental revenue and NRF Receipts to be	-	-	-	-	-
surrendered to the Revenue Fund					
Bank Overdraft	-	-	-	-	-
Payables	-	-	-	-	-
Aid assistance repayable	_	-	-	-	-
Aid assistance unutilised	_	-	-	_	-
Non-Current liabilities	-	_	-	_	_
Payables	_				-
1 dyddiod					
TOTAL LIABILITIES					
TOTAL LIABILITIES		-	-	-	
NET ASSETS	-	-	-	-	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

44.1.2. Notes

		Balance before transfer date	Functions (transferred) / received	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
			Dept name (Specify)	Dept name (Specify)	Dept name (Specify)	
	Note	R'000	R'000	R'000	R'000	R'000
Contingent liabilities		-	-	-	-	-
Contingent assets		-	-	-	-	-
Capital commitments		-	-	-	-	-
Accruals		-	-	-	-	-
Payables not recognised		-	-	-	-	-
Employee benefits		-	-	-	-	-
Lease commitments - Operating leases		-	-	-	-	-
Lease commitments - Finance leases		-	-	-	-	-
Lease commitments - Operating lease revenue		-	-	-	-	-
Accrued departmental revenue		-	-	-	-	-
Impairment		-	-	-	-	-
Provisions		-	-	-	-	-
Movable tangible capital assets		-	-	-	-	-
Immovable tangible capital assets		-	-	-	-	-
Intangible capital assets		-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

44.2. Mergers

Provide a brief description of the merger and the reason for undertaking the transaction or event.

44.2.1. Statement of Financial Position

		Balance before merger date	Balance before merger date	Balance before merger date	Balance before merger date	Balance after transfer date
		Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combined Dept (Specify)
	Note	R'000	R'000	R'000	R'000	R'000
ASSETS						
Current Assets		-	-	-	-	-
Cash and cash equivalents		-	-	-	-	-
Other financial assets		-	-	-	-	-
Prepayments and advances		-	-	-	-	-
Receivables		-	-	-	-	-
Loans		-	-	-	-	-
Voted funds receivable		-	-	-	-	-
Statutory Appropriation receivable		-	-	-	-	-
Aid assistance prepayments		-	-	-	-	-
Aid assistance receivable		-	-	-	-	-
Non-Current Assets		-	_	-	_	-
Investments		-	-	-	-	-
Prepayments and advances		-	-	-	-	-
Receivables		-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Loans Other financial assets	- -	- -	- -	- -	-
TOTAL ASSETS	-	-	-	-	-
LIABILITIES					
Current liabilities	-	-	-	-	-
Voted funds to be surrendered to the Revenue Fund	-	-	-	-	-
Statutory Appropriation to be surrendered to the Revenue Fund	-	-	-	-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	-	-	-	-	-
Bank Overdraft	-	-	-	-	-
Payables	-	-	-	-	-
Aid assistance repayable	-	-	-	-	-
Aid assistance unutilised	-	-	-	-	-
Non-Current liabilities	-	-	-	-	-
Payables	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
NET ASSETS	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

44.2.2. Notes

		Balance before merger date	Balance before merger date	Balance before merger date	Balance before merger date	Balance after transfer date
		Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combining Dept (Specify)	Combined Dept (Specify)
	Note	R'000	R'000	R'000	R'000	R'000
Contingent liabilities		-	-	-	-	-
Contingent assets		-	-	-	-	-
Capital commitments		-	-	-	-	-
Accruals		-	-	-	-	-
Payables not recognised		-	-	-	-	-
Employee benefits		-	-	-	-	-
Lease commitments - Operating leases		-	-	-	-	-
Lease commitments - Finance leases		-	-	-	-	-
Lease commitments - Operating lease revenue		-	-	-	-	-
Accrued departmental revenue		-	-	-	-	-
Impairment		-	-	-	-	-
Provisions		-	-	-	-	-
Movable tangible capital assets		-	-	-	-	-
Immovable tangible capital assets		-	-	-	-	-
Intangible capital assets		-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

45. Statement of conditional grants received.

					2024/25					202	3/24
		GRAN	NT ALLOCA	TION			SPI	ENT			
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust- ments	Other Adjust- ments	Total Available	Amount received by depart- ment	Amount spent by depart- ment	Under- / (Overspe nding)	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Amount spent by depart- ment
Name of grant	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
EPWP Integrated Grant for Provinces	3,722	-	-	-	3,722	3,722	3,722	-	100%	3,897	3,897
TOTAL	3,722	-	-	-	3,722	3,722	3,722	-		3,897	3,897

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

46. Statement of conditional grants paid to the provinces

						2024/25						202	3/24
		GRANT AL	LOCATION			TRANSFER	R		SP	ENT			
Name of Province / Grant	Division of Revenue Act / Provinci al grants	Roll overs	Adjust- ments	Total Available	Actual transfer	Funds withheld	Realloca tions by National Treasury or National depart- ment	Amount received by depart- ment	Amount spent by depart- ment	Unspent funds	% of available funds spent by depart- ment	Division of Revenue Act / Provinci al grants	Actual transfer s
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-

Summary by grant

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
1. [Grant name]	-	-	-	-	-	-	-	-	-	-	-	-	-
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	_	-	-	-	_	-	-	-	-	-	_
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
2. [Grant name]													
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
3. [Grant name]													
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	_	_	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	_	_	-	-	-	-	-	-	-	-	-	-
Limpopo	-	_	_	_	_	-	-	-	-	-	-	-	-
Mpumalanga	-	_	_	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	_	_	-	-	-	-	-	-	-	-	-	-
North West	-	_	_	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

National Department surrender of unspent conditional grant not approved for rollover

	Related to	conditional g	rants schedule	of 2023/24
ame of Province	Amount not approved for roll overs	Amount received	Amount surrendered to National Revenue Fund	Amount still due
	R'000	R'000	R'000	R'000
	-	-	_	
	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	
DTAL	-	_		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

47. Statement of conditional grants and other transfers paid to municipalities

				2024/25				2023/24		
		GRANT ALL	OCATION			TRANSFER				
	DORA and other transfers	Roll overs	Adjust- ments	Total Available	Actual transfer	Funds withheld	Reallocatio ns by National Treasury / National Department	DORA and other transfers	Actual transfer	
Name of municipality	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
eThekwini Metro	315,442	_	112,654	428,096	427,343	_	-	288,635	433,392	
uGu Municipalities	22,901	-	13,005	35,906	38,682	_	-	21,936	34,635	
uMgungundlovu Municipalities	118,544	_	31,403	149,947	147,445	_	-	113,547	145,608	
uThukela Municipalities	61,565	-	19,008	80,573	79,771	_	-	55,350	98,727	
uMzinyathi Municipalities	41,021	-	15,939	56,960	53,314	_	-	39,292	69,306	
Amajuba Municipalities	16,795	-	10,973	27,768	31,459	_	-	19,707	42,300	
Zululand Municipalities	59,199	-	26,495	85,694	95,249	_	-	56,704	108,569	
uMkhanyakude Municipalities	35,615	-	14,656	50,271	40,939	_	-	34,114	57,478	
King Cetshwayo municipalities	48,888	_	40,244	89,132	97,482	_	-	46,828	113,191	
iLembe Municipalities	23,665	_	34,432	58,097	35,478	-	-	22,668	53,178	
Harry Gwala municipalities	17,795	-	6,986	24,781	40,063	-	-	17,045	29,442	
PD Licences	375	-	-94	281	281	-	-	365	338	
TOTAL	761,805	-	325,701	1,087,506	1,087,506			716,191	1,186,164	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

48. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

49. Natural disaster or relief expenditure

	Note	2024/25 R'000	2023/24 R'000
Compensation of employees		-	-
Goods and services		-	-
Transfers and subsidies		-	-
Expenditure for capital assets		-	-
Other		-	-
Total	Annex 11	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

						2024/25						202	3/24
		GRANT AL	LOCATION			TRANSFER			SPI	ENT			
Name of Municipalit y	DoRA and Other transfers	Roll overs	Adjust- ments	Total Available	Actual transfer	Funds withheld	Re- allocatio ns by National Treasury or National depart- ment	Amount received by municipa lity	Amount spent by municipa lity	Unspent funds	% of available funds spent by municipa lity	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
eThekwini Metro	315,442	-	112,654	428,096	427,343	-	-	427,343	427,343	-	100.0%	288,635	433,392
uGu Municipalities	22,901	-	13,005	35,906	38,682	-	-	38,682	38,682	-	100.0%	21,936	34,635
uMgungundlov u Municipality	118,544	-	31,403	149,947	147,445	-	-	147,445	147,445	-	100.0%	113,547	145,608
uThukela Municipality	61,565	-	19,008	80,573	79,771	-	-	79,771	79,771	-	100.0%	55,350	98,727
uMzinyathi Municipality	41,021	-	15,939	56,960	53,314	-	-	53,314	53,314	-	100.0%	39,292	69,306
Amajuba Municipality	16,795	-	10,973	27,768	31,459	-	-	31,459	31,459	-	100.0%	19,707	42,300
Zululand Municipality	59,199	-	26,495	85,694	95,249	-	-	95,249	95,249	-	100.0%	56,704	108,569

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

uMkhanyaku de Municipality	35,615	-	14,656	50,271	40,939	-	-	40,939	40,939	- 100.0%	34,114	57,478
King Cetshwayo municipality	48,888	-	40,244	89,132	97,482	-	-	97,482	97,482	- 100.0%	46,828	113,191
iLembe Municipality	23,665	-	34,432	58,097	35,478	-	-	35,478	35,478	- 100.0%	22,668	53,178
Harry Gwala municipality	17,795	-	6,986	24,781	40,063	-	-	40,063	40,063	- 100.0%	17,045	29,442
PD Licences	375	-	-94	281	281	-	-	281	281	- 100.0%	365	338
TOTAL	761,805	-	325,701	1,087,506	1,087,506	-	-	1,087,506	1,087,506	-	716,191	1,186,164

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

		2023	/24					
		TRANSFER	ALLOCATION		TRAI	NSFER		
Departmental Agency or Account	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Compensation Commissioner	-	-	-	-	-	-	-	-
Skills Development	600	-	(600)	-	-	-	612	612
Com: Licences	-	-	-	-	-	-	-	-
TOTAL	600	-	(600)	-	-	-	612	612

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1C STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

		2024/25							
		TRANSFER	ALLOCATION			TRANSFER			
Higher Education Institution	Adjusted Budget	Roll overs	Adjustment s	Total Available	Actual transfer	Amount not transferred	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1D STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

				202	4/25				202	3/24
		GRANT ALI	OCATION			EXPEN	DITURE			
Name of public corporation / private enterprise	Adjusted Budget	Roll overs	Adjust- ments	Total Available	Actual transfer	% of Available funds transferre d	Capital	Current	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
T-4-1		-	-	-	-		-	-	-	
Total Subsidies	-	-	-	-	-	-	-	-	-	
Subsidies	_	_	_	_	_	_	_	_	-	
	_	_	_	_	_	<u>-</u>	_	_	_	
	-	-	-	_	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	
Private Enterprises Transfers									-	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Total	-	-	-	-	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1E STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

			2	024/25			2023	/24
		TRANSFER	ALLOCATION		EXPEN	DITURE		
Foreign government / International organisation	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers							-	
	-	-	-	-	-	-	-	
		-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	
Subsidies							-	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	
TOTAL	-	-	-	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1F STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

			202	4/25			2023	/24
		TRANSFER	ALLOCATION		EXPE	NDITURE		
Non-profit institutions	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers							-	
	-	-	-	-			-	
	-	-	-	-			-	
Total	-	-	-	-			-	
Subsidies							-	
	-	-	-	-			-	
	-	-	-	-			-	
Total	-	-	-	-			-	
TOTAL	-	-	-	-			-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1G STATEMENT OF TRANSFERS TO HOUSEHOLDS

			202	24/25			2023	/24
		TRANSFER	ALLOCATION		EXPEN	DITURE		
Household	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
H/H BURSARIES (NON-EMPLOYEES)	4,777	-	(1,382)	3,395	3,395	100%	4,758	2,751
H/H: CLAIMS AGAINST STATE (CASH)	-	-	-	-	-		-	-
Total	4,777	-	(1,382)	3,395	3,395		4,758	2,751
Subsidies								
H/H EMPL S/EMPL S BEN: INJURY ON DUTY	10	-	77	87	161	185.1%	19	76
H/H EMPL S/EMPL S BEN: LEAVE GRATUITY	3,549	-	3,533	7,082	5,668	80.0%	5,137	9,495
H/H EMPL S/EMPL S BEN: POST RETIREMENT BENEF	-	-	-	-	1,340		-	-
Total	3,559	-	3,610	7,169	7,169		5,156	9,571
TOTAL	8,336	-	2,228	10,564	10,564		9,914	12,322

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1H STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

		2024/25	2023/24
Name of organisation	Nature of gift, donation or sponsorship	R'000	R'000
Received in cash		-	
Gifts		-	
Total gifts			
Donations		-	
		-	
Total donations			
		-	
Sponsorships		-	
		-	
Total sponsorships			
Subtotal - received in cash			
Received in kind			
Gifts		-	
Total gifts		- _	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Donations		
Total donations	-	-
	-	-
Sponsorships	-	-
	-	-
Total sponsorships	-	-
Subtotal – received in kind		
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		
TOTAL OIL TO, DONATIONO AND OF ONCONO IIII O'NEGENED		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 11 STATEMENT OF AID ASSISTANCE RECEIVED

		Opening balance	Revenue	Expenditure	Paid back on / by 31 March	Closing balance
Name of donor	Purpose	R'000	R'000	R'000	R'000	R'000
Aid assistance received in cash		-	-	-	-	
-		-	-	-	-	
-		-	-	-	-	
-		-	-	-	-	
-			-	-	-	
Subtotal -			-	-	-	
Aid assistance received in kind						
		-	-	-	-	
		-	-	-	-	
		-	-	-	-	
		-		-	-	
Subtotal		-		-	-	
TOTAL AID ASSISTANCE RECEIN	/ED	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1J STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2024/25	2023/24
(Group major categories but list material items including name of organisation)	R'000	R'000
Made in kind		
Gifts	-	-
	-	-
	-	-
Total gifts		-
Donations		
	-	-
	-	-
Total donations		-
Sponsorships		
	-	-
	-	- -
Total sponsorships		-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1K STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Old age	-	-	-	-	-	-	-	-	-	-	-	-	
War veterans	-	-	-	-	-	-	-	-	-	-	-	-	
Disability	-	-	-	-	-	-	-	-	-	-	-	-	
Grant in Aid	-	-	_	-	-	-	-	-	-	-	_	-	
Foster care	-	-	_	-	-	-	-	-	-	-	_	-	
Care dependency	-	-	-	-	-	-	-	-	-	-	-	-	
Child Support Grant	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	_	-	-	-	-	-	-	-	_	-	
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1L STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND MUNICIPALITIES

			GRANT AL	LOCATION		SPENT
Name of Grant		vision of enue Act	Roll overs	Adjustments	Total Available	Amount spent
	I	R'000	R'000	R'000	R'000	R'000
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
TOTAL		-	-	-	-	
IOIAL		-	-	-	<u> </u>	<u>-</u>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 2A STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

	State Entities' PFMA			Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaran-
Name of public entity	Schedule			R'(000	R'	000	R'	R'000		R'000	
,	type (state year end if not 31 March)	% Held 24/25		2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Yes/No
National / Provincial Public entity												
		-	-	-	-	-	-	-	-	-	-	
			-	-	-	-	-	-	-	-	-	
Subtotal		-	-	-		-	-	-	-		-	
Other												
			-	-	-	-	-	-	-	-	-	_
Subtotal		-	-	-	-	-	-	-	-	-	-	-
TOTAL												_

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 2B STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of entity	Nature of business	Cost of investments		Net Asset value of investments		Amounts owing to entities		Amounts owing by entities	
		Controlled entities							
		-	-	-	-	-	-	-	
			-	-	-	-	-	-	
Subtotal			-	-	-	-	-	-	
Non-controlled entities									
	Associates	-	-	-	-	-	-	-	
			-	-	-	-	-	-	
	Subtotal	-	-	-	-	-	-	-	
	Joint Ventures								
		-	-	-	-	-	-	-	
	Subtotal	-	-	-	-	-	-	-	
	Other non-controlled entities	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	
	Subtotal	-	-	-	-	-	-	-	
TOTAL		-	-	-	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 3A STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2024 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced during the year R'000	Revaluation due to foreign currency movements R'000	Closing balance 31 March 2025 R'000	Revaluation s due to inflation rate movements R'000	Accrued guaranteed interest for year ended 31 March 2025 R'000
	Motor vehicles	_	_	_	_	_	_	_	_
	Subtotal Housing	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-		-
	Other	_	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 3A (Continued) STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2024 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced during the year R'000	Revaluation due to foreign currency movements R'000	Closing balance 31 March 2025 R'000	Revaluation due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2025 R'000
	Motor vehicles								
			-	-	-	-	-	-	
	Subtotal		-						
	Housing								
			-	-	-	-	-	-	
	Subtotal	-	-	-	-	-	-	-	
	Other								
			-	-	-	-	-	-	
	Subtotal		-	-	-	-	-	-	
	TOTAL		_	_	_	-		_	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

lature of liability	Opening balance 1 April 2024	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claim for motor vehicle	250	47	210	-	87
Irregular and unlawful suspension of service provider	-	-	-	-	-
Termination of contract	-	-	-	-	-
Claim for injury suffered by minor	6,312	-	6,312	-	-
Claim for rental	-	-	-	-	-
Claim for professional service rendered	-	-	-	-	-
Claim for Loss of profit	-	-	-	-	-
Claim from GEPF	-	362	-	-	362
Claim for Legal costs	-	316	-	-	316
Claim for damages	2,996	179	-	-	3,175
Subtotal	9,558	904	6,522	-	3,940
Environmental liability					
	-	-	-	-	-
		-	-	-	
Subtotal		-	-	-	
Other					

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Cultatatal		-	-	-	-
Subtotal		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	9,558	904	6,522	-	3,940

ANNEXURE 3B (continued)

Nature of liabilities recoverable	Details of liability and recoverability	Opening balance 1 April 2024	Movement during the year	Closing balance 31 March 2025	
		R'000	R'000	R'000	
		-	_		
		-	-		
		-	_		
		-	-		
TOTAL		-	-		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 4 CLAIMS RECOVERABLE

		Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25 *	
Government entity	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Receipt date up to six (6) working days after year end	Amount	
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
Department									
NATIONAL						-	-	-	
Correctional Services	-	-	-	2	-	2	-	-	
Roads & Transport: Gauteng	-	-	7	7	7	7	-	-	
National Public Works	-	-	300	-	300	-	-	-	
Gov Comm & Info Services	-	-	3	-	3	-	-	-	
Saps	-	-	3	3	3	3	-	-	
Health - Mpumalanga	-	-	12	12	12	12	-	-	
PROVINCIAL DEPARTMENTS									
Agriculture, Environmental Affairs and Rural Development	11,156	8,739	408	2,665	11,564	11,404	3/4/2025	1,504	
Economic Development and Tourism	2,654	1,915	347	-	3,001	1,915	-	-	
Sports, Arts and Culture	-	-	15,478	11,780	15,478	11,780	-	-	
Education	472,951	271,415	28,456	84,894	501,407	356,309	-	-	
Provincial Treasury	-	-	-	2,993	-	2,993	-	-	
Community Safety and Liaison	-	-	-	-	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

Health	31,470	118,517	65,105	-	96,575	118,517	8/4/2025	78,240
Human Settlements	-	17,942	91,362	73,749	91,362	91,691	-	-
Office of the Premier	-	-	7,958	9,105	7,958	9,105	-	-
Provincial Parliament	643	605	11	-	654	605	-	-
Co-Operative Governance and Traditional Affairs	5,477	4,139	6,503	11,363	11,980	15,502	-	-
Transport	-	-	25,847	16,088	25,847	16,088	-	-
Social Development	31,680	27,225	2,497	32,987	34,177	60,212	-	-
Subtotal	556,031	450,497	244,297	245,648	800,328	696,145		79,744
Other Government Entities								
SASSA	-	-	13,852	13,056	13,852	13,056	-	-
Govt Pension Admin Agency	-	-	-	6	-	6	-	-
COGTA Agency -MISA	-	-	2	2	2	2	-	-
SITA	-	-	19	-	19	-	-	-
Subtotal	-	-	13,872	13,064	13,872	13,064		
TOTAL	556,031	450,497	258,169	258,712	814,200	709,209		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 5 INTERGOVERNMENT PAYABLES

	Confirme outsta	d balance Inding	Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25 *	
GOVERNMENT ENTITY	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Payment date up to six (6) working days after year end	Amount
DEPARTMENTS	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Current								
Department of Art & Culture	-	_	_	_	_	_		
Department of Agriculture	-	36	_	_	_	36		
Department of Health	-	-	_	5	_	5		
Department of Justice	1,626	2,539	1,158	2,913	2,784	5,452		
Department of Transport	4	99	153	149	157	248		
Water & sanitation	-	-	-	-	-	-		
SAPS	-	-	610	-	610	-		
Office of the Premier	128	76	-	-	128	76		
Provincial Treasury	284	2,149	-	-	284	2,149		
Subtotal	2,042	4,899	1,921	3,067	3,963	7,966		
Non-current		•	<u> </u>	<u> </u>	· ·	•		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

Subtotal	-	-	-	-	-	-	-	-
Total Departments	2,042	4,899	1,921	3,067	3,963	7,966		
OTHER GOVERNMENT ENTITIES								
Current	-	_	-	-	-	-	-	-
SITA	8,533	_	-	-	8,533	-	-	-
SIU	-	-	22,172	-	22,172	-	-	-
	-	-	-	-	-	-	-	-
Subtotal	8,533	-	22,172	-	30,705	-	-	-
Non-current								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total Other Government Entities	8,533	-	22,172	-	30,705	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	10,575	4,899	24,093	3,067	34,668	7,966		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 6 INVENTORIES

	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
Inventories for the year ended 31 March 2025	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	
Add/(Less: Adjustments to prior year balances	-	-	-	-	
Add: Additions/Purchases - Cash	-	-	-	-	
Add: Additions - Non-cash	-	-	-	-	
(Less): Disposals	-	-	-	-	
(Less): Issues	-	-	-	-	
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	
Add/(Less): Adjustments	-	-	-	-	
Closing balance	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
Inventories for the year ended 31 March 2024	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-
Add/(Less: Adjustments to prior year balances	-	-	-	-	- '
Add: Additions/Purchases - Cash	-	-	-	-	-
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-	-	-	-	-
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	- '
Closing balance	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 7 MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2025

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-
Transport assets	_	-	-	-
Computer equipment	_	-	-	-
Furniture and office equipment	_	-	-	-
Other machinery and equipment	-	-	-	-
SPECIALISED MILITARY ASSETS	_	_	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	_	_	-	-
Biological assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	63,178	11,219	3,452	70,945
Dwellings	-	-	-	-
Non-residential buildings	63,178	11,219	3,452	70,945
Other fixed structures	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
SOFTWARE	34,612	-	34,612	-
Software	34,612	-	34,612	-
MASTHEADS AND PUBLISHING TITLES				
Mastheads and publishing titles	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

TOTAL	97,790	11,219	38,064	70,945
Services and operating rights	-	-	-	-
SERVICES AND OPERATING RIGHTS				
Recipes, formulae, prototypes, designs, models	_	_	_	_

Movement in capital work in progress for the year ended 31 March 2024

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	
Heritage assets	-	-	-	-	
MACHINERY AND EQUIPMENT	-	-	-	-	
Transport assets	_	-	-	-	
Computer equipment	_	-	-	-	
Furniture and office equipment	_	-	-	-	
Other machinery and equipment	-	-	-	-	
SPECIALISED MILITARY ASSETS	-	-	-	-	
Specialised military assets	-	-	-	-	
BIOLOGICAL ASSETS	-	-	-	-	
Biological assets	-	-	-	-	
BUILDINGS AND OTHER FIXED STRUCTURES	30,892		43,408	11,122	63,178
Dwellings	-	-	-	-	
Non-residential buildings	30,892		43,408	11,122	63,17
Other fixed structures	-	-	-	-	
LAND AND SUBSOIL ASSETS	-	-	-	-	
Land	-	-	-	-	
Mineral and similar non-regenerative resources	-	-	-	-	
SOFTWARE	34,612	-	-	-	34,612
Software	34,612	-	-	-	34,612
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	
Mastheads and publishing titles	-	-		_	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

TOTAL	65,504	-	43,408	11,122	97,790
Services and operating rights	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 8A INTERENTITY ADVANCES PAID (Note 13)

	Confirme outst	ed balance anding	Unconfirm outst	ned balance anding	TOTAL		
ENTITY	31/3/2025	31/03/2024	31/3/2025	31/03/2024	31/3/2025	31/03/2024	
	R'000	R'000	R'000	R'000	R'000	R'000	
NATIONAL DEPARTMENTS							
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Subtotal	-	-	-	-	-	-	
PROVINCIAL DEPARTMENTS							
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Subtotal	-	-	-	-	-	-	
PUBLIC ENTITIES							
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Subtotal		<u>-</u>		<u>-</u>		<u>-</u>	
OTHER ENTITIES							
	-	-	-	-	-	-	
		-	-	-	-	-	
Subtotal							

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 8B INTERENTITY ADVANCES RECEIVED (Note 21 AND Note 22)

		d balance anding		ed balance anding	TOTAL		
	31/3/2025	31/03/2024	31/3/2025	31/03/2024	31/3/2025	31/03/2024	
ENTITY	R'000	R'000	R'000	R'000	R'000	R'000	
NATIONAL DEPARTMENTS							
Current							
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Subtotal	-	-	-	-	-	-	
Non-current							
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Subtotal	-	-	-	-	-	-	
PROVINCIAL DEPARTMENTS							
Current							
Office of the Premier	10,309	10,309	-	-	10,309	10,309	
Subtotal	10,309	10,309			10,309	10,309	
Non-current	10,000	10,003			10,000	10,505	
	_	_	_	_	_	_	
	-	_	-	_	_	_	
	-	-	_	_	_	_	
Subtotal	-	-	-	-	-	-	
PUBLIC ENTITIES Current							
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Subtotal	-	-	-	-	-	-	
Non-current							
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	_	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

OTHER ENTITIES Current						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Non-current						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Subtotal						
TOTAL	10,309	10,309			10,309	10,309
Current	10,309	10,309			10,309	10,309
Non-current	_	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 9 ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

The detail for note 40.4 may be included in this annexure.

Wording to suit their specific circumstances to comply with Chapter 11 on Capital Assets: Appendix A can be inserted here.

In addition to the detail for note 40.4 the department should address the information regarding:

- 1. Surveyed but unregistered land parcels and
- 2. Contingent assets.

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	2029/2030

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 260 231

Facilities per function:

Facilities	2025	2024
Schools	157	167
Clinics	24	26
Hospitals	3	0
Office Buildings	22	16
Housing	54	51
Storage	-	-
Other	106	123
Total	366	383

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

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	2025	2024
Schools	182	207
Clinics	34	41
Hospitals	2	0
Office Buildings	26	30
Housing	36	38
Storage	0	0
Other	27	21
Total	307	337

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	2025	2024
Schools	4108	4517
Clinics	345	392
Hospitals	53	25
Office Buildings	157	195
Housing	277	237
Storage	-	-
Other	406	367
Total	5,346	5,733

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

5. 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	2025	2024
Schools	461	490
Clinics	36	40
Hospitals	5	3
Office Buildings	9	9
Dwellings	31	32
Storage	-	-
Other	49	45
Total	591	619

6. Contingent assets

The following properties are indicated as property belonging to the State, but not accounted for by any of the mandated custodians. The custodianship 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	2025	2024
Schools	0	1
Clinics		-
Hospitals		
Office Buildings		
Dwellings		
Storage		
Other	5	12
Total	5	13

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 10 DEPARTMENT OF HUMAN SETTLEMENTS HOUSING RELATED EXPENDITURE CLASSIFICATION

Inventories			2024/25	2023/24
List the items for correct expenditure		Note	R'000	R'000
Subtotal				
Expenditure for capital assets List the items for correct expenditure Subtotal -	List the items for correct expenditure			
Expenditure for capital assets List the items for correct expenditure Subtotal -			-	-
Expenditure for capital assets List the items for correct expenditure Subtotal -			-	-
Expenditure for capital assets List the items for correct expenditure Subtotal -				
List the items for correct expenditure	Subtotal			
Subtotal -<	Expenditure for capital assets			
Transfers and subsidies List the items for correct expenditure -	List the items for correct expenditure			
Transfers and subsidies List the items for correct expenditure -			-	-
Transfers and subsidies List the items for correct expenditure -			-	-
Transfers and subsidies List the items for correct expenditure -			-	-
Capital commitments	Subtotal		-	-
Subtotal -<	Transfers and subsidies			
Subtotal -<	List the items for correct expenditure			
TOTAL Capital commitments 2024/25 2023/24 Note R'000 R'000 Buildings and other fixed structures Heritage assets Machinery and equipment Specialised military assets Land and subsoil assets Biological assets Intangible assets	·		-	-
TOTAL Capital commitments 2024/25 2023/24 Note R'000 R'000 Buildings and other fixed structures Heritage assets Machinery and equipment Specialised military assets Land and subsoil assets Biological assets Intangible assets			-	-
TOTAL Capital commitments 2024/25 2023/24 Note R'000 R'000 Buildings and other fixed structures Heritage assets Machinery and equipment Specialised military assets Land and subsoil assets Biological assets Intangible assets			-	-
TOTAL Capital commitments 2024/25 2023/24 Note R'000 R'000 Buildings and other fixed structures Heritage assets Machinery and equipment Specialised military assets Land and subsoil assets Biological assets Intangible assets	Subtotal			
Capital commitments Note 2024/25 2023/24 Note R'000 R'000 Buildings and other fixed structures - - Heritage assets - - Machinery and equipment - - Specialised military assets - - Land and subsoil assets - - Biological assets - - Intangible assets - -				
Note2024/25 R'0002023/24 R'000Buildings and other fixed structuresHeritage assetsMachinery and equipmentSpecialised military assetsLand and subsoil assetsBiological assetsIntangible assets	TOTAL		-	-
Note2024/25 R'0002023/24 R'000Buildings and other fixed structuresHeritage assetsMachinery and equipmentSpecialised military assetsLand and subsoil assetsBiological assetsIntangible assets	Canital commitments			
Buildings and other fixed structures Heritage assets Machinery and equipment Specialised military assets Land and subsoil assets Biological assets Intangible assets Note R'000 R'000 R'000 - - - - - - - - - - - -	Capital Communents		2024/25	2022/24
Buildings and other fixed structures Heritage assets Machinery and equipment Specialised military assets Land and subsoil assets Biological assets Intangible assets		Note		
Heritage assets Machinery and equipment Specialised military assets Land and subsoil assets Biological assets Intangible assets	Duildings and other fixed structures			
Machinery and equipment			-	-
Specialised military assets Land and subsoil assets Biological assets Intangible assets			-	-
Land and subsoil assets			-	-
Biological assets Intangible assets	•		-	-
Intangible assets			-	-
			-	-
Total				
	Total			

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 11 NATURAL DISASTER OR RELIEF EXPENDITURE Per quarter and in total

	2024/25					
Expenditure per economic classification	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	-	-	-	-	-	
Goods and services	-	-	-	-	-	
List all applicable SCOA level 4 items						
	-	-	-	-	-	
	-	-	-	-	-	
		-	-	-	-	
	_	_	_	_	_	
ransfers and subsidies	-	-	-	-	-	
ist all applicable SCOA level 4 items						
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
		-	-	-	-	
Expenditure for capital assets	_					
ist all applicable SCOA level 4 items						
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

	-	•	-	-	-	-
	-	-	-	-	-	-
Other expenditure not listed above	-	-	-	-	-	-
List all applicable SCOA level 4 items						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 12 ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 13.1 to 13.4)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2024	Total amount prepaid /advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2025
				R'000	R'000	R'000	R'000	R'000	R'000
Prepayments									
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Total prepayments	-	-	-	-	-	-	-	-	
Advances									
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Total advances	-	-	-	-	-	-	-	-	
TOTAL PREPAYMENTS AND ADVANCES	-	-	-	-	-	-	-	-	

