KWAZULU-NATAL PROVINCE

PUBLIC WORKS & INFRASTRUCTURE

REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT

2025/2026



KWAZULU-NATAL PROVINCE

PUBLIC WORKS & INFRASTRUCTURE
REPUBLIC OF SOUTH AFRICA

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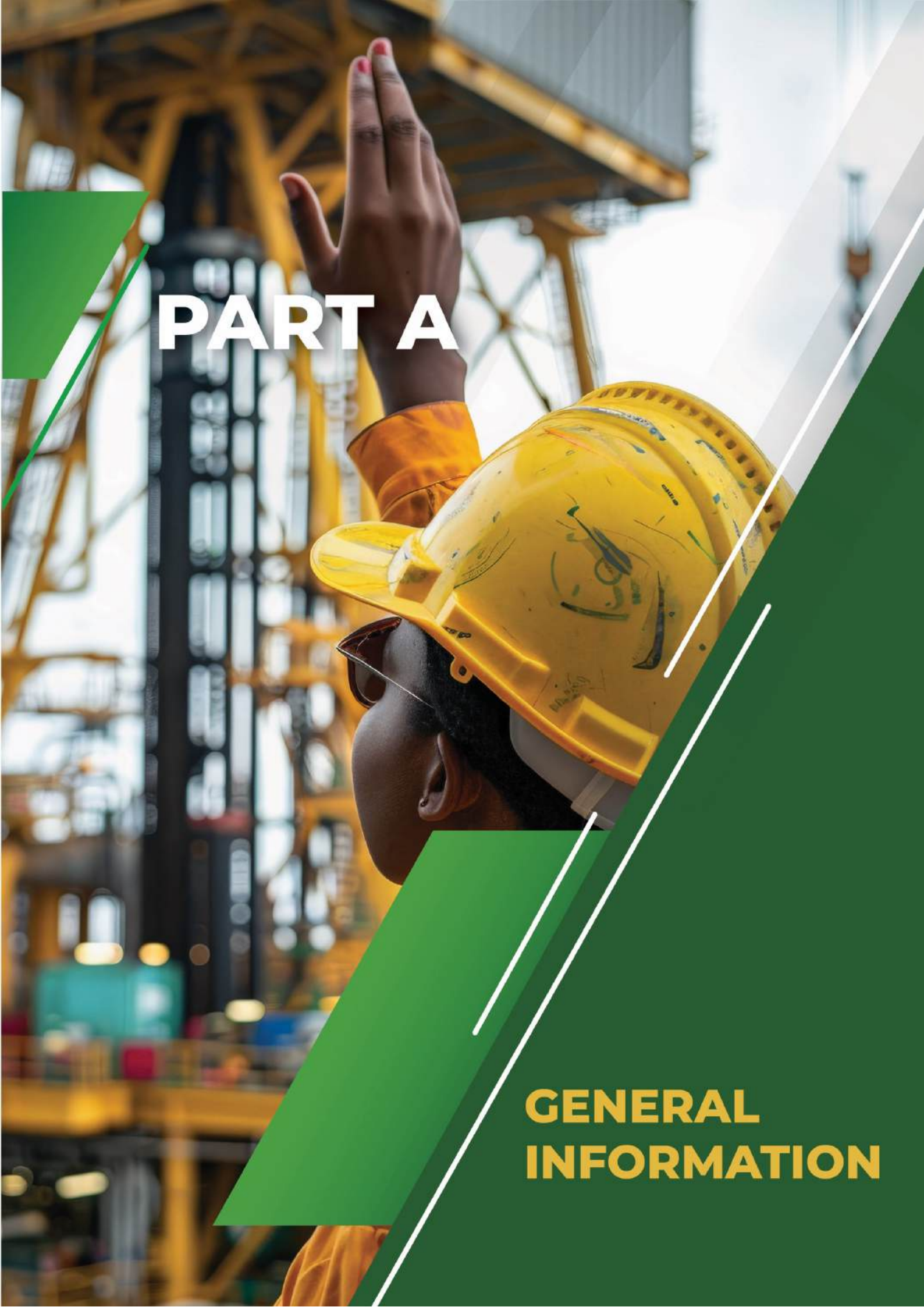
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PART A

GENERAL INFORMATION

GENERAL INFORMATION

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LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor General South Africa
AO	Accounting Officer
AOP	Annual Operational Plan
APP	Annual Performance Plan
AR	Annual Report
CARC	Cluster Audit and Risk Committee
COHOD	Committee Head of Departments
DEPS	Department Evaluation Panels
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	Executive Contractor Development Programme
EXCO	Department's Executive Committee
EQPRS	Electronic Quarterly Performance Reporting System
FMPPI	Framework for Managing of Programme Performance Information
GWM&EF	Government Wide Monitoring and Evaluation Framework
GWM&ES	Government Monitoring and Evaluation System
HOD	Head of Department
IAM	Immovable Asset Management
ICT	Information and Communication Technology
IMTS	Infrastructure Maintenance 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 Description



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

THE YEAR OF DELIVERING THROUGH ACCOUNTABILITY

Accountability is a term we hear all too often and far too often it is a word used as a means of recourse once something has gone wrong. It is a word most dreaded because it speaks to harsh actions or punishment that usually follows an undesirable incident. It has been associated with delivering correctional measures.

However, we at the KwaZulu-Natal Department of Public Works and Infrastructure have taken the concept of accountability and embraced its meaning. We saw accountability for its real definition, which is the obligation to take full stock of action and to disclose or make known results in a manner that is transparent. Once we embraced this definition of it we understood that accountability also speaks to the ability or power to take full control of our own actions and tasks while knowing that through exercised transparency these actions can be understood by the people of this province whom we serve.

One of the biggest challenges as a Department was the fact that our local communities did not fully understand or appreciate the role that KZN Public Works and Infrastructure plays in improving their quality of life. Another was that there were some areas where we, as a department, were found wanting while in some instances we allowed other entities and voices to speak on our behalf.

Once we appreciated the empowerment that came with accountability things started to change, because we understood that the proverbial buck stops with us. In a true sense this is also liberating, because it made us see that we have the power to take action and narrate our vision in our own voice. We were no longer victims, but architects of our own destiny.

PROMOTIONS:

Once this mindset changed, everything changed, including the recognition received by our hardworking officials as seen through 62 new appointments, including that of Dr Vish Govender, as Head of Department and 46 promotions resulting in 50% women making up the senior management structure. We did not stop there, today we can account that we also trained 1 289 employees, awarded 10 bursaries because education is key and reduced irregular expenditure involving employees by a staggering 55%.

SHE BUILDS

While charity begins at home, we made sure it was not limited to that. For instance, we realized that only we are accountable for empowering women professionals within the built environment as a custodian department. In embracing that the buck stops with us we took it upon ourselves to create a dedicated body to help women in the industry through She Builds – a team bringing to the table a mixed bag of qualifications, experience and gradings. From the moment they hit the ground they identified various hinderances affecting women including institutionalized discrimination from major banks, ongoing targeting from extortionists, exclusion from industry networks, among others. Today they are making exceptional headway in tackling these issues while providing ongoing advice and solutions to me, as the executive authority and custodian.

EPWP

Another area where we remain accountable was in the uplifting and upskilling of young people and those living with disabilities so that they are qualified and equipped to contribute meaningfully to the benefit of their families, communities and society at large. We had set ourselves a target of 135 238 opportunities over the past financial year, but we exceeded this target by creating 155 256 opportunities. Of these a percentage of 70% went to women, meaning we exceeded our set target of 60%. A percentage of 3% went to empowering people living with disabilities, again exceeding our set target of 2%.

CONTRACTOR PAYMENTS

To us accountability meant that we understand that we are responsible for the payments of thousands of contractors who are key stakeholders. Once we embraced this accountability, we were able to explain to them what issues we were facing that led to non-payments. This included engaging with client departments. Through constructive engagements we have started seeing client departments coming forward to make arrangements to pay us. This has drastically reduced amounts owed to us, which at one point, stood at a staggering R737,4 million. One particular client paid a lump sum of just over R300 million. This allowed us to meet other financial obligations such as timeous 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.

CONSTRUCTION MAFIA

Our strengthened relationship with contractors did not stop at paying them on time. We took them onboard in finding a solution to threat of project disruptions known as the construction mafia, along with law enforcement, communities, projects managers and several forums. We collectively took a stand and worked together to turn the tide of threat. At the height of these criminal disruptions in KZN an average of 60 disruptions were recorded per month both in the private and public sector. However, through an orchestrated collaborative effort the result is that it has now been 13 months without a single project led by KZN Public Works and Infrastructure being disrupted by criminals who storm sites with arms demanding money. One of our proudest moments and a clear realization of how far we have come in the fight against extortionists was when we celebrated and dedicated Menzi High School as a symbolic structure on Human Rights Day. The project was an embodiment of the construction mafia threat having seen several incidents of violence taking place during learning time.

RATES & MUNICIPALITIES

We can therefore, account that we are, indeed, making progress in the fight against long standing issues and threats. Another of these is that of rates and the R1,7 billion rates bill that continues to challenge us. While this is a historical bill that was allowed to accumulate prior to this current administration, as KZN Public Works and Infrastructure we have not shied away from the fact that we now have to account for it. To address this, we met with various stakeholders like SALGA, several ratepayers' association from all over KZN and engaged other departments like KZN COGTA and KZN Treasury where we have proactively provided sustainable solutions including have schools exempt from paying rates, which would result in a saving of R320 million per annum. Other solutions on the table include ringfencing portions of sold properties in order to service rates. We have even gone as far as engaging some municipalities to meet them halfway because we want to pay our rates bill.

DIGITALIZATION

We have gone live with the first phase of our digitalization journey. we have embraced the future today through our eLeave and eSubmissions system. Through this process our vision is to have all documents exist purely in a digital form which means a major advancement in the fight against corruption in respect of procurement and tenders. It will also mean a much quicker turn around time for anyone wanting to report to us for the purposes of maintenance intervention as a custodian entrusted with the building and upkeep of all provincial government properties.

CONCLUSION

Ultimately it is accountability that ensures that any vision or entrusted mandate turns into tangible outcomes. It is an unescapable responsibility which only works well when embraced. During the 2025/26 financial period, as KZN Public Works and Infrastructure we owned up to our commitment, achievements, and yes, even shortcomings because we realized we are only at our strongest if we embrace all that which makes us who we are.

I am particularly proud of how far we have come in such a short space of time. As a new KZN Public Works and Infrastructure I confidently say that going forward there will be a new way of doing things and new realizations and results.

The new way of doing things which we have embarked on is one that will ensure that all resources and expertise are aligned to serve the people of this province as we continue to Build KZN Better.

I thank you.



HONOURABLE M MEYER

MEC for Public Works & Infrastructure

Date: 31 May 2026



ACCOUNTING OFFICER'S REPORT

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

The 2025/26 Annual Performance Report is a reflection and underpinning of the Government of Provincial Unity's efforts to create a stable financial fiscus in KwaZulu-Natal, implement structural reforms, increase job creation, boost investment confidence and build a capable state. The report is also intertwined with key priorities of infrastructure development and growth in the creation of jobs in the build environment.

Furthermore, the KwaZulu-Natal Department of Public Works and Infrastructure's performance plan is aligned with the three key priorities of the Medium-Term Development Plan which are central to addressing the developmental challenges of KwaZulu-Natal and unlocking new opportunities for growth and prosperity.

KwaZulu-Natal Public Works and Infrastructure (DPW&I) remain a catalyst and custodian of all government infrastructure projects, key implementers of policy to drive economic growth in the sector, and enablers for a conducive investment environment, albeit slow and sluggish.

Despite an array of challenges ranging from fiscal constraints and slow economic growth, KwaZulu-Natal has set aside a dedicated infrastructure development budget of R53 billion over the 2025/26 Medium Term Expenditure Framework.

As the custodian and forerunner of all provincial infrastructure in the province, the department is steadfast in its efforts to accelerate efforts of running a stable government, devoid of financial malfeasance and weak capacity to perform.

These challenges stand as a prelude for the Department to accelerate internal reforms to create a department which is more productive and competitive, accelerate inclusive economic growth and foster much-needed job creation in the construction sector.

It is against this background that the department presents the 2025/26 Annual Performance Report, which is characterised by the attainment of tangible targets and is reflective of the comprehensive performance against our planned commitments. The Annual Performance Report is emboldened by the department's broader vision of inspiring new hope, finding innovative methods of infrastructure development and creating strategic frontiers for growth in the sector.

The Department met 83% of its annual targets across all three programs, indicating consistent progress in its overall performance for the year. Institutional resilience and the capacity to recover from early-year constraints were evident in the gradual improvement of performance across quarters.

Despite not fully achieving certain indicators, the Department experienced a steady recovery in the latter half of the year, particularly in Quarter 4. Corrective actions yielded tangible results.

The overall Departmental achievement further constitutes our commitment to effectively managing a Department absent of corruption by instituting aggressive mechanisms that foster accountability, financial prudence, and transparency. Simultaneously, the Department has intensified its efforts by conducting systematic awareness campaigns to emphasise the importance of adhering to the recommendations of the Auditor General (AG) and collaborating closely with the institution.

The 2025/26 year is earmarked as a year of curbing financial mismanagement and fruitless and wasteful expenditure. These challenges have been historical hindrances which the department has addressed diligently. This initiative has propelled the department to strive for a clean audit outcome.

The Expanded Public Works Programme (EPWP) continues to serve as a departmental pivotal anchor in addressing the province's socio-economic challenges by generating temporary employment opportunities. This is supported by the Department's achievement of over 100% of the intended outcome, as it surpassed the annual target for the creation of work opportunities.

Nevertheless, the programme continues to face significant financial obstacles, necessitating the implementation of effective programme coordination and the allocation of additional funding.

Additionally, all objectives regarding beneficiary empowerment interventions, provincial coordination of EPWP reporting, and training of emergent contractors were satisfactorily executed. These initiatives serve to reinforce the EPWP's significance as a critical mechanism for community upliftment, skills development, and poverty alleviation. Furthermore, the department has achieved its annual target of achieving 100% employment of the youth.

The Department has made extensive efforts to ensure that all contractor invoices are paid within the stipulated 30 days, which the Department achieved a significant 87.5%, because of the insufficient equitable share allocation.

As the globe moves towards a digitally transformed society, KZN Public Works and Infrastructure has also in the same vein embraced these technologies.

The Department has implemented digital transformation policies and initiatives and achieved the stated objectives.

REVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Departmental receipts	2025/2026			2024/2025		
	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	7 559	7 485	74	7 328	8 141	(813)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	287	638	(351)	275	1 125	(850)
Sale of capital assets	996	3 846	(2 850)	385	1 225	(840)
Financial transactions in assets and liabilities	1 077	4 149	(3 072)	1 031	842	189
Total	**9 919**	**16 118**	**6 199**	**9 019**	**11 333**	**(2 314)**

2025/26 Financial Year

Sale of goods and services other than capital assets

Under-collection is mainly due to anticipated rental income from tuckshops not received as expected.

Interest, dividends and rent on land

Over-collection is mainly due to interest received from the sale of Portion 26 (of 4) Lot H Weston No 13026 to the South African National Roads Agency (SANRAL), for the construction of a new Weigh Bridge facility.

Sale of Capital Assets

Over-collection is mainly due to the sale of Portion 26 (of 4) Lot H Weston No 13026 to the South African National Roads Agency (SANRAL) for the construction of a new Weigh Bridge facility.

Financial transactions in assets and liabilities

Revenue in this category primarily arises from recoveries of staff debts and previous year's expenditure. Furthermore, the increase was also influenced by the BAS conversion interfaces, as the transition from V5 to V6 did not accurately reflect a true picture of unpaid payments.

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 materialise as anticipated.

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**

2025/2026 Financial Year Tariffs		
Source of Revenue	**Tariff**	**Policy on Tariff**
Rental Dwellings	R900	Determined by DPSA
Parking	- External	Determined by Provincial Treasury
	R70 undercover parking R50 open parking	
Commission on Insurance and Garnishee	2.5%	Determined by National Treasury
Request for Access to Information	-	Determined by PAIA

Programme Expenditure

Programme Name	2025/2026			2024/2025		
	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	497 603	497 603	-	463 981	463 981	-
Public Works Infrastructure	1 727 354	1 694 524	32 830	1 613 449	1 613 449	-
Expanded Public Works	40 767	40 767	-	59 911	59 903	8
Total	**2 265 724**	**2 232 894**	**32 830**	**2 137 341**	**2 137 333**	**8**

The Department of Public Works and Infrastructure spent R2, 232 894 billion of the 2025/26 final appropriation, with spending at 98.6 percent at the end of the financial year. The under-expenditure of 1.4% (R32.830 million) is primarily attributable to lower-than-anticipated expenditure under Buildings and Other Fixed Structures relating to repairs to the Legislature Assembly (LA) Building Complex in Ulundi. The department was allocated an additional budget with regard to this project during the formalisation of the adjustments estimates in November 2025 which affected the expenditure against the project. The department has requested approval to roll over these funds to the 2026/27 financial year in line with PFMA regulations.

In the 2024/25 financial year, the department spent R2, 137 333 billion of the 2024/25 final appropriation, with spending at 99.9 percent at the end of the financial year.

2025/26 Financial Year

Programme 1: Administration was fully spent after the department processed net virements of R7.490 million savings from Programme 2 and R4.424 million savings from Programme 3 to reduce unauthorized expenditure under this programme.

Programme 2: Public Works Infrastructure was under-spent by R32.830 after the department undertook net virements of R7.490 million savings from this programme to reduce unauthorised expenditure under programme 1.

Programme 3: Expanded Public Works was fully spent after the department processed net virements of R4.424 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:

R3.831 million net savings were identified in Programme 2: Public Works Infrastructure under Compensation of employees due to various vacant budgeted posts within the department.

A further savings totalling R3.659 million were also identified under Transfers and subsidies in respect of staff exits costs, which were over-budgeted for, Machinery and equipment as a result of supplier delays in respect of computer equipment as well as from Buildings and other fixed structures due to adjustment of final account as a result of re-measurement and contract price adjustments.

The total savings of R7.490 million were allocated to Programme 1: Administration to address spending pressures under Goods and services to cover higher than anticipated OSS costs under the

Office of the MEC, Transfers and subsidies to Households largely due to higher than forecasted expenditure relating to an unforeseen arbitration award claim arising from the previous financial years as well as to Payments for capital assets for the replacement of computer equipment arising from the previous financial year and for the acquisition of motor vehicles to replace older units that had been disposed of due to age and high maintenance costs.

R4.424 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. The savings under Goods and services were due to enforced savings in line with cost containment measures. The total savings of R4.424 million were allocated to Programme 1 under Goods and services to address spending pressures in respect of Machinery and equipment for the replacement of computer equipment and for the acquisition of motor vehicles, as well as to Transfers and subsidies due to an unforeseen arbitration award claim.

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.

In conclusion, as the custodian of all state properties and an important driver of infrastructure development, KZN Public Works and Infrastructure will keep working to influence government stakeholders, especially Treasury, to secure the necessary funds for further growth in construction.



DR V GOVENDER
Accounting Officer
Department of Public Works and Infrastructure
Date:31 May 2026

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

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

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

The annual report is complete, accurate and is free 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 2026.

Yours faithfully



DR V GOVENDER
Accounting Officer
Department of Public Works and Infrastructure
Date:31 May 2026

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

Set of guiding principles and fundamental beliefs that helps teamwork toward a common business goal.

- Transparency
- Excellence
- Motivated workforce
- Sustainability
- Integrity
- Teamwork
- Accountability
- Professionalism
- Innovation

7 LEGISLATIVE MANDATES

Legislative 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.

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

8 ORGANISATIONAL STRUCTURE

KwaZulu-Natal Department of Public Works & Infrastructure
Organisational Structure

HEAD OF DEPARTMENT
Dr V. Govender





MR T. MCHUNU
Acting Chief Director- Infrastructure Maintenance and Technical Support



MS X. NTANZI
Chief Director: Immovable Asset Management



MS A. KHAN
Chief Director- Corporate Services



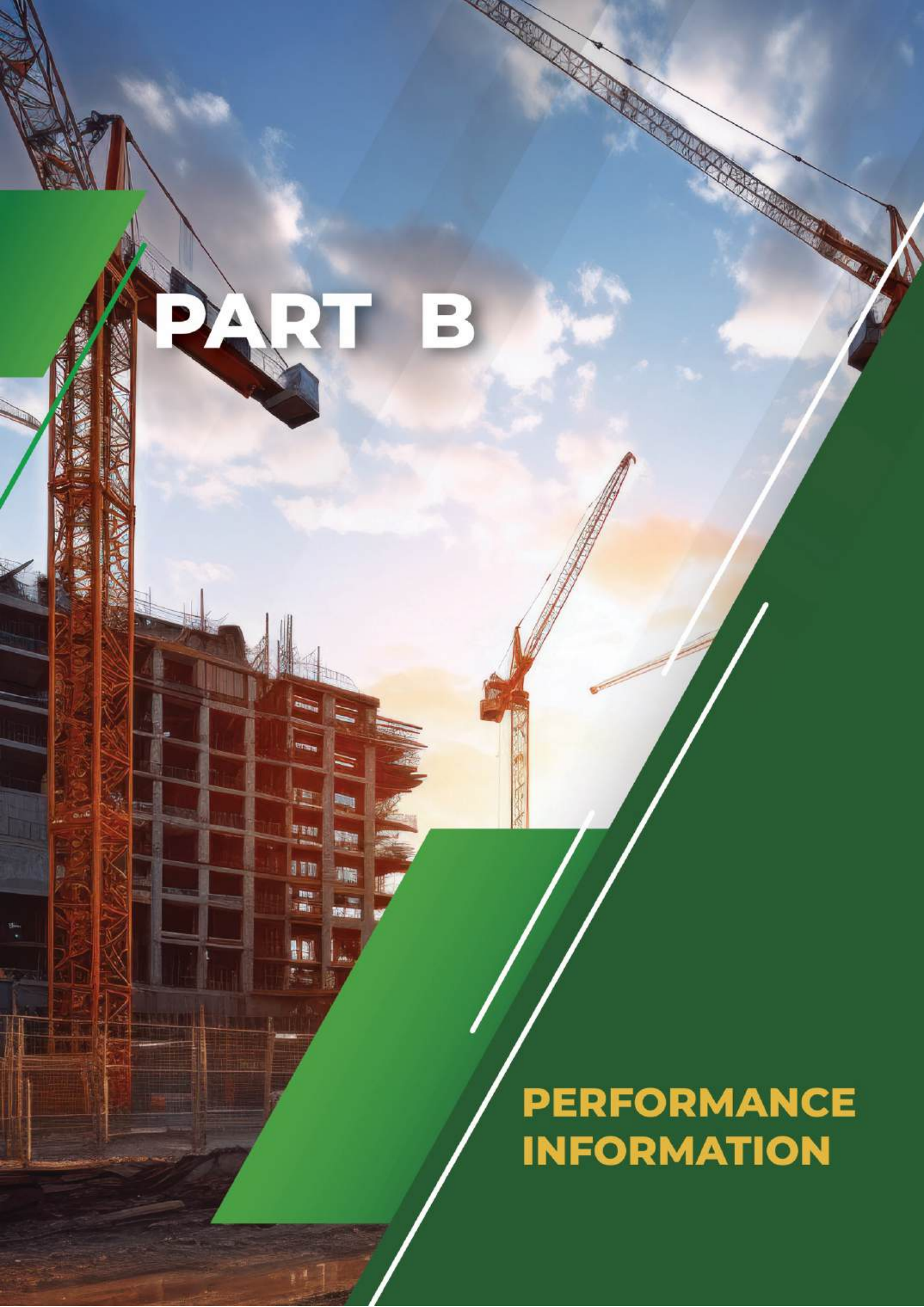
MR N. BUTHELEZI
Chief Financial Officer



MS N. GCABA
Chief Director- Infrastructure Maintenance and Technical Support



MR D.B. DLAMINI
Chief Director- Expanded Public Works Programme and Special Projects



PART B

PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information. The level of assurance provided may be reasonable (an opinion) or limited (a conclusion) or none (findings)as predetermined by the AGSA. Assurance in the form of an audit opinion or conclusion on the usefulness and reliability of the reported performance information is currently included in the management report. Material findings are reported in the auditor's report.

Refer to page 154 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Challenges being experienced throughout the province point towards the fact that transformation, equity, and sustainability remain primary values that should influence strategic planning, implementation and monitoring and evaluation. Moreover, for various social groups, understanding of asset entitlements and economic sustenance remains unclear. Social relationships conducive to personal, household and community development are under-explored since a community development approach that is aimed at enhancing social cohesion has not yet been adopted. Social challenges related to inequality, poverty, unemployment and youth unemployment, weak social cohesion, gender imbalances and family discordance, seem to be beyond the desirable locus of control.

Gender equality in decision-making positions is vital to ensure that issues affecting women are considered during policy formulation, planning and project implementation. Women empowerment is a critical component of any interventions aimed at gender equality, as they remain marginalized even in the post 1994 era. Ownership and control of assets should therefore remain at the forefront of socio-economic transformation. The Department has therefore identified areas of intervention through procurement reforms to ensure empowerment of women, youth, people with disabilities, military veterans and Black African.

The province reached an important milestone within the construction sector through the establishment of the KwaZulu-Natal Women in Construction Advisory Committee. The task of this Committee amongst other things is to facilitate active and meaningful participation of women in this industry (SOPA, February 2025)

The Department's mandate is to be a custodian of Provincial Government immovable assets therefore, the Department needs to be acquainted with the status of the property portfolio for optimal utilization to increase investment and release properties for spatial and social justice. Immovable Asset Management Branch is responsible for the implementation of the custodian role of the Department. Critical services offerings provided in IAM include Information Management Services (Immovable Asset Register) Land Administration services, Portfolio Planning Services (UAMP, C-AMP), Property Development & Investment services, Asset Performance Monitoring. The DPWI has commenced with an aggressive and innovative programme of releasing vacant land and buildings for development to the market and further advancing the transformation agenda

The 'Build KZN Better Conference' that was held in January 2025 has enabled the Department to create a platform for possible Public Private Partnership. The Conference identified key areas for interventions including the repurposing of unused government buildings (SOPA, February 2025).

A large portion of the lease portfolio has benefitted mainly Indian and White Landlords therefore specific interventions will also be introduced to increase the equity ownership of Black Landlords. There will also be a streamlined approach towards the development of emerging Contractors through increased spend on as well as capacity building to improve sustainability, quality, and performance of emerging Contractors. The new approach will also see a greater number of Youth, Women Persons with Disabilities and Military Veterans benefitting from departmental projects.

During the State of the Province Address (SOPA), July 2024 progress report on programme's objective to transform the Property and Real Estate industry and include the previously marginalized youth, especially young women in the KZN province. The programme will start in Durban and Pietermaritzburg

The province is committed to transforming the property and real estate sector to include marginalized communities and prevent monopolization of government leases. A turnaround strategy for lease agreements was implemented. Measures introduced to enhance transformation include:

- Equitable Opportunity Distribution,
- Promoting involvement of Black Africans within the property leasing sector and other marginalized groups (including women, people with disabilities, and youth) by requiring lessors to partner with these groups,
- Lease enforcement and strengthening compliance measures in implementing longer lease periods to maximize benefits for emerging lessors (SOPA, February 2025)

As a collective, arising out of negotiations through the national and provincial Cabinet lekgotla, the Government agreed that the 7th Administration, has a dual and urgent responsibility: to aid the province in rebuilding the post-pandemic and post-unrest, post-natural disasters economy and to strengthen direction and coordination at the heart of government (SOPA July 2024)

During the inauguration, it was announced the reconfiguration of the Department of Public Works and Infrastructure. This was designed to expedite infrastructure development, ensure efficient use of internal resources, and achieve the broader economic growth and development goals set for the province. As part of this reconfiguration, the Department is repositioned as the "implementer of choice" for all infrastructure projects within provincial government departments (SOPA, July 2024).

During the SOPA, 2025 the Premier of KwaZulu-Natal invited the construction industry to contribute positively to the projects done in the province. He further stated that the Government must work together to fight the construction mafia syndrome as there is no place for the construction mafia in the province. The Government will work with the construction industry to help the industry to grow.

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
KEY SERVICE 1 Improve completion of infrastructure projects within contract periods	Clients departments	49.75% of projects not completed on time	10% reduction in delayed projects, year on year	n/a
KEY SERVICE 2 Improve capacity of emerging contractors from designated groups to participate in procurement opportunities. (Youth, Women, People with Disabilities, Military Veterans)	Contractors from designated groups	30%	40% of capacitated enterprises that meet compliance requirements to participate in procurement opportunities (Tax compliant, registered with construction bodies, CSD registered, BEE-verified)	40% of capacitated enterprises that meet compliance requirements to participate in procurement opportunities

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

Current/actual arrangements	Desired arrangements	Actual achievements
11 Training/ information sessions (contractor-focused)	6 information session	4 (127 participants trained)

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
76% Percentage of valid invoices	100% Percentage of valid	87%
11 ethics workshops / awareness campaigns conducted to minimize	8 workshops	4
Reduction in fruitless (R0), wasteful (R49 million), irregular (R149million) and unauthorized (R0) expenditure	20% reduction	76% (irregular)

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
100% (3 of 3) of queries resolved within 30 working days	100% of queries resolved within 30 working days	No complaints received during this reporting period

2.3 Organisational environment

Key priorities for DPWI that will guide the department's planning and implementation, ensuring alignment with the provincial strategic focus areas and strengthening the province's capacity to deliver infrastructure, create jobs, and improve service delivery

DPW&I aligns its strategic agenda not only with national and provincial priorities but also with the specific directives of the MEC. The MEC's priorities provide additional guidance on strengthening governance, improving service delivery, and enhancing the department's role as a key implementing agent of infrastructure in the province. Each priority is explained below:

Financial Viability, Prudence, and Value for Money

This priority focuses on ensuring that the Department utilises public funds efficiently, adheres to sound financial management practices, and maximises the value derived from all expenditures. It includes strict adherence to budgetary controls, reducing irregular and fruitless expenditure, and ensuring transparency in procurement and project funding.

ICT and Digital Transformation

The MEC prioritizes the modernization of departmental systems through information and communications technology (ICT) solutions. Digital transformation will improve planning, monitoring, reporting, and service delivery, while supporting efficient management of infrastructure projects, asset registers, and departmental operations

Women in Construction and Within the DPWI

Promoting gender equality is a critical priority. The Department aims to increase the participation of women in construction projects, technical professions, and leadership positions within the DPWI. This aligns with broader national strategies to empower women economically and ensure equitable representation in the infrastructure sector.

Reclaiming Our Mandate as the Implementing Agent of Choice

This priority underscores the Department's objective to reaffirm its status as the preferred provincial implementing agent for public infrastructure projects. It entails improving service delivery, enhancing professionalism, and strengthening partnerships with client departments, municipalities, and private sector stakeholders

Development of the Infrastructure Council

The MEC emphasizes the establishment and operationalization of a provincial Infrastructure Council. The Council will serve as a strategic oversight body, coordinating infrastructure planning prioritising projects, and ensuring alignment between national, provincial, and municipal development initiatives.

Monitoring and Evaluation

Robust monitoring and evaluation (M&E) mechanisms are essential to track progress, identify bottlenecks, and improve performance outcomes. This priority ensures that all programmes and projects are measured against clear performance indicators, fostering accountability, and evidence-based decision-making.

Effective and Meaningful Communication

The MEC recognizes that clear and proactive communication is critical for stakeholder engagement, public awareness, and reputation management. This priority focuses on improving internal communication within the department, as well as external communication with client departments, contractors, communities, and the public. The following interventions and priorities will be implemented to achieve the above-mentioned priorities:

- Establish Public Works and Infrastructure as an Implementing Agent of Choice for Infrastructure delivery and property management through the institutionalisation of Infrastructure Delivery Management System (IDMS).
- Enhancing offering by entrenching its strategic role of being a reliable and trusted custodian of provincial immovable assets, a nerve centre for infrastructure delivery and a driver of socio-economic development through:
    - Repositioning the Department to play its role in leading infrastructure delivery, procurement options and processes.
    - Full implementation and institutionalisation of IDMS to improve the way we plan, finance, execute, and monitor infrastructure projects in an effort to improve the turnaround and quality of infrastructure delivery; re-engineering and or optimization of departmental processes and procedures in line with the requirements of IDMS and GIAMA.
- Restructure the Department to be service delivery focused through a new Service Delivery

  Model as follows:
    - Development and implementation of a Service Delivery Model that displays customer orientation and defines how the Department should operate to better serve its clients and its customer value proposition. This also includes clarification of roles between Head Office and Regions in both centralised and decentralised delivery methods as well as gaps that need to be closed in relation to implementation functions in Regions and Districts.
- Reduce rentals through enforcing optimal utilisation of existing state facilities.
- Stabilising Property Rates
    - Negotiation of standardised property rates for categories of assets to realise a reduction in property rates and alleviate financial constraints.
- Improve maintenance of state buildings

- Maintain positive audit outcomes.

Effective co-ordination of EPWP to improve government-led job creation.

2.4 Key policy developments and legislative changes

There were no significant revisions to the Departments legislative or other mandates during the planning and implementation periods of the 2025/2026 Annual Performance Plan.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

MTDP PRIORITY	**Priority 1 – Drive inclusive growth and job creation**		
Outcome	**Outcome Indicator**	**Baseline**	**Five-year target**
Increased employment and work opportunities	Number of work opportunities created	12810	21263
Productive Assets: (Maintenance of Facilities)	Percentage of maintained assets/facilities to the portfolio size of Public Works Assets	60%	80%
Productive Assets: (Productive use of Facilities)	Percentage increase of productive asset	70%	85%
Increased infrastructure investment, access and efficiency	Percentage of planned infrastructure projects completed	70%	80%

MTDP PRIORITY	**Priority 3 -: Build a capable, ethical and developmental state**		
Outcome	**Outcome Indicator**	**Baseline**	**Five-year target**
An ethical, capable and professional public service	Improvement in Departmental audit outcomes	Unqualified audit opinion with findings	Clean Audit

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

4.1 PROGRAMME 1: ADMINISTRATION

Purpose: The main objectives are to provide strategic leadership and management support to the Member of Executive Council, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal matters, security and logistics and effective communication and information management systems, render sound financial management services, risk management and supply chain management. There has been no change to the Administration programme structure.

Sub-Programmes:

(i) Office of the MEC

Provides support including administrative, operations, protocol, security, parliamentary liaison and communication to the member of the executive council.

(ii) Management of the Department

Includes Office of the Head of Department, financial management services, risk management and Supply Chain Management

(iii) Corporate Support

Provides Human Resource Management, Organisational Development, Strategic Management, Security and Facilities Management, Monitoring and Evaluation, Information and Communication Technology, Legal Services and Communication.

Institutional Outcome from Programme 1

MANAGEMENT OF THE DEPARTMENT

The Department continued to embed a proactive and accountable risk management culture across all levels of the organisation. Risk management principles remain integrated into strategic planning, operational processes and decision-making activities to support the achievement of departmental objectives and enhance institutional resilience. Regular risk assessments were conducted during the financial year to identify strategic, operational and emerging risks that may impact on the achievement of departmental objectives. Risk assessments

also included ethics fraud and corruption risks, information and communication technology risks, occupational health and safety risks and business continuity risks. The Risk Management Committee met quarterly and provided strategic oversight and guidance on an effective system of risk management. The Cluster Audit and Risk Committee independently monitored the effectiveness of the Department's risk management system and provided advice on governance, risk management and internal control processes. The Department continued to note improvements in the maturity of its risk management practices through enhanced monitoring processes, improved accountability and strengthened governance awareness across the organisation. However, risks relating to fiscal constraints, service delivery pressures, infrastructure delivery, compliance obligations and evolving operational demands continue to require ongoing management attention as well as liaising with client departments and oversight structures. The Department reviewed and approved the following policies to align with revised prescripts and best practice:

a) Integrity Management Strategy,
b) Risk Management Strategy,
c) Risk Management Policy,
d) Risk Appetite and Tolerance Statement,
e) Fraud Policy,
h) Whistleblowing Policy,
i) Conflict of Interest Policy,
o) Combined Assurance Policy.

The Department continues to implement a Fraud Prevention Plan as part of its commitment to maintaining a zero-tolerance approach towards fraud, corruption and unethical conduct. The Ethics Fraud and Corruption Risk Assessment was completed on 21 October 2025. Consequently, the Ethics Fraud and Corruption risk register was approved on 25 March 2026. The Department maintained several mechanisms for the reporting of fraud and corruption, including a dedicated Anti-Fraud and Anti-Corruption Whistle Blowers email facility and hotline. The Department continued to implement measures aimed at minimising and managing conflicts of interest in order to promote transparency, fairness and ethical decision-making. The department achieved 100% submission of Financial disclosures for the financial year. Lifestyle reviews were performed, using the financial disclosures submitted review for all Senior Management and a risk-based sample of other categories.

The Department delivered a strong financial performance in the 2025/26 financial year, achieving an exceptional expenditure rate of **98.60%** against its adjusted budget of **R2.266 billion**. This high level of spending reflects robust financial management, effective oversight, and disciplined budget implementation. The marginal under-expenditure of **R32.830 million** was primarily due to additional funding received during the Adjustments Estimates process for repairs to the Legislature Assembly (LA) Building Complex in Ulundi, which could not be fully spent within the financial year. In line with PFMA requirements, the Department proactively sought approval to roll over these unspent funds.

CORPORATE SUPPORT

Corporate Services has contributed to the Departmental outcome of an ethical, capable and professional public service by capacity building and strengthening operational efficiency in the following ways:

- The Department achieved a 51.9% representation of women at Senior Management Service (SMS) level, demonstrating the Department's continued efforts to promote equitable representation within the SMS and to create opportunities for women to participate meaningfully in strategic decision-making and leadership.
- In terms of developing the youth, the Department placed a total of thirty (30) students on the Work Integrated Learning Programme, and thirty (30) graduates on the Internship Programme. These beneficiaries were paired with mentors and obtained valuable workplace exposure.
- Thirty-seven (37) employees benefited from the Department's Internal Bursary Programme, and nineteen (19) beneficiaries benefited from the Department's External Bursary Programme, providing these individuals with an opportunity to further their studies and obtain a tertiary qualification.
- Five (5) external bursary holders and twenty-eight (28) internal bursary holders completed their studies in 2025, thus equipping them with a tertiary qualification in their chosen fields.
- Emanating from the External Bursary programme for built environment graduates, ten (10) graduates were appointed on the Candidacy Development Programme to obtain the competencies required to attain professional registration with the relevant statutory councils.
- Seven employees benefited from training in terms of the Artisan Development Programme, registering as artisans in the plumbing, electrical and carpentry trades. These artisans are appointed in the District Offices and are being utilized for in-house maintenance of infrastructure, which has assisted the Department in reducing maintenance expenditure usually incurred in appointing external service providers.

Annual Performance Plan 2025/2026

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 2.4.4.1

Programme 1: Administration **Sub Programme 2: Management of the Department** **Sub Programme 3: Corporate Support**								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2023/2024**	**Audited Actual Performance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from Planned target to Actual Achievement 2025/2026**	**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 2025	1	1	1	1	0	Target achieved
		1.2 Percentage of internal audit action plans implemented within specified timeframe	74%	n/a	100%	68%	-32%	Target not achieved Q1–Q3 deviations resulted from complex audit remediation processes, stakeholder dependencies and capacity constraints, with a dynamic workload. Q4 recovery achieved 100% closure of PIAS and AG plans. Deviations reflect operational realities, and annual target conversion is recommended.
		1.3 Percentage of external audit action plans implemented within specified timeframe	89%	n/a	100%	22%	-78%	Target not achieved Q1–Q3 deviations resulted from complex audit remediation processes, stakeholder dependencies and capacity constraints, with a dynamic workload. Q4 recovery achieved 100% closure of PIAS and AG plans.

								Deviations reflect operational realities, and annual target conversion is recommended.
		1.4 Percentage of valid invoices paid within 30 days	New	n/a	100%	87.5%	-12.5%	Target not achieved Due to the monthly equitable share allocation of 8.33% was not sufficient to cover the departmental payments obligations and as well as other client departments payments. Delayed settlement of inter Departmental Accounts (IDAs) debts by the client departments, Insufficient property rates baseline hindered the department to meet its financial obligations.
	Effective utilization of the budget	1.5 Percentage of budget variation	0%	0%	Within 2% budget variation	98.6%	0%	Target achieved
	Compliance to PFMA (Section 55(2) (a)	1.6 Approved procurement plan submitted to Provincial Treasury by 31 March 2025	1	1	1	1	0	Target achieved
		1.7 Percentage of implementation of the Procurement Plan	New	n/a	100%	100%	0	Target achieved
	Increased economic empowerment through procurement	1.8 Percentage budget spent on designated groups owned enterprises through 30% on procurement of goods, services, and departmental Infrastructure projects Women: 45% Youth: 35% Military Veterans: 10%	120%	207%	100%	113%	+13%	Target over-achieved Due to the increased number of Women and Youth-owned enterprises, that participated and benefited on our procurement opportunities provided.

Reduction in vacancy rate	1.9 Percentage of approved funded vacant posts filled	New	n/a	100%	35.35%	-64.65%	Target not achieved Due to the initial delayed funding approval constraint on filling of posts. And the newly introduced compulsory requirement to conduct Job Evaluation to every vacant posts.
Reduction in vacancy rate	1.10 Percentage of Women at SMS level	50%	50%	50%	51.9%	+1.9%	Target over-achieved Due to two female SMS members that were appointed and, two male SMS members that exited the Department.
Reduction in vacancy rate	1.11. Percentage representation of Staff with disabilities	2%	2%	2%	1.83%	-0.17%	Target not achieved Due to two (2) People with Disabilities (PWD) officials, exiting the system on natural attrition. There were challenges in filling vacant posts due to funding and the compulsory requirement to conduct Job Evaluation to every vacant post.
	1.12 Percentage of youth developed	New	n/a	100%	100%	0	Target achieved
Effective and efficient ICT operation system	1.13 Number of Digital Transformation initiatives implemented.	New	n/a	4	4	0	Target achieved

Linking performance with budgets

Programme 1: Expenditure

Sub- Programme Name	2025/2026			2024/2025		
	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	**15 771**	**15 771**	**-**	**16 608**	**16 608**	-
Management	**288 609**	**288 609**	**-**	**281 276**	**281 276**	-
Corporate Support	**193 223**	**193 223**	**-**	**166 097**	**166 097**	
Total	**497 603**	**497 603**	**-**	**463 981**	**463 981**	-

2025/26 Financial Year - Actual expenditure was at 100.0 % of the Final Appropriation. The Department fully spent the budget under Programme 1.

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

Strategy to overcome areas of under performance

Areas of under performance	Strategy to overcome under performance
1.2 Percentage of internal audit action plans implemented within specific timeframe	Internal Control has implemented a strengthened recovery and improvement strategy aimed at enhancing the timely resolution of audit findings while maintaining the integrity and sustainability of corrective actions. Key interventions include the enhancement of monitoring and tracking mechanisms, improved planning and prioritisation of long-haul and high-risk action plans, and strengthened coordination with business units and critical stakeholders to better manage interdependencies and approval processes. Greater focus has also been placed on proactive engagement, early validation of POE, and continuous follow-up to minimise delays associated with procedural and stakeholder requirements. In addition, lessons derived from the challenges experienced during the financial year have informed a more structured and risk-based approach to audit remediation, with the objective of improving implementation timelines, accountability, and overall performance consistency going forward
1.3 Percentage of external audit action plans implemented within specific timeframe	
1.4 Percentage of valid invoices paid within 30 days	The Department has implemented and explored various control measures aimed at improving payment turnaround times. These include formal engagements with Provincial Treasury to review and strengthen existing IDA processes, including proposals to restructure the management of these accounts to improve cash-flow control and accountability. Provincial Treasury issued a draft circular providing for the ring-fencing of funds for the settlement of lease and infrastructure-related obligations payable to DPWI. In terms of this arrangement, ring-fenced funds will be released on a monthly basis through a special payment run administered by Provincial Treasury. Establishment of a mechanism for tracking and monitoring invoices from receipt through to payment
1.9 Percentage of approved funded vacant posts filled	The Department finalised its reprioritisation exercise at an early stage and monitors the internal and external administrative processes and dependencies on a weekly basis to ensure any challenges are identified and addressed timeously. Where external dependencies are hampering the process, these will be urgently escalated for intervention.
1.11. Percentage representation of Staff with disabilities	The Department has prioritised 111 vacant posts and is aiming to attract candidates from the disability sector for these posts by ensuring disability targets are highlighted and emphasised to panels during the recruitment stages. In addition, a circular has been issued communicating the disability targets to be achieved within the Department so that all supervisors ensure this is taken into account when identifying critical vacant posts. The Department will also extend the reach of recruitment by advertising new posts on the Department's Disability App and by circulating to disability organisations.

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 2025-2026 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)

Institutional Outcome from Programme 2

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 2025/2026 to the value of R1.159 541 billion, including the additional budget of R193 600 million received from the Provincial Treasury during the cause of the year. A further R 8 million was re-prioritised within the Departmental Budget allocation.

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

The Department had a target of 91 properties to be endorsed, and all, plus 1 property 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 8.2% was overachieved.

The branch managed to conduct 174 inspections in respect of hired and 120 for state owned offices and office accommodation.

A total of 11.03027 hectares of land was released for socio-economic purposes with the Kwa-Zulu Natal Provinces

INFRASTRUCTURE DELIVERY PERFORMANCE AND CLIENT IMPACT

Infrastructure Delivery Performance and Client Impact

During the FY2025/26, the Department entrusted with R1.4bn successfully delivered 62 capital infrastructure projects on behalf of the Client Departments and thus enabling government priorities. The successful completion of projects across education, health, transport, and public service sectors underscores a strong commitment to delivery excellence, client satisfaction, and measurable impact.

By transforming and maintaining infrastructure into functional, high-quality public assets, the Department did not only build facilities but also created job opportunities.

Education Infrastructure – Transforming Teaching and Learning Environments

The completion of 28 projects in the education sector represents a significant investment in the future of our communities to reduce overcrowding, enhance learner safety, and create conducive environments for improved academic performance and long-term educational outcomes whilst creating short term job opportunities that go a long way in alleviating poverty. 70% of the projects delivered mostly in the rural areas are instrumental in the eradication of pit-latrines thus restoring dignity and safety of the learners. Access to water is a fundamental right. The Department is slowly closing the gap of the backlog in repairing schools that continue to be affected by severe storms in the province. Delivery of these projects and others in the pipeline were achieved at a budget of R270.2m.

Health Infrastructure – Strengthening Healthcare Systems

The Department completed 18 health capital infrastructure projects and huge maintenance programme, reinforcing the public healthcare system where communities now benefit from improved access to optimal healthcare services and enhanced quality of care within well-equipped and compliant facilities at a budget of R761.5m

Other Clients Portfolio

During the 2025/26 financial year, the total budget allocation for Other Clients was R321 452 647. Total expenditure amounted to R290 019 968, representing a 90% budget utilization rate. The client portfolio included the Office of the Premier, the KZN Legislature, and the Departments of Transport, Public Works, Human Settlements, Arts and Culture, Cooperative Governance and Traditional Affairs (COGTA), Social Development, and Agriculture.

A total of 16 projects were successfully completed for these clients during the 2025/26 period. A major milestone was the completion of Phase 3 of the Owen Sithole project for the Department of Agriculture, which involved upgrading the college's water reticulation and electrification systems. Additionally, the completion of the Enyokeni Cultural Precinct project represents a defining milestone in the Department’s infrastructure delivery programme. Serving both ceremonial and community functions, this facility stands as an iconic symbol of cultural heritage and national pride, reflecting a seamless integration of tradition and modern infrastructure design. This project demonstrates the Department’s capability to deliver infrastructure that is fit-for-purpose, architecturally distinctive, and culturally significant.

A flagship of integrated design and delivery, the Enyokeni Cultural Precinct distinguishes itself through world-class infrastructure development, incorporating high-quality construction standards and durable materials. The project features specialised installations and facilities designed to accommodate large-scale events and culturally significant gatherings. Through a carefully considered layout that balances functionality, accessibility, and aesthetic value, the precinct embodies engineering precision and architectural excellence, positioning it as a benchmark for future public infrastructure developments

Regarding active projects, Phase 1 of the project to repair storm damage sustained by the Old Legislative Administration Building on 2 February 2025 is currently underway. As of the end of March 2026, the project has achieved 60% actual progress against a target of 80% completion.

Annual Performance Plan 2025/2026

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 2.4.4.2:

Programme 2: Public Works Infrastructure **Sub Programme 1: Immovable Asset Management**								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2023/2024**	**Audited Actual Performance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from planned target to Actual Achievement 2025/2026**	**Reasons for deviations**
Productive Assets (Maintenance of facilities)	Property rates for Municipalities	2.1 Percentage of total budget spent on approved property rates invoices from municipalities.	100%	100%	100%	100%	0%	Target achieved
	Effective management of immovable assets	2.2 Number of properties registered into the name of the KZN Provincial Government	80	82	91	92	+1	Target over-achieved Due to an additional property which shared a vesting certificate to the initially targeted property. Thus, resulting in two title deeds being endorsed simultaneously.

Inspection conducted for optimal utilization	2.3 Number of utilization inspections conducted for office accommodation **(State Owned) Sector indicator**	100	100	120	120	0	Target achieved
State owned building with finalized condition assessments	2.4 Number of condition assessments finalized on state owned buildings.	150	161	150	150	0	Target achieved
Approved Custodian Asset Management Plan (C-AMP)	2.5 Approved Custodian Asset Management Plan (C-AMP) submitted to Relevant Authority by 31 December 2025.	1	1	1	1	0	Target achieved
Inspection conducted for optimal utilization	2.6 Number of utilization inspections conducted for office accommodation **(Hired) Sector indicator**	103	180	172	174	+2	Target over-achieved Due to certain targeted properties, that were in one precinct.
Facilities	2.7 Number of facilities provided.	102v	59	77	85	+8	Target over-achieved The overachievement is due to additional leases signed from previous year's backlog.

	Optimized entrepreneurship opportunities	2.8 Percentage of leases concluded with black Landlords.	73%	8%	5%	8.2%	+3.2%	Target over-achieved Due to additional shorter-term leases that were due for signing during the reporting period. The longer-term leases could not be finalised on time.
	Disposal of redundant states properties for socio-economic purposes	2.9 Hectares of land released for socioeconomic purposes.	10ha	4,2892ha	10ha	11.03027ha	+1.03027ha	Target over-achieved The targeted properties had varying extents, that slightly exceeded the initial hectares set for disposal.
Sustainable infrastructure investment (construction	Sustainable infrastructure delivery	2.10 Number of planned maintenance projects completed. **Sector Indicator**	14	11	1	1	0	Target achieved
	Sustainable infrastructure delivery	2.11 Number of upgrades and additions projects completed	New	n/a	10	10	0	Target achieved
	Sustainable infrastructure delivery	2.12 Number of new construction projects completed.	2	0	0	0	0	No new construction projects were received from Client Departments for implementation during the reporting period. As an entity that operates on directive, KZNDPWI does not initiate construction projects independently due to funding constraints. Moving forward the Department is raising this issue at NATPROV

Linking performance with budgets

Programme 2: Expenditure

Sub- Programme Name	2025/2026			2024/2025		
	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	**1 263 050**	**1 263 050**	**-**	**1 192 925**	**1 192 925**	-
Construction	**464 304**	**431 474**	**32 830**	**420 524**	**420 524**	-
Total	**1 727 354**	**1 694 524**	**32 830**	**1 613 449**	**1 613 449**	-

2025/26 Financial Year - Actual expenditure was at 98.1 % of the Final Appropriation. The Department under-spent Programme 2 by R32.830 million. The under-expenditure of R32.830 million was mainly as a result of delays in the urgent repairs to the LA Building Complex in Ulundi. Subject to Provincial Treasury approval, the Department requested a rollover for the unspent allocation for the 2026/27 financial year.

2024/25 Financial Year - Actual expenditure was at 100.0 % of the Final Appropriation. The Department fully spent the budget under Programme 2.

Strategy to overcome areas of under-performance

All the performance targets for Programme 2 were achieved as planned in the 2025/2026 Financial Year.

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 2025/2026 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

Institutional Outcome from Programme 3

Department EPWP Work Opportunities Created

The Department continued to make significant progress towards the achievement of Priority 1: “Job Creation and Transformation” through the implementation of the Expanded Public Works Programme (EPWP). During the 2025/2026 financial year, the Department exceeded its planned targets by creating **3 943 Work Opportunities** against the annual target of **3 890 Work Opportunities** by the end of March 2026. This achievement reflects the Department’s commitment towards accelerating employment creation initiatives aimed at reducing unemployment, alleviating poverty, and improving livelihoods within communities across the province.

The achievement was realised through the successful implementation of the EPWP Maintenance Programme across all District Municipalities, including the eThekwini Metropolitan Municipality. The programme focused on labour-intensive maintenance activities that contributed towards the upkeep of public infrastructure whilst simultaneously creating temporary employment opportunities for unemployed community members. Beneficiaries were recruited through School Governing Bodies (SGBs) and Operation Sukuma Sakhe (OSS) structures to promote transparency, fairness, and community participation in the recruitment process. The programme further contributed towards empowering youth, women, and persons with disabilities through the provision of income support, work exposure, and socio-economic opportunities.

Izandla Ziyagezana Programme

The programme is aimed at providing temporary employment opportunities to unemployed beneficiaries, thereby contributing positively towards improving the socio-economic conditions of local communities. Through the implementation of this initiative, the Department continues to advance government's objective of creating sustainable livelihood opportunities, whilst also addressing challenges related to unemployment, poverty, and inequality within vulnerable communities.

To date, the Department has successfully created 363 Work Opportunities through the programme. Of these opportunities, 245 beneficiaries were women, 132 were youth, and 4 opportunity was allocated to a person with disability, noting that some of the women beneficiaries also fall within the youth category. This demonstrates the Department's continued commitment towards promoting inclusive participation and empowering designated groups through targeted public employment interventions.

Provincial EPWP Work Opportunities Created

The Provincial EPWP is coordinated by the Department of Public Works as part of its mandate to facilitate and monitor public employment creation across the province. During the 2025/26 financial year, a total of **199 089 Work Opportunities** were reported by Provincial Departments and Municipalities against a nationally set target of **153 524 Work Opportunities**. This performance reflects an overall overachievement against the approved target and demonstrates the province's continued commitment to utilising public employment programmes as a key mechanism for job creation, skills development, and poverty alleviation.

A total of 65 Provincial public bodies submitted EPWP performance reports during the period under review, ensuring broad institutional participation in the programme. To strengthen implementation and provide targeted support to these public bodies, the Department conducted **twelve (12) strategic interventions,** which included Integrated Grant Workshops (DORA), Labour Intensive Construction Training, District Forum Meetings, Council Inductions, and Provincial Steering Committee Meetings. These interventions were designed to enhance compliance, improve reporting accuracy, strengthen coordination, and support effective implementation of EPWP across all participating institutions in the Province.

Emerging Contractors Trained

The Youth, Women and Persons with Disabilities Programme is mandated to promote, facilitate, and advocate for the meaningful participation of designated groups in departmental programmes, with a particular focus on inclusive economic empowerment and equitable access to opportunities. In collaboration with the Departmental EPWP unit, the Programme supported the development and empowerment of emerging contractors through targeted capacity-building interventions aimed at strengthening their participation in public employment and infrastructure-related initiatives.

During the 2025/26 financial year, a total of **six (6) contractor training sessions** were successfully conducted against a set target of six (6), thereby achieving full compliance with the annual performance target. These training interventions were instrumental in enhancing the technical, administrative, and compliance capabilities of emerging contractors, while also reinforcing the Department's commitment to advancing transformation and ensuring the sustainable inclusion of designated groups within the construction and service delivery value chain.

Prioritisation of Designated Groups

The Department, through the Youth, Women and Persons with Disabilities (Y, W&PWD) Directorate, actively promotes and advocates for empowerment initiatives aimed at advancing the participation of designated groups within departmental programmes. This is achieved through human resource development interventions such as internships, bursaries, and work-integrated learning opportunities, which are designed to enhance skills development and improve employability.

In addition, designated groups benefit from procurement expenditure linked to infrastructure projects, leases, disposals, and the procurement of goods and services, thereby contributing to broader economic transformation and inclusion.

Furthermore, citizens with low levels of education and skills are prioritised through the EPWP, including initiatives such as Izandla Ziyagezana, skills development programmes, and learnerships, which also serve as EPWP exit strategies aimed at equipping beneficiaries with practical skills, work experience, and improved prospects for sustainable employment; in this regard, during the 2025/26 financial year, the Department, in collaboration with the FP&M SETA, successfully implemented accredited training for 30 EPWP youth participants in Furniture Making over a six-month period as part of a structured EPWP exit strategy prioritising youth empowerment and transition into sustainable livelihoods.

Annual Performance Plan 2025/2026

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 2.4.4.3

Programme 3: Expanded Public Works Programme								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2023/2024**	**Audited Actual Performance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from planned target to Actual Achievement 2025/2026**	**Reasons for deviations**
Optimized job opportunities	Paid work created	3.1 Number of work opportunities created by Provincial Public Works and Infrastructure **Sector indicator**	3019	3035	3890	3943	+53	Target over-achieved Due to the allocation of additional funding to the Departmental EPWP from the savings realised by EPWP Provincial Coordination, which positively contributed to the enhancement of performance outcomes during Quarter 2.
	Empowerment interventions	3.2 Number of Beneficiary empowerment interventions	4	4	4	4	0	Target achieved
		3.3 Number of trainings provided to emerging Contractors.	400	6	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	65	65	65	0	Target achieved

		3.5 Number of interventions implemented to support Public Bodies participating in the EPWP.	12	15	12	12	0	Target achieved

Linking performance with budgets

Programme 3: Expanded Public Works Programme Expenditure

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 3	**-**	**-**	**-**	-		-
Programme Support	**20 842**	**20 842**	**-**	**25 650**	**25 650**	-
Community Development	**19 925**	**19 925**	**-**	**34 261**	**34 253**	8
Total	**40 767**	**40 767**	**-**	**59 911**	**59 903**	8

2025/26 Financial Year - Actual expenditure was at 100.0 % of the Final Appropriation. The Department fully spent the budget under Programme 3.

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.

Strategy to overcome areas of under-performance

All the performance targets for EPWP were achieved as planned in the 2025/2026 Financial Year.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The Department did not make any payment to public entities during the period under review.

5.2. Transfer payments to all organisations other than public entities

There were no Transfer Payments to organisations during the period under review.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The table below details the conditional grant and earmarked funds paid by the department
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 3890 work opportunities and 769 full time equivalents by end March 2026
Actual outputs achieved	A total number 3 968 Work Opportunities against the annual target of 3 890 Work Opportunities, as well as achieving 575 Full Time Equivalents (FTEs) against the targeted 769 FTEs by the end of
Amount per amended DORA	N/A
Amount transferred (R'000)	R5.418m
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R5.418m
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 15th of every month

6.2. Conditional grants and earmarked funds received

The table below details the conditional grants and ear marked funds received during for the period 1 April 2025 to 31 March 2026.

Conditional Grant: EPWP Integrated Grant for Provinces

Department who transferred the grant	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 3890 work opportunities and 769 full-time equivalents by end March 2026
Actual outputs achieved	A total number 3 943 Work Opportunities against the annual target of 3 890 Work Opportunities, as well as achieving 575 Full-Time Equivalents (FTEs) against the targeted 769 FTEs by the end of March 2026
Amount per amended DORA	N/A
Amount received (R'000)	R5. 418m
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 5. 418m
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	The monthly in year monitoring tool used by Provincial Treasury to be submitted on monthly basis by the 15th of every month
Measures taken to improve performance	Regular site visits, IYM reviews, and data verifications to ensure compliance with Department and EPWP requirements.
Monitoring mechanism by the receiving department	Strengthen monitoring and compliance through regular site visits, IYM reviews, data verification, follow-up on gaps, and participant file reviews.

7. DONOR FUNDS

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 2025/26 financial year, KZN-DPWI was allocated a baseline budget of R29.133 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: R17.531 million

Upgrades and additions: R360 Thousands

Refurbishment and rehabilitation: R7.280 million

New infrastructure assets: R3.962 million

Total Infrastructure Allocation: R29.133 million

There were budget adjustments during the year, which resulted in an overall net increase of R29.019 million in the department's infrastructure budget.

Maintenance and repair: Current was decreased by R9.060 million. This category caters for projects such as the mechanical and electrical maintenance of lifts in the LA Building Complex and generator maintenance in the Zululand district. Some maintenance projects were delayed including the external maintenance and landscape projects to cater for spending pressures within Goods and services in respect of prior year commitments which were not paid due to budget constraints, as well as the procurement of e-leave and e-submission systems, an invoice tracking system and to set up an ethics helpdesk.

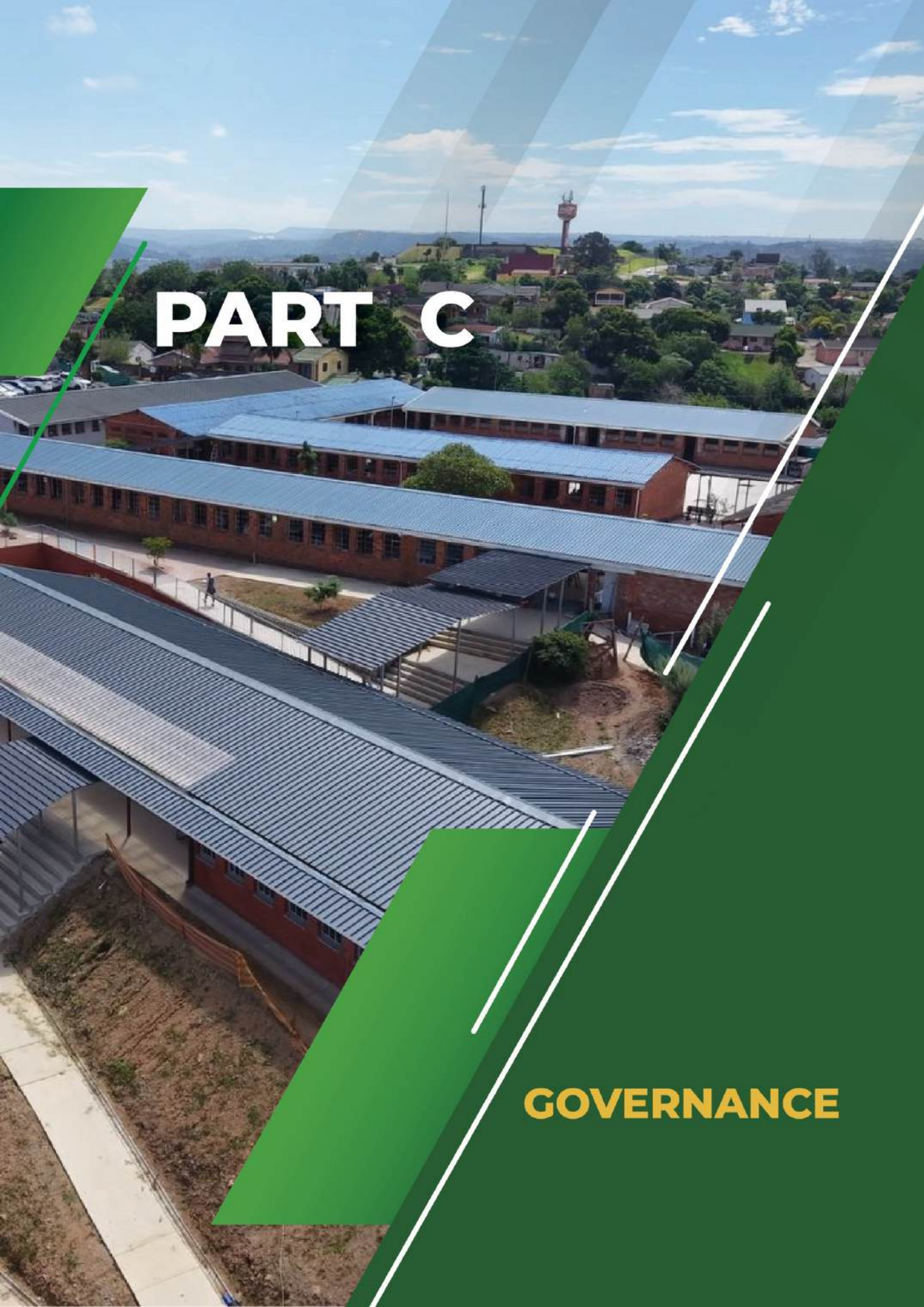
R880 000 was moved from Refurbishment and rehabilitation: Capital due to the department putting on hold renovations to the Mayville Lecture Hall in eThekwini as a result of enforced savings in order to offset spending pressures under Goods and services.

New infrastructure assets: Capital was decreased by R1.803 million due to the department implementing enforced savings. The department moved unspent funds related to the completion of the new iLembe District Office in the eThekwini Region to Programme 1 under Goods services.

An amount of R40.762 million was added to the department's infrastructure budget against Refurbishment and rehabilitation: Capital for urgent repairs to the LA Building Complex in Ulundi that was storm damaged in February 2025. Of this amount, R20 million was suspended from Vote 11: COGTA and R20.762 million was received from National Treasury as an additional equitable share allocation. These funds are specifically and exclusively allocated for this purpose.

As at end of 2025/26 financial year, the department spent R26.262 million against a final budget appropriation of R59.062 million that was 44.4% of the overall expenditure. The department has an under-expenditure of 55.6% on infrastructure budget. The reason for under-expenditure is due to lower-than-anticipated expenditure under Buildings and Other Fixed Structures relating to repairs to the Legislature Assembly (LA) Building Complex in Ulundi. The department has requested approval to roll over these funds to the 2026/27 financial year in line with PFMA regulations.

Infrastructure projects	2025/2026			2024/2025		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	**1 446**	**1 446**	**-**	**11 938**	**11 938**	**-**
Existing infrastructure assets	**57 646**	**24 816**	**32 830**	**11 558**	**11 558**	**-**
- Upgrades and additions	**-**	**-**	**-**	**89**	**89**	**-**
- Rehabilitation, renovations and refurbishments	**47 110**	**14 280**	**32 830**	**706**	**706**	**-**
- Maintenance and repairs	**10 536**	**10 536**	**-**	**10 763**	**10 763**	**-**
Infrastructure transfer	**-**	**-**	**-**	**-**	**-**	**-**
- Current	**10 536**	**10 536**	**-**	**10 763**	**10 763**	**-**
- Capital	48 556	15 726	**32 830**	**12 733**	**12 733**	**-**
Total	**59 092**	**26 262**	**32 830**	**23 496**	**23 496**	**-**



PART C

GOVERNANCE

1. INTRODUCTION

The Department remains committed to maintaining the highest standards of governance, accountability, and ethical administration in the management of public finances and resources. Effective governance is recognized as fundamental to ensuring that public funds and state resources are utilised in an efficient, effective and economical manner for the benefit of citizens and stakeholders.

The Department acknowledges its responsibility to provide assurance to the public, oversight bodies and other stakeholders that appropriate governance structures, systems and internal controls are in place to support sound decision-making, accountability and service delivery. Governance processes within the Department are continuously strengthened to promote transparency, ethical leadership, regulatory compliance and responsible stewardship of public resources.

During the 2025/26 financial year, the Department continued to reinforce governance through the implementation of risk management processes, integrity management initiatives, fraud prevention mechanisms and oversight structures aimed at strengthening institutional accountability and improving organizational performance.

2. RISK MANAGEMENT

The Department continued to embed a proactive and accountable risk management culture across all levels of the organisation. Risk management principles remain integrated into strategic planning, operational processes and decision-making activities to support the achievement of departmental objectives and enhance institutional resilience. Through Risk Management awareness sessions management is encouraged to identify and manage risks within their respective areas of responsibility, thereby strengthening collective accountability for risk management.

The Department reviewed and maintained its Risk Management Policy, Risk Management Strategy and related implementation processes to ensure alignment with the KZN Risk Management Framework and evolving best practices. These documents were communicated to relevant stakeholders and continue to guide the implementation of risk management practices throughout the Department.

Regular risk assessments were conducted during the financial year to identify strategic, operational and emerging risks that may impact on the achievement of departmental objectives. Risk assessments also included ethics fraud and corruption risks, information and communication technology risks, occupational health and safety risks and business continuity risks. Existing controls were evaluated, mitigation measures reviewed, and action plans developed to address identified risk exposures.

The Department continued to strengthen its risk management capacity through the establishment of governance structures (such as MANCOs and EXCOs), awareness initiatives and ongoing engagement with business units, regional offices, and district offices. Responsibility managers and officials continued to participate in risk management processes and were required to implement mitigation measures relevant to their operational environments.

The Risk Management Committee met quarterly and provided strategic oversight and guidance on an effective system of risk management. The Committee monitored key risks facing the Department, reviewed mitigation measures and advised management on interventions required to eliminate and reduce risk exposure.

The Cluster Audit and Risk Committee independently monitored the effectiveness of the Department's risk management system and provided advice on governance, risk management and internal control processes. Quarterly risk management reports were submitted to the Committee to facilitate oversight and monitor progress on the management of key strategic and operational risks.

The Department continued to note improvements in the maturity of its risk management practices through enhanced monitoring processes, improved accountability and strengthened governance awareness across the organisation. However, risks relating to fiscal constraints, service delivery pressures, infrastructure delivery, compliance obligations and evolving operational demands continue to require ongoing management attention as well as liaising with client departments and oversight structures. To address these challenges, the Department will continue strengthening preventative controls, improving monitoring mechanisms and enhancing risk management integration within operational planning processes.

The Department has adopted a Risk Appetite Statement which guides decision-making and assists management in determining acceptable levels of risk exposure in pursuit of departmental objectives. Risk management processes are supported through continuous environmental scanning, consultation with internal and external stakeholders, regular monitoring of key risk indicators and escalation mechanisms for emerging and high-risk matters requiring management intervention.

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

a) Integrity Management Strategy,
b) Risk Management Strategy,
c) Risk Management Policy,
d) Risk Appetite and Tolerance Statement,
e) Fraud Policy,
f) Prohibition of Conducting Business With an Organ of State Policy,
g) Other Remunerative Work Policy,
h) Whistleblowing Policy,
i) Conflict of Interest Policy,
j) Gifts and Hospitality Policy,
k) Fraud Plan,
l) Integrity Management (Ethics) Policy,
m) Risk Management Committee Terms of Reference,
n) Integrity Management Committee Terms of Reference,
o) Combined Assurance Policy, and
p) Combined Assurance Committee Terms of Reference

3. FRAUD AND CORRUPTION

The Department continues to implement a Fraud Prevention Plan as part of its commitment to maintaining a zero-tolerance approach towards fraud, corruption and unethical conduct. The Fraud Prevention Plan provides a structured framework for the prevention, detection, reporting and management of fraud and corruption risks within the Department. Implementation of the Plan continued to be monitored through targeted awareness initiatives, ongoing risk assessments, continuous policy review and refinement, and the utilisation of established oversight and governance structures. The Ethics Fraud and Corruption Risk Assessment was completed on 21 October 2025. Consequently, the Ethics Fraud and Corruption risk register was approved on 25 March 2026.

The Department maintained several mechanisms for the reporting of fraud and corruption, including a dedicated Anti-Fraud and Anti-Corruption Whistle Blowers email facility and hotline. These mechanisms are accessible to both employees and members of the public and allow for the confidential and anonymous reporting of suspected unethical conduct, fraud, and corruption.

The Department continued to promote awareness regarding the importance of reporting suspected fraud and corruption through fraud awareness workshops, communication campaigns and employee orientation programmes. Officials were encouraged to make protected disclosures without fear of victimisation or retaliation.

Reported allegations are assessed and referred for appropriate investigation processes in accordance with applicable legislation, departmental policies and prescribed procedures. Where necessary, disciplinary processes, recovery actions and referrals to law enforcement agencies are instituted based on the outcome of investigations.

The Department also commemorated International Fraud Awareness Week on 11 November 2025 through awareness campaigns aimed at strengthening employee understanding of fraud risks, ethical responsibilities, and the impact of corruption on service delivery and public confidence

4. MINIMISING CONFLICT OF INTEREST

The Department continued to implement measures aimed at minimising and managing conflicts of interest to promote transparency, fairness and ethical decision-making. Integrity management processes are supported through the implementation of policies relating to Conflict of Interest, Ethics Policy, Other Remunerative Work, Gifts, Donations and Sponsorships, Whistleblowing and the Prohibition of Conducting Business with an Organ of State.

Where potential conflicts of interest are identified, the Department assesses the nature and extent of the conflict and implements appropriate management interventions, which may include recusal from decision-making processes, review of financial disclosures, further verification procedures or referral for investigation where necessary.

The Department has implemented measures to ensure that employees who wish to perform remunerative work outside of the Public Service obtain prior approval in accordance with legislative prescripts. Applications for Other Remunerative Work are subjected to verification processes, including checks against the Central Supplier Database. This ensures that employees are not conducting business with the State. The outside work does not conflict with official responsibilities.

The Department has adopted and implemented a Gifts, Donations and Sponsorship Policy to regulate the acceptance and declaration of gifts and benefits received by employees. Gift registers continued to be monitored and circulated to responsibility managers quarterly to promote transparency and minimise the risk of undue influence or perceived conflicts of interest.

Measures were also implemented to ensure that designated employees and members of management disclosed their financial and business interests during the reporting period in accordance with the requirements of the Department of Public Service and Administration. The department achieved 100% submission of financial disclosures for the financial year. The disclosures were reviewed and verified to identify potential conflicts of interest and strengthen accountability within the Department. Lifestyle reviews were performed, using the financial disclosures submitted review for all Senior Management and a risk-based sample of other categories.

5. CODE OF CONDUCT

The Department adopted the Public Service Code of Conduct which is in line with the Public Service Regulations 2016 as amended (regs 11-15). This is aimed at upholding high standards of professionalism and ensuring ethical behaviour by employees. The Department promotes adherence to the Code of Conduct amongst its employees to encourage exemplary conduct and to give effect to the provisions of Section 195(1) (a) of the Constitution.

The Department also has the following prescripts in place to assist Managers/Supervisors with systematic processes in dealing with a breach of the Code of Conduct: PSCBC Resolution 1 of 2003, Disciplinary Code and Procedures, Chapter 7 of the SMS Handbook, Guide on Informal and formal Discipline, Abscondment Procedure, and Consequence Management Framework.

Employee Relations had targeted eight (08) Workshops to create awareness and promote accessibility on the Code of Conduct. Due to cost-cutting measures and financial constraints in the Department, four (04) workshops were conducted, of which two were on TEAMS, and all Departmental offices, including Head Office and Regions, attended.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The KwaZulu-Natal Department of Public Works and Infrastructure is responsible for managing and maintaining government buildings and infrastructure used by employees, government officials, service providers, and members of the public. Occupational Health and Safety (OHS) is essential to ensure that all buildings and workplaces are safe, healthy, and environmentally compliant for both employees and visitors.

Health-related issues within the Department include poor ventilation, exposure to dust, mould, and cleaning chemicals, and unhygienic conditions in buildings. These conditions may lead to respiratory illnesses, allergies, infections, stress, and other occupational health problems affecting employees and visitors.

Safety issues relate to hazards that may cause injuries or accidents in government buildings and construction sites. Common safety risks include slippery floors, damaged staircases, faulty electrical systems, fire hazards, inadequate emergency exits, falling objects, poor security, and a lack of proper safety signage. Employees, contractors, and visitors may be injured if safety measures are not properly implemented and maintained.

Environmental issues involve the impact of building operations and infrastructure activities on the environment. These include poor waste disposal, water leaks, pollution, excessive energy consumption, and the unsafe handling of hazardous materials. Poor environmental management can negatively affect the health and well-being of building occupants and surrounding communities.

These OHS challenges may negatively affect the KwaZulu-Natal Department of Public Works and Infrastructure in several ways. Unsafe and unhealthy buildings may result in workplace accidents, employee illnesses, absenteeism, low productivity, and poor staff morale. Visitors may lose confidence in government facilities if buildings are unsafe or poorly maintained. In addition, the Department may face legal action, compensation claims, financial losses, and reputational damage for failing to comply with occupational health and safety legislation.

To address these challenges, the Department has implemented several measures to ensure compliance with health, safety, and environmental regulations and to protect all employees and visitors. These measures include maintaining safe buildings at all times, making the required legal

appointments, and conducting regular inspections. The Employee Health and Safety Sub-Directorate from Head Office conducts quarterly inspections in all offices, while regional offices conduct weekly inspections.

The Department also provides annual safety training and ensures that Fire Marshals, First Aiders, and Health and Safety Representatives are trained in all offices. Proper emergency procedures are implemented in compliance with the Occupational Health and Safety Act 85 of 1993. In addition, Departmental SHERQ Committee meetings are held quarterly, while Regional SHERQ Committees remain functional and meet regularly.

Furthermore, the Department conducts quarterly fire drills, performs annual maintenance of fire equipment, provides first aid boxes in all offices, maintains emergency evacuation plans, and presents quarterly Injury on Duty workshops in all offices. These measures assist the Department in promoting a safe, healthy, and environmentally compliant working environment for all employees and visitor

7. PORTFOLIO COMMITTEES

Date of the meeting	Topic for discussion	Matters raised by the Committee	Departmental response
01 April 2025	2025/2026 Vote 14 Departmental Budget & 2025/2026 Annual Performance Plan	The finances of the Department have been over the past years and a holistic view over a seven-year period. The Medium-Term Estimates for 2025/2026 were reported as follows: Programme 1: Administration - R467.650 million Programme 2: Public Works and Infrastructure – R1 522 832 Programme 3: Expanded Public Works Programme (EPWP) – R47.008 million. There was a shortfall of R117.541 million in the previous financial year. The Acting HOD alluded that the department was a recipient of additional funding over the 2025/26 MTEF, towards the municipal property rates pressure, as well as the Integrated Grant for Provinces . Indicated below was for Property Rates: ➢ 2025/26 - R168.780 million ➢ 2026/27 - R474.800 million ➢ 2027/28 - R705.286 million ➢ 2025/26 - R5.418 million (EPWP Integrated Grant for Provinces) Financial considerations and overviews for 2025/2026 MTEF in relation to 2025/2026 cost drivers were illustrated such as Compensation of Employees should be at 60% and above whereas it was reported to be at 38%, Goods & Services was at 13%. In terms of Provinces and Municipalities it was 48% almost the entire budget. The presentation highlighted major drivers for each programme and the 2025/2026 total budget allocation as indicated above. The plan of action in addressing the issue of Property Rates was illustrated. While the DPWI struggle with compliance in relation to Inter-departmental accounts which result to payments of service providers not being paid within 30 days however, the department has sector targets that is measured on.	The Acting HOD presented the plan of action. He then mentioned that: ➢ The maintenance and Repairs was estimated at R17.531 million. The budget over the MTEF caters for planned general maintenance and repairs of buildings in the eThekwini region, the LA Complex building in Ulundi, as well as the Midlands and Southern regions. ➢ Upgrades and additions was estimated at R360 000.00. Over the MTEF, the budget also caters for the upgrading relating to damage caused during the July 2021 unrest in the eThekwini region. ➢ Refurbishment and rehabilitation R7,280 million: Capital: The infrastructure projects over the MTEF include the rehabilitation and refurbishment of the LA Complex: internal roads and water supply system repairs and the perimeter fence, as well as the rehabilitation and renovations to the lecture hall facility in the eThekwini region. ➢ New infrastructure assets: Caters for payment of final account for iLembe district office.
		In terms of EPWP in Programme 3, the department managed to achieve 100% over the years and still committed to do well in this sector target again in this financial year. The presentation concluded with the DPWI turnaround plan around the audit costs, cash flow projections of 2025/2026 in relation to Municipality Property Rates, payment time and project delivery as well as unutilized land and buildings amongst others.	It was reported that the MEC and HOD for KZN Treasury are assisting the DPWI in ensuring correct evaluation of property rates. The Acting HOD on behalf of the department requested support of the Committee in ensuring that the issue of Inter-departmental accounts is addressed and the 2025/2026 Budget is voted for and adopted.

		State owned buildings: Poor maintenance, disposal of properties is not a preferred option (suggestion: transfer to the DOE for student accommodation or other depts. rather than selling them.	The DPWI therefore, are in the process of handing over that office building to them as evidence that selling properties is not the first option. The department is negotiating with other sectors in case they are interested because they cannot initiate a project for a client instead clients need to approach them of their needs. This applies to the maintenance of state-owned properties although some interventions are in progress with schools in townships.
		Payment of service Providers	The Acting HOD raised concern especially about women contractors and alluded that this issue concerns the Honourable MEC as well hence the suggestion of joint committee meeting with Education Committee to address the issue of interdepartmental account.
		EPWP: Explanation about the sustainability of EPWP Beneficiaries	the MEC explained that they pay EPWP beneficiaries what is allocated by the government within a stipulated rate per person. However, the DPWI is engaging TVET Colleges, SETA's and other institutions so that they are able to register for a skilled course. Same institutions are earmarked for bursaries within the department.
22 July 2025	Tabling of 2025/2026 APP & Budget	The meeting was necessitated by the withdrawal of budget due to the VAT increase proposal, which was later rejected therefore the department should confirm if there have not been any changes from the previous submission in April 2025 Most of the members supported the 2025/2026 APP and Budget for Vote 14.	The Hon MEC confirmed that there were no changes to the budget and Annual Performance Plan (APP) from the previous submission. He reiterated that the budget amounts and strategic areas remained the same as it was tabled and debated to the committee last time.
23 July 2025	Special meeting to adopt the 2025/2026 Committee Budget Report to be tabled during 2025/26 budget debate for Vote 14 on 29 July 2025.	The Chairperson allowed the committee to go through the report again and confirmed that there have not been changes from the previous report since this was a resubmission. Honourable S. Bhanprakash proposed for the adoption of the report, Honourable NNG Mahlaba supported the adoption of the report.	The Legal Advisor confirmed that the 2025/2026 Committee Budget Report was duly adopted and recorded.

10 October 2025	1.Departmental Reports	Comprehensive Report on vacant posts and requirements for acting positions	The Hon. MEC reported that the post for the Head of the Department (HOD) was advertised. He also reminded the committee that the HODs are appointed by the Premier, including the panel, to conduct the interviews. He mentioned that they are hoping to have a newly appointed HOD in December or in January 2026. He stated that there are 11 acting positions within the department and then outlined a detailed list of them and qualifications of the acting personnel. He then mentioned that seven of the acting personnel have higher qualifications than the requirements.
		Update on HOD Hearing matter & other Disciplinary matters.	Mr. S. Majola, the former HOD, resigned during an ongoing investigation; while the internal probe ceased after his departure, SAPS and Hawks continue criminal investigations. There was no special arrangement made regarding his resignation beyond pension entitlements.
		Nkonjeni Hospital Construction Project Oversight visit April 2025	The Hon MEC emphasized partnership with the committee to improve departmental performance and welcomed the Nkonjeni Hospital Project report, confirming that corrective measures have been taken following the committee's observations during Oversight visit.
	2. 2025/2026 1st Quarter Report (APP)	The performance of the Department in quarter 1 of 2025/2026, the Acting HOD, Dr V. Govender mentioned that they had 29 targets on the annual performance report, 14 were targeted for the first quarter and 10 were achieved. ➢ The Performance indicator: Percentage of internal audit action plans implemented within specified timeframe. The annual target for 2025/26 was 100%, the department actual output for the 1st Quarter was 64%. It was reported that the target was not achieved. There were 17 findings that were supposed to be implemented in the 1st Quarter, 11 findings were resolved. There are 6 findings in progress with implementation dates in 2nd and 3rd quarters. The 30-day payment findings are in progress and ongoing. Implementation dates were revised for the financial year and ongoing in resolving the outstanding issues. ➢ Performance Indicator: Percentage of external audit action plans implemented within specified timeframe. The annual target for 2025/2026 was 100%, the department actual output for the 1st Quarter was 0%. There were 8 findings to be implemented, and they are still in progress. There are 3 findings in progress with implementation dates in the following quarters. It was reported that the 30-day payment findings are in progress and ongoing and Nkonjeni Hospital. The department is awaiting for the principal agent to submit the payment certificate.	

		Once submitted money will be deducted. Implementation dates were revised for the financial year and ongoing in resolving the outstanding issues. 7 achieved, 3 were over-achieved and 4 were not achieved.	
	3. 2025/2026 1st Quarter Report (Budget)	The Acting HOD reported that the DPWI collected 30.8% of its annual revenue budget which is above the benchmark of 25%. Regarding budget analysis he highlighted on the following: ➢ Sale of goods and services other than capital assets: collected R1.736 million against the first quarter projection of R1.882 million. Revenue collected against this category mainly relates to rental of state property such as tuck shops, commission on insurance premiums and garnishees, etc. The under-collection of R146 000 relates to commission on PERSAL deductions being lower than anticipated. ➢ Interest, dividends and rent on land collected R456 000 against the revenue projection of R69 000. Revenue from this source relates to interest from staff debts, as well as from rent on land. The over-collection is mainly due to interest received from the sale of land in Weston to the South African National Roads Agency SOC Ltd (SANRAL) which was held in a trust account until the sale was concluded. ➢ Sale of capital assets show a revenue collection of R821 000 from the sale of land. The over-collection is mainly due to the sale of land in Weston, as explained. ➢ Transactions in financial assets and liabilities collected R39 000 against the first quarter projection of R267 000. Revenue from this category mainly relates to the recovery from staff debts, over-paid suppliers, etc. The recovery from staff debts was lower than anticipated. In addition, he illustrated a summary of expenditure for the first quarter of 2025/2026 per programme and economic classification, respectively and highlighted projections for the remaining three quarters of the year, as well as projected year-end expenditure. As at the end of the first quarter, the department spent 33.5% of the total budget allocation which is higher than the 25% straight-line benchmark. The department is projecting an overall over expenditure of R421.506 million which is mainly due to spending pressures in respect of municipal property rates under Programme 2 against Transfers and subsidies to: Provinces and municipalities.	The committee expressed its appreciation for all presentations pertaining to the first quarter of the 2025/2026 financial year. The department welcomed the feedback and addressed all comments and requests for clarification in a timely manner.
	4. Nkonjeni Hospital Construction Project Oversight visit 12 August 2025	The committee Chairperson, Hon. P.N. Msimango, who raised concerns regarding the status of the project identified during the oversight visit conducted on 12 August 2025	The HOD explained the proactive steps being taken to address challenges at the Nkonjeni Hospital project. As part of these intervention measures, he emphasized that he personally visits the project site every week to monitor progress and ensure that concerns are resolved in a timely manner. The committee was informed that the contractor, who is not originally from the local area but rather from Gauteng Province, was expected to secure temporary accommodation during his engagement with the Nkonjeni Hospital project. This requirement aligns with standard practice for service providers

			and contractors who are undertaking work outside their home regions. The Acting HOD informed the committee that all defects and construction issues have been resolved and noted visible site progress reflecting the department's commitment to quality. He apologized for any inconvenience during the project and assured the committee of ongoing improvements.
11 November 2025	1.2025/2026 2nd Quarter Report (APP)& 2025/2026 2nd Quarter Report (Budget)	The Department presented both the reports and there were no issues raised.	
	2. Nkonjeni Hospital Construction Project Oversight visit 12 August 2025	Departmental update on the project	The Project Manager, Mr. Ncwane, was assigned this responsibility. He reported that the Contractor has submitted a recovery plan outlining outstanding works on the programme of works dated the 18th of August 2025. This programme has a proposed Practical Completion date of 07 November 2025. He alluded that the Contractor has demonstrated a willingness to accelerate delivery by working overtime; however, activities listed below are behind schedule: • Bulk heads • Hot water tanks (On the critical path) The presentation included, amongst others, a plan for completion with a list of activities that are monitored closely to ensure that the schedule is maintained such as; ➢ 4 Electricians, 4 Laborers ➢ 2 Carpenters, 1 Labourer (Ceilings Trade) ➢ 2 Carpenters, 1 Labourer (Joinery – Doors, Bulkheads, etc) ➢ 2 Plumbers, 1 Labourer The Contractor was instructed to add more resources to address the quality control issues including the quality of paint, etc. This is currently in progress. Intervention Measures by the DPWI ➢ The Acting HOD has been conducting weekly and Adhoc inspections of the project. ➢ Daily inspections by the Departmental representative (Muziyanda Zungu & Dayalan Naicker).

			➢ Weekly inspections for progress and quality control by the Regional Director, Deputy Director, Programme Management, Architect and Quantity Surveyor and EPWP. ➢ Bi-weekly inspections by the Principal Agent. Should the Contractor deviate from their programme, the control mechanism is to reinstate the penalties, and the termination process will commence.
17 February 2026	1.Departmental Reports	Update on forensic investigation: Nkonjeni Hospital Project	the Acting Head of Department, Dr. V. Govender, indicated that the Nkonjeni Hospital project was terminated as of 27 November 2025. DOPWI provided a comprehensive update regarding the forensic investigation into the project, including collaboration with the service provider to ascertain the absence of fraud and corruption. The report addressed the status of the investigation, financial implications, recovery initiatives, and future plans for project completion, while committee members requested further clarification on funding and timelines. In line with Section 38 of the Public Finance Management Act (PFMA), the Department commenced procedures to determine whether the State incurred any irregular or wasteful expenditure in relation to the Nkonjeni Hospital Project, including identifying relevant parties and initiating recovery processes where required. As reported, the total project expenditure stands at R70,574,975.50 (inclusive of 15% VAT), with a remaining balance of R10 million. There are four other projects that are under investigation which will conclude at the end of March 2026
		Presentation of Recovery Plan Report: Re Projects	The department has discovered that there is no corruption however, the main contractor at Nkonjeni Hospital Project quoted R20 million below the value of what the project should have cost. The cost estimate to finish the project is R37 559 200.63. Recovery of cost from the terminated contractor is being pursued and will be concluded once the final account of the completion contract is approved. The current known recovery amount is R5 000 000.00 as per the draft final account.

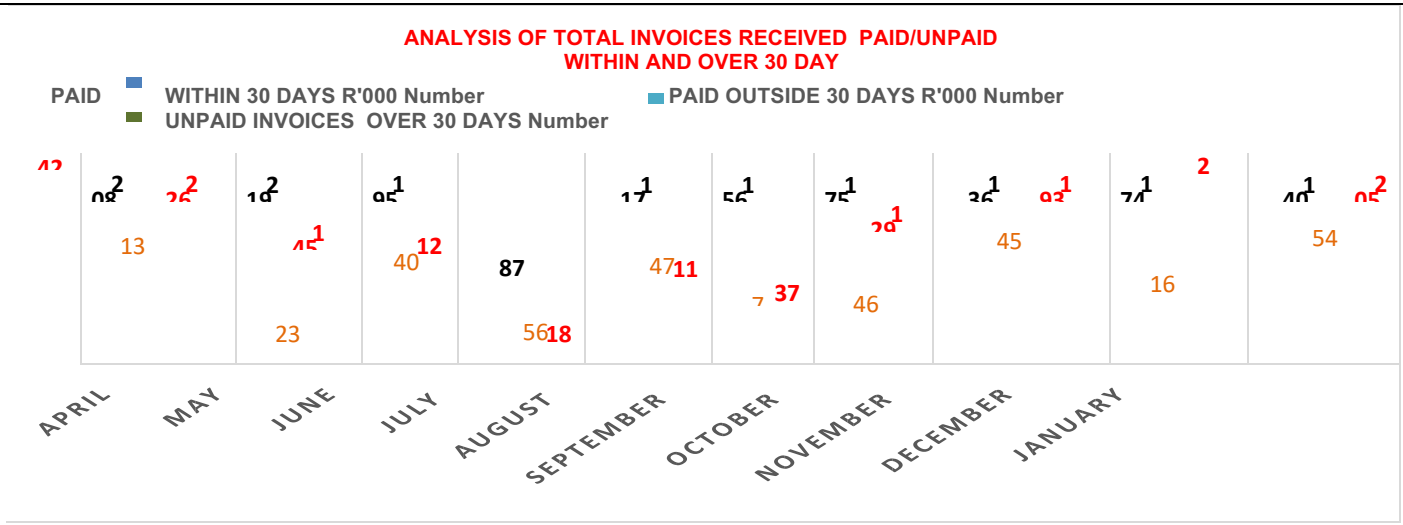
		Report on State dilapidated buildings	The Acting HOD, presented a comprehensive update on the interventions for Dilapidated and Unutilized State Buildings. Amongst others were transfers, donations, and repurpose efforts, with committee members requesting further information on schools and the handling of occupants in affected properties. Almost 17 buildings that the DOPWI has not been taking care of over the years. The Department is about to donate some of them to the Ethekwini Municipality for the urban regeneration programme and KZN Ezemvelo Wildlife. Esplanade Building is earmarked for Government Office Space, revamping from April 2026. These properties are located around the province such as Hluhluwe and Esikhawini amongst others.
		Update to the Legislature Precinct (Court case document/report)	Reporting on the update of the Legislature Precinct, the Acting HOD provided an update on the Legislature Precinct project, explaining past procedural errors, that the Department did not realize importance of the issue of compliance since the property was under Public Private Partnership contractor (PPP) regulations. and the company which was hired at R7.1 billion. The department was compelled to take the matter to court, currently court proceedings to terminate an irregular contract are underway since the company refused to cooperate with the department when they were told that the bid was unethical. The department ignored the need to follow proper PPP regulations for future progress, with committee members expressing concerns about delays and site utilization.
	2. 2025/2026 3rd Quarter Report (APP)	Presenting 2025/2026 3rd Quarter APP, the Acting HOD alluded that the DOPWI has 3 Programmes, highlighting a 79% achievement rate and 21% has not being achieved in the 3rd Quarter of 2025/26 financial year. Programme 1: Administration. There are 5 indicators for Administration Portfolio. Programme 2: Public Works and Infrastructure. Out of 4 targets, 3 were achieved and 1 was not achieved. Programme 3: Expanded Public Works Programmes: Out of 5 targets, all of them were achieved.	The Department seeks support of the Committee to ensure that client departments pay for all costs or expenditure that they incurred. The presentation concluded with progress report on Quarter 4 and annual targets.

		There was a percentage that was not achieved, 1 percentage of external audit action plans implemented within specified timeframe and percentage of valid invoices paid within 30 days. 2 non-achieved indicator targets aligned with a Number of facilities provided. Furthermore, he reported challenges with invoice payments and vacancies, and detailed expenditure analysis, while addressing committee questions on performance indicators and financial constraints. Recovery plan was outlined to show the committee how the department intend to achieve 100% at the end of the 4th Quarter	
	3. 2025/2026 3rd Quarter Report (Budget)	The Acting HOD presented the 2025/2026 third quarter budget performance for the department. He explained that the Equitable share was R2,032 072 billion, the Conditional Grant on EPWP Integrated Grant for Provinces was R5,418 millions. In December 2025 DOPWI received money for Provincial Equitable Share of R20,762 million from COGTA for disaster which includes the repair of LA building in Ulundi. The Acting HOD expressed his gratitude for the appropriate funds of R193,600 million received by the department in relation to Property Rates. The total adjusted budget allocation is R2 265 724 billion.	The Committee welcomed presentations. The department responded on questions and concerns and provided a detailed update on the forensic investigation into the Nkonjeni Hospital project, including the status of the investigation, financial implications, recovery efforts, and future completion plans, with committee members seeking clarification on funding and timelines While the committee welcomed presentation on dilapidated buildings, however, a request was made for the department to provide all dilapidated buildings such as those under the department of Education (DOE) schools that are no longer in operation. The Acting HOD committed to provide the Committee in the next committee meeting. Regarding the Legislature Precinct, the department responded by outlining the project's history, noting that a company was irregularly appointed for an R7.3 billion contract without following required PPP regulations, leading to legal action to terminate the contract. The Committee was notified that the people who were involved in this matter had since resigned. The Enduduzweni School Property in Umlazi was sold to Mangosuthu University of Technology for R15 million, with the condition that alternative accommodation be provided for Enduduzweni residents. The committee urged the Department to discuss unachievable targets openly so strategies for improvement could be developed. The department replied that unmet targets are sometimes due to client Departments. The Department confirmed that it received funds from

			national and KZN COGTA for repairs to the Ulundi LA Building. Additionally, they stated that the repairs under their responsibility are scheduled to be completed by the end of December 2026.

8. SCOPA RESOLUTIONS

Resolution no.	Subject	Details	Response by the Department	Resolved (Yes/No)
119/2025	Department of Public Works: Compliance with key legislations: Expenditure management	**Noting that**: (a) 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. **The Committee resolves**: - The accounting officer report to the committee by 31 January 2026 on the effectiveness of the measures implemented to address this auding finding.	a) The Accounting Officer acknowledges that the Department's ability to comply with the 30-day payment requirement, as prescribed in section 38(1)(f) of the Public Finance Management Act (PFMA) and Treasury Regulation 8.2.3, is significantly influenced by the timely settlement of Interdepartmental Account (IDA) invoices by client departments, insufficient baseline allocation for property rates and the limitation imposed by the monthly cash-flow allocation of 8.33 per cent of the approved annual budget. b) In response to the audit finding, the Department has implemented and explored various control measures aimed at improving payment turnaround times. These include formal engagements with Provincial Treasury to review and strengthen existing IDA processes, including proposals to restructure the management of these accounts in order to improve cash-flow control and accountability. c) Provincial Treasury was engaged to consider the establishment of separate bank accounts per department to enable the ring-fencing of funds received from client departments for the exclusive settlement of related service provider invoices. However, this proposal could not be implemented due to constraints at Provincial Treasury level. d) However, to mitigate this risk on a sustainable basis, the Department is in the process of amending service level agreements for the leasing of official buildings. These amendments will require client departments to make payments directly to service providers, thereby reducing the volume of invoices processed by the Department and strengthening compliance with PFMA requirements. e) It must be noted that Department's cash-flow position is adversely affected by financial pressures experienced by the Departments of Education and Health. As a result, Provincial Treasury reduced the Department's payment runs from four to three per month in order to prioritise these departments, which has had a direct impact on the Department's ability to settle all invoices within the prescribed timeframe. f) The Department is also dependent on monthly cash-flow allocations from Provincial Treasury amounting to 8.33 per cent of the approved annual budget. This level of funding materially constrains the Department's ability to meet all contractual and statutory payment obligations within prescribed timeframes. g) Furthermore, the Department's baseline remains materially underfunded in respect of property rates, which continues to place pressure on expenditure management and cash-flow sustainability. h) Notwithstanding the challenges outlined above, the Accounting Officer notes that incremental improvements have been achieved in strengthening expenditure management processes. While these interventions are still being stabilized, preliminary progress is evident and is reflected in the upcoming slide. i) The Department will continue to monitor the effectiveness of these measures and implement further corrective actions as necessary to progressively improve compliance with section 38(1)(f) of the PFMA and applicable Treasury Regulations.	Yes

				
Resolution 120/2025	Department of Public Works: Impairment of receivables	**Noting that**: a) As disclosed in note 14.6 to the financial statements, an impairment of receivables amounting to R323,10 million (2022-23: R291,97 million) was disclosed because of non-payments by other provincial departments for projects and maintenance undertaken on their behalf. **The Committee resolves**: - That the accounting officer report to the committee by 31 January 2026 on the outcome of steps taken to recover	a) The impairment disclosed in note 14.6 of the financial statements relates mainly to outstanding inter-departmental receivables arising from infrastructure delivery, maintenance projects and lease arrangements undertaken on behalf of client provincial departments in terms of the Infrastructure Delivery Agreement framework. b) All inter-departmental claims instituted against client departments prior to 31 March 2023 were assessed for impairment in accordance with the applicable accounting standards. Outstanding balances that remained unpaid as of 31 March 2023 and 31 March 2024, and which were not recovered during the 2022/23 and 2023/24 financial years, were impaired using a discounted cash flow methodology aligned to National Treasury–issued interest rates and is consistent with the Department's accounting policies. c) As a result of intensified debt management and recovery interventions, the total value of impaired receivables has decreased from R323.10 million to R247 million as of 31 December 2025, reflecting measurable progress in the recovery of inter-departmental debt. d) The Department has implemented a range of corrective and preventative measures to reduce the accumulation of IDA-related debt and to improve recoverability of outstanding balances. e) Invoices are submitted to client departments on a monthly basis while quarterly statements of account are issued to facilitate reconciliation and confirmation of balances. Ongoing engagements are conducted through established client liaison forums to resolve disputes timeously and to expedite payments. In addition, the Department continues to formally engage Provincial Treasury to support and enforce the settlement of long-outstanding inter-departmental accounts. f) Furthermore, all new project requests from client departments are assessed with due consideration to confirmed funding availability, in order to mitigate the further accumulation of inter-departmental receivables. g) To further support payment processing, the Department provides payment vouchers and supporting documentation to client departments upon request, thereby reducing administrative delays and improving turnaround times.	Yes

		these debts and progress made therein.		
Resolution 121/2025	Department of Public Works: Internal control deficiency	**Noting that**: a) 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. b) Furthermore, claims for inter-governmental receivables whereby the department undertook infrastructure development and maintenance were not settled timeously further hindering the cash flow of the department. **The Committee resolves**: That the accounting officer report to the committee by 31 January 2026 on the effectiveness of the measures implemented to address this audit finding.	a) Payment of property rates annually has assisted the Department and the Municipalities in better managing the cash flows although the budget allocation remains insufficient. b) The Department has implemented a range of corrective and preventative measures to reduce the accumulation of IDA related debt and to improve recoverability of outstanding balances. • Invoices are submitted to client departments on a monthly basis while quarterly statements of account are issued to facilitate reconciliation and confirmation of balances. • Ongoing engagements are conducted through established client liaison forums to resolve disputes timeously and to expedite payments. In addition, the Department continues to formally engage Provincial Treasury to support and enforce the settlement of long outstanding inter departmental accounts. • Furthermore, all new project requests from client departments are assessed with due consideration to confirmed funding availability, in order to mitigate the further accumulation of inter departmental receivables. • To further support payment processing, the Department provides payment vouchers and supporting documentation to client departments upon request, thereby reducing administrative delays and improving turnaround times. • Table reflects the IDAs balance as of 31 January 2026	Yes

	DEC	NOV	OCT	SEP	AUG				
Client Department	**CURRENT**	**30 DAYS**	**60 DAYS**	**90 DAYS**	**120 days +**	**TOTAL**		**PAYMENTS IN JAN**	**New Bal**
Agriculture and Rural Development	9 996 792,19	 20 903,00	- -	- -	 408 052,64	10 425 747,83	2%		10 425 747,83
Economic Development , Tourism & Environmental	2 482 323,91	4 465 324,86	- -	- -	 250 307,65	7 197 956,42	1%		7 197 956,42
Sports ,Arts & Culture	1 197 682,50	6 227 002,16	 6 000,00	 929 759,58	15 554 413,12	23 914 857,36	4%		23 914 857,36
Education	38 415 081,09	35 676 020,09	26 614 264,41	 179 900,00	105 834 510,05	206 719 775,64	39%		206 719 775,64
Provincial Treasury	 642 735,00	 -	 -	 -	- 437 828,83	 204 906,17	0%	 642 735,00	 -437 828,83
Community Safety and Liaison	 808 487,93	1 011 497,34	 19 849,99	 -	-4 345 213,25	-2 505 377,99	0%	1 819 985,27	-4 325 363,26
Health	129 443 474,77	 -	 -	 -	-12 839 094,97	116 604 379,80	22%	98 813 189,95	17 791 189,85
Human settlements	5 179 434,33	5 769 988,78	-8 464 868,52	 261 176,37	9 237 282,05	11 983 013,01	2%		11 983 013,01
Human Settlements Special Projects					75 539 008,19	75 539 008,19	14%		75 539 008,19
Office of the Premier	3 956 012,90	2 169 999,97	 667 472,13	 744 660,48	7 194 615,55	14 732 761,03	3%		14 732 761,03
Office of the Premier Advance Received			V		-10 309 117,45	-10 309 117,45	-2%		-10 309 117,45

			Provincial Parliament	139 880,91	288 075,00	-	-	7 653,25	435 609,16	0%	285 809,50	149 799,66	
			Co-Operative Governance and Traditional Affairs	1 147 107,34	1442786,77	-	-	1 925 004,55	4 514 898,66	1%	1 442 786,77	3 072 111,89	
			Transport	14 928 271,71	8 468 183,88	16 464 009,14	1 955,49	4 366 869,80	44 229 290,02	8%		44 229 290,02	
			Social Development	14 760 552,35	-	-	-	3 666 321,97	18 426 874,32	3%		18 426 874,32	
									-	0%		-	
			SASSA	92 963,02	168 402,71	32 465,52	329 827,53	13 289 259,25	13 912 918,03	3%		13 912 918,03	
			ROADS & TRANSPORT - GAUTENG					7 172,67	7 172,67	0%		7 172,67	
			MISA - MUNICIPAL INFRAS SUPP AGT					1 764,40	1 764,40	0%		1 764,40	
			SAPS (National)					2 933,75	2 933,75	0%		2 933,75	
			HEALTH - MPUMALANGA					11 547,18	11 547,18	0%		11 547,18	
			GOV COMM & INFO SERVICES					24 570,56	24 570,56	0%		24 570,56	
			NATIONAL PUBLIC WORKS					-	-	0%		-	
			TOTAL	**223 190 799,95**	**65 708 184,56**	**35 339 192,67**	**2 447 279,45**	**209 390 032,13**	**536 075 488,76**	100%	**103 004 506,49**	**433 070 982,27**	
Resolution 122/2025	Department of Public Works: Infrastructure delivery weakness: iLembe District office building project	**Noting that**: a) The project was initially contracted as an 18-month new development. However, it took 6.6 years to reach practical completion on 25 March 2024, and the building was only occupied on 15 October 2024. b) Occupation was delayed due to inadequate intergovernmental collaboration and coordination, resulting in the absence of municipal services at the building.	a) The iLembe Project has been completed; the project is currently under investigation due AG finding noting possible Material Irregularities. The report will be submitted post the completion of the investigation.										Yes

		c) The prolonged delays caused project costs to escalate by 68%, from R50 374 376.23 to R84 581 740.99 (VAT inclusive). Despite completion, the building still has workmanship defects, non-functional installed equipment, and incomplete works. d) Collectively, the project management lapses led to significant delays, cost overruns due to inflationary increases, and compromised quality in workmanship and finishes. e) The absence of an active performance guarantee further exposed the department to substantial financial risk, limiting its ability to recover potential losses from the contractor. f) The Auditor-General recommended that the department: i. Enhance Intergovernmental Collaboration: Establish regular coordination meetings involving all relevant stakeholders, including municipal authorities. ii. This will ensure that all parties are aligned with project		

		timelines, requirements, and challenges from the outset. iii. Improve Project Planning and Management: Conduct a thorough review of the project's initial planning phase to identify gaps and opportunities for improvement. iv. This should include revisiting the project scope, budget allocations, and timeline feasibility. v. In addition, implement robust monitoring and evaluation mechanisms to track project progress against predefined milestones and targets. **The Committee resolves**: That the accounting officer report to the committee by 31 January 2026 on the outcome of the implementation of the recommendations and effective measures to address the finding.		
Resolution 123/2025	Department of Public Works: Infrastructure delivery weaknesses: Adams Mission Depot	**Noting that**: The Auditor- General visited the project and found that: i. Structural, asbestos and ceilings issues ii. Ceiling damage, termite infestation,	Adams Depot staff have relocated together with the moveable assets that was stored at this facility were also moved to Mayville offices as of 29 August 2025. The Department has engaged Ingonyama Trust Board with an intention to dispose the facility. During the engagements with Ingonyama Trust Board, it transpired that the ITB has no need for the facility and advised that the property can be vested in the name of the KZN Provincial Government as the parent property which is Farm Glebe Amanzimtoti Mission Reserve No.4689 is in fact registered under Regional and Land Affairs held by virtue of Title Deed T6474/1957. Annexure “A" DPWI has also identified that this is a huge farm that has other amenities which are not under the competency of DPWI and a discussion with the Department of Human Settlements is in progress to proceed with the vesting of this farm and thereafter subdivision will have to be commissioned to separate the housing settlements, other amenities as well as provincial facilities. GIS Map attached as Annexure “B”. It must be noted that this will be a long	Yes

		and safety concerns • Electrical and fire safety iii. General maintenance and compliance deficiencies iv. Water and sanitation • Emergency preparedness and General matters a) The root cause lies in the absence of proactive maintenance, poor asset management, and a lack of accountability. b) The failure to act on internal findings and to implement even basic safety measures demonstrates a lack of leadership will at all management levels and disregard for legal obligations and employee wellbeing. **The Committee resolves**: That the accounting officer report to the committee by 31 January 2026 on the outcome of the implementation of the effective turnaround strategies and recommendations to address this finding.	process as vesting process is not within the control of DPWI and the sub-division of this property will be jointly conducted with the Department of Human Settlements. As an interim measure the Department is in the process considering to letting out the facility to a non-profit organisation to utilise it as a training centre. This organisation acknowledges that the property is in a state of disrepair and have been made aware that the property will be let voetstoots. The long - term letting has been approved by the MEC: Public Works & Infrastructure and has been forwarded to the Provincial Treasury for approval, this will ensure that the property is utilised, secured, rehabilitated and relieve the Department from incurring operational costs and it is seen as a contribution to the development of that community through our infrastructure, whilst at the same time the facility is safeguarded from illegal occupation and vandalism.	

<table>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Resolution 124/2025</td><td>Department of Public Works: Forensic Investigations</td><td>Noting that:
a) The Provincial forensic unit performed 22 investigations, which covered the period 2015 to 2025.
b) The investigations were initiated based on allegations of irregularities with tender processes of the department, various allegations of fraud and corruption.
c) Sixteen investigations had been finalised, where recommendations are currently being implemented, while six investigations were still in progress at the date of the audit report.

The Committee resolves:
[1] That the accounting officer report to the committee by 31 January 2026 on the Implementation of recommendations made on completed investigations, the amounts involved, progress made in the disciplinary cases and if finalised, the sanctions imposed, steps taken to recover any losses and remedial measures</td><td>
<table>
<tr><th>No</th><th>FR Number</th><th>Date Issued</th><th>Amount</th><th>Allegation</th></tr>
<tr><td>1</td><td>19/2020 B</td><td>June 2022</td><td>Not Applicable</td><td>Investigation into recruitment and selection process into the position of an Assistant Director within the KZN DPW: Head Office that is alleged to be irregular.</td></tr>
<tr><th colspan="3">Disciplinary</th><th>Criminal</th><th>Civil Recovery</th></tr>
<tr><td colspan="3">The matter was finalised as follows:

Disciplinary process was completed, and the official was found not guilty.</td><td>Not Applicable</td><td>Not Applicable</td></tr>
</table>
<table>
<tr><th>No</th><th>FR Number</th><th>Date Issued</th><th>Amount</th><th>Allegation</th></tr>
<tr><td>2</td><td>29/2021</td><td>30 November 2024</td><td>R421 000.00</td><td>Investigation in Allegations of Fraud, Corruption and Over Expenditure in
Payment of Stipends.</td></tr>
<tr><th colspan="3">Disciplinary</th><th>Criminal</th><th>Civil Recovery</th></tr>
<tr><td colspan="3">The matter was finalised as follows:

Official 1: Final written warning.
Official 2: The investigation report cleared the official of all allegations of wrongdoing. Official 3: Is deceased.</td><td>Not Applicable.</td><td>Not applicable</td></tr>
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</td><td>Yes</td></tr>
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<tr>
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<td>implemented to avoid a recurrence.</td>
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<table>
<tr><th>No</th><th>FR Number</th><th>Status</th></tr>
<tr><td>3
4
5
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9</td><td>30/2021
11/2022
04/2024
19/2024
21/2024
03/2025
22/2025</td><td>These seven matters are all at various stages of the investigation life cycle by Office of the Premier Forensics Investigations Unit.</td></tr>
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<tr>
<td>Resolution 125/2025</td>
<td>Department of Public Works: Fruitless and Wasteful Expenditure in 2024/25: R2000 (prior years: R49 197000)</td>
<td>Noting that:
a) The department incurred fruitless and wasteful expenditure of R2000 in 2024/25.
b) The fruitless and wasteful expenditure was mainly due to interest charges on overdue accounts.
c) Archibus expenditure under assessment as was declared FWE in current financial year R49 197 000.

The Committee resolves: -
That the accounting officer report to the committee by 31 January 2026 on: -
(a) Progress made in the determination testing of the fruitless and wasteful expenditure, as required in terms of the PFMA Compliance and Reporting Framework issued</td>
<td>• FRUITLESS AND WASTEFUL EXPENDITURE INCURRED DUE TO INTEREST CHARGES (R2 000)
The determination and assessment exercise is in progress. The expenditure incurred due to interest on overdue accounts, is currently under negotiation for a credit to be approved.

• ARCHIBUS EXPENDITURE (R49 197 000)
The Department is currently conducting a determination and assessment exercise, identifying persons responsible/breakdowns in controls, to provide the remedial measures for implementation and to report if there is any fraud and corruption. The department will subsequently apply for condonation by KZN Provincial Treasury.

The fruitless and wasteful expenditure incurred due to interest charges on overdue accounts is currently under negotiation for a credit to be approved. The determination assessment is in progress.

Disciplinary action was taken against four officials within the Department, who received final written warnings.

The matter was referred to the State Attorney to recover all losses in respect of the additional licences procured and Department will await the outcome of the recovery process. The anticipated timeframe for concluding the recovery herein is uncertain as it is subject to the legal process.</td>
<td>Yes</td>
</tr>
</table>

		under National Treasury Instruction Note 4 of 2022/23 and time frames for concluding the determination testing. (b) If the determination testing has been concluded, the outcomes thereof, including: • the root causes of the fruitless and wasteful expenditure. • disciplinary action taken against officials responsible for the fruitless and wasteful expenditure and the sanctions imposed. • steps taken to recover any losses and the amount of any losses recovered or written off. • measures implemented to address any deficiencies in internal control to avoid a recurrence and the effectiveness of the measures. • the outcome of any criminal investigation and steps taken pursuant thereto; and • the time frames for concluding the above processes.		
Resolution 126/2025	RT46 Fleet Management Contract: Effective and Efficient Implementation of the Contract to enhance Service Delivery	**Noting that**: a) The RT46 contract is a South African Government contract for comprehensive vehicle fleet management services, including fuel cards, tracking,	[1] A detailed tabulation and analysis of the issues that have been experienced occasioned by participation on, and use of, the RT46 Contract. Call Centre agent and merchant work allocation The call centre agents allocate merchants that are outside the applicable radius, which costs the department additional kilometres to travel and results in fruitless expenditure. However, this has been raised with WESBANK and resolved. [2] The number of vehicles within the fleet of the requisite Department and/or public entity that have been affected by the participation in the RT46 Contract. The department has 289 vehicles; fewer than 5% are affected by the above, due to effective and efficient contract management. [3] The effect that this has had on the operations of the Department and/or Public Entity, and any knock-on effects on service delivery, generally.	Yes

		and maintenance and repair. b) It is administered by the National Treasury, who are empowered by Legislation to secure transversal contract, and implemented by service providers like WesBank. c) The contract is intended to streamline management for government departments and other state organs, though recent reports and on the ground feedback from participants on the contract by KZN Departments and Public Entities, suggest challenges with service delivery and repairs. This, it would appear, has had significant impacts on service delivery, particularly with Departments that have larger vehicle used requirements, generally. 7. Purpose and services • Fleet management: Provides a central, transversal contract for all government departments and other state organs to manage their vehicle fleets. • Services: Includes provision of fuel cards, driver identification,	The RT46 Contract challenges have little impact on service delivery, since the department manages the contracts and addresses them immediately as they occur with the service provider. [4] Progress has been made in engaging with the National Treasury and the authorities of the RT46 Contractors, as well as all service providers attached to the contract. The Provincial DoT conducts quarterly Provincial Departmental Transport Forums, during which all RT46 service providers are invited to account for and ensure they are providing quality service to the state. Moreover, the KZNDOT as they are custodian of Fleet in the Province, they also seat in Coordinating Committee for Government Motor Transport (CCGMT) where all provinces and Trading Entities as well as all Fleet Management service providers for RT46 where the province presenting all the provincial challenges to were discussed in the Provincial Departmental Transport Forum and comes back with proposed workable solutions that can improve service delivery [5] Outcome and plan of action put in place to enforce efficacy. The department resolved all issues through addressing the matters directly with the service providers as per the Service Level Agreement to ensure the vehicles are referred to the closest merchants and departmental vehicles are not referred to unsecured workshops as part of monitoring and management of RT46 contract. Revise repair and maintenance mandate from time to time to suit the needs of the department, Where matters are not fully resolved, the department further engages the Provincial Department of Transport to ensure matters receive attention and are resolved. At this stage, no outstanding issues can be reported. [6] Mitigation strategies put in place in ensuring that the intended results are realised. The department ensures adherence to agreed-upon timelines and enforces compliance with every repair and maintenance sent to mechanics by assigning officials to collect vehicles within those timelines. [7] Measures put in place to ensure that all changes experienced do not re-occur. • Effective contract management • Proper report analyses Regular meeting with RT46	

		tracking devices, traffic fine management, reporting, and maintenance and repair of government vehicles. • Fuel management: Offers features to control on-road fuel spending through systems like automated, card-free fuelling at participating stations. • Maintenance and repair: Oversees the repair and maintenance of government vehicles, with a specific focus on fleet availability and turnaround times. 8. Administration and implementation • Administration: Arranged and overseen by the National Treasury of South Africa. • Implementation: Specific contracts are implemented by service providers, such as WesBank. 9. Recent issues • Reports indicate that the contract has experienced significant problems with service delivery and repairs, impacting the availability of vehicles. **The Committee resolves**: - That the accounting officers/ executive		

		authorities report to the committee by 31 January 2026 on: - [1] A detailed tabulation and analysis of the issues that have been experienced occasioned by participation on, and use of, the RT46 Contract. [2] The number of vehicles within the fleet of the requisite Department and/or public entity that have been affected by the participation on the RT46 Contract. [3] The effect that this has had on the operations of the Department and/or Public Entity, and any knock-on effects on service delivery, generally. [4] Progress made in the engagement with the National Treasury and authorities of the RT46 Contractors as well as all service providers attached to the contract. [5] Outcome and plan of action put in place to enforce efficacy. [6] Mitigation strategies put in place in ensuring that the intended results are realised. [7] Measures put in place to ensure that all changes experienced do not reoccur.		

Resolution 127/2025	Filling of Vacant Critical Posts	**Noting that**: That vacancies exist in critical management posts within departments, entities, and the adverse effect this is having on audit findings, particularly on compliance with legislation, internal controls, financial and performance management. **The Committee resolves**: That the Accounting Officers of the relevant departments report to the Committee by 31 January 2026 on progress made in the filling of critical posts and the time frames for the filling of those posts.	33 critical vacant posts have been prioritised for filling. Of these: • 6 have been filled • 18 are within the various stages of the recruitment process • 5 are awaiting approval from the Premier • 4 are undergoing the job evaluation process. It is envisaged that the 18 posts within the recruitment stages will be filled by the end of the financial year. The filling of the balance of the posts are subject to external dependencies such as approval by KZN Treasury and the Office of the Premier, as well as the job evaluation processes.	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Accounting Officer implemented various mechanisms to address matters raised by the Auditor-General of South Africa (AGSA) in the previous financial year. This table below provides a focused discussion on all issues as well as identified instances of non-compliance, including those highlighted in the management 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 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	2024/2025	The Department has adopted the Provincial Treasury Instruction Note No. 1 (Amendment 1 of 2025) and is currently in the process of aligning its Standard Operating Procedures. This alignment includes measures such as the ring-fencing of funds and the implementation of improved financial controls to ensure that all obligations are met in a timely and efficient manner. The Instruction Note is still in the planning phase within Provincial Treasury, and formal implementation and communication to all departments is still pending. The Department is, however, proactively engaging with client departments and Provincial Treasury monthly to resolve outstanding Interdepartmental Accounts (IDAs).
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.	2024/2025	The Department, in collaboration with the Provincial Treasury, is actively addressing the IDA debt in coordination with client departments. The approved Provincial Instruction Note 1 of 2025/26 is currently being implemented by Provincial Treasury, with a specific focus on the ring-fencing of funds allocated for building leases. Once fully implemented, this measure is expected to significantly enhance the turnaround time for payments. The Department continues to face challenges due to a limited budget allocation for property rates. The current funding mechanism whereby 8.33% of the equitable share is released monthly by the Treasury negatively impacts cash flow and delays the processing of payments that exceed this threshold. Despite these constraints, the Department successfully secured additional payment runs during the first quarter of the financial year. This led to a notable improvement in the number of service providers paid within the required timeframes. Circular No 2 of 2025/26 was also issued to all Departmental officials relating to the turn-round strategy to be implemented with the payment of invoices within 30 days.

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 due to the continued subscription fees being paid on the unutilised software licenses.	2024/2025	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 terminated the 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.

10. INTERNAL CONTROL UNIT

Output Indicators	Outputs Activities
100% of complete UIFW compliance reports submitted	As disclosed in the AFS for 2023/2024 the Irregular Expenditure was R333,049 million. The Department received condonation for irregular expenditure cases in the amount of R183,628million in the 2024/2025 financial year. Provincial Treasury approved the removal of R5.130 million from UIFW disclosures in previous condonation submissions, as the expenditure did not meet the definition of irregular. An amount of R5,454 million was disclosed in this 2024/2025 financial year as irregular expenditure. An assessment and determination investigation was completed on UIFW for leases. UIFW reports were developed and submitted to Provincial Treasury Condonation Committee and are now waiting for approval. The Auditor-General reported a material irregularity on procurement of the software licences to the Department. Following the investigation and determination assessment exercise, the accounting officer terminated the 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. The quarterly reporting of the CARC documents were finalised and submitted on a quarterly basis.
Co-ordinate and manage Auditor General and PAIS queries and recommendations efficiently and effectively.	100% of all requests for information (RFIs), communication of findings (COFs) and audit outcomes were co-ordinated and responded to. The Auditor-General (AG) issued an unqualified audit report to the Department. The Audit and Risk Committee Report issued by Provincial Treasury concurred with the positive result of AG. All audit recommendations were actioned and implemented in the Department.
	100% of internal audit recommendations implemented within the specified timeframe.
	100% of external audit recommendations implemented within the specified timeframe.

11. INTERNAL AUDIT

Internal Audit is a centralized function within KZN Treasury. It 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.

12. AUDIT COMMITTEE

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

13. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT & RISK COMMITTEE ON

VOTE 14 –DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

The Provincial Audit and Risk Committee (PARC) serves as the shared audit committee for provincial departments. In accordance with its approved Audit and Risk Committee Charter (which serves as the governance framework and terms of reference for both PARC and the Cluster Audit and Risk Committees), PARC fulfils its departmental audit committee responsibilities through the designated Cluster Audit and Risk Committees (hereinafter referred to as the Audit Committee/Committee). Members of PARC assigned to the relevant Cluster Audit and Risk Committee exercised audit committee oversight of the Department during the year under review.

We are pleased to present our report for the financial year ended 31 March 2026.

Part 1: The Audit Committee Reflections – 2026

- The Audit Committee confirms that it operated independently and with due objectivity throughout the reporting period, maintaining an appropriate strategic focus in fulfilling its oversight responsibilities. The Committee provided independent counsel and advice to the Accounting Officer on governance, risk management, internal control, financial reporting, and compliance matters. It actively monitored and managed conflicts of interest within its ranks in accordance with its Charter and maintained constructive relationships with management, the Provincial Internal Audit Service (Internal Audit Function), and the Auditor-General of South Africa (AGSA).

- The Committee ensured the independence of the Internal Audit Function and the objectivity of internal audit staff, while supporting the Chief Audit Executive in fulfilling responsibilities beyond internal auditing without compromising independence. The Audit Committee confirms that, through MEC (Member of Executive Council) quarterly reports issued after each meeting, it has consistently reported to and, where possible, briefed the Accounting Officer and Executive Authority on its meetings, including key matters discussed, challenges identified, and recommendations for improvement.

- The Audit Committee evaluated its performance for the year under review and is satisfied that it has effectively discharged its statutory responsibilities.

  The Audit Committee:

  - Confirms that it has met its obligations under Section 38(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1. Additionally, the Audit Committee states that it has adopted formal terms of reference as its Audit Committee Charter, operated in accordance

with this charter, and fulfilled all responsibilities outlined therein, except for reviewing changes in accounting policies and practices.

- Recognizes its duty to serve the public interest and confirms that it has diligently upheld this critical responsibility. It has operated without hindrance, limitations, or threats to its independence throughout the reporting period.
- Has integrated the relevant requirements of the Global Internal Audit Standards (IAS) into its operations and aligned the IAS with the Audit Committee Charters. It confirms that the Audit Committee exercised professional skepticism in its duties, critically assessed the information provided, sought additional details when needed, and regularly evaluated whether internal audit, management, and other assurance providers upheld high ethical and professional standards.

Part 2: Composition and Meeting Attendance

The Audit Committee is well constituted, comprising three external members, ensuring balanced representation of independence and a diverse mix of qualifications, expertise, and experience. The committee met as scheduled throughout the year, as shown in the table below.

#	Name of Member	Meetings Attendance	Special Meetings Attendance
1.	Ms B. Jojo – **Chairperson**	*4 of 4*	*2 of 2*
2.	Mr. S. Magagula	*4 of 4*	*2 of 2*
3.	Dr C. Motau	*3 of 4*	*2 of 2*

Part 3: Audit Committee Focus Areas

The following were reviewed during the year under review:

- Effectiveness of the internal control systems

  The Committee has reviewed the Internal Audit reports and identified significant weaknesses in controls in the following area:

  - IT Infrastructure

  The Committee considered the management interventions, as agreed with Internal Audit, to improve the control systems in these areas and urged the department to implement them promptly to prevent exploitation of the identified weaknesses and the recurrence of the related audit findings.

- Effectiveness of the Internal Audit Function

The Committee was satisfied with the internal audit assignments completed during the review period. As of year-end, 83% of the 13 audits planned in the 2025/26 annual audit plan was achieved, taking into account the amendments to the plan. The amendments resulted in the approved carry-over of two (2) projects, namely Performance Audit: Infrastructure Development and IT Audit: Cloud Computing Governance and Security, to the 2026/27 fiscal year. Furthermore, one (1) project, namely Management of Inter-Departmental Accounts, was not completed at year-end as planned.

Throughout this period, Internal Audit remained independent and adhered to its quality-assurance improvement plan. In the 2026/27 fiscal year, the Committee will continue to monitor Internal Audit's progress to ensure it meets its objectives and delivers value to the Department.

- Effectiveness of risk management

The Department demonstrates adequate risk management maturity, fully adhering to provincial standards and applying all risk mitigation strategies listed in its risk register. The Department was urged to improve the integration of risks from regional and district offices into the main risk register. This includes operational offices maintaining their own risk registers, establishing a formal process to consolidate risks across all levels, assigning risk owners as issues arise, and strengthening oversight to ensure consistent risk management practices organization-wide.

- Adequacy, reliability, and accuracy of financial and performance information

The Committee reviewed quarterly financial and performance reports during its meetings and through internal audit reviews of Performance Information, Financial Reporting Processes, Supply Chain Management, and Cost-Cutting Measures. The overall control effectiveness ratings from these reviews were satisfactory, wherein moderate risks were identified that require corrective action.

- Adequacy and effectiveness of Information and Communication Technology (ICT) Governance

The Committee reviewed ICT governance effectiveness through quarterly reports from the Accounting Officer, scheduled internal audits, and regulatory reviews conducted by external auditors. These reports provided insights into the Department's execution of its IT strategies and projects. All departments, including this one, are urged to:

  - Work together consistently to identify, assess, monitor, and escalate cybersecurity risks in a coordinated manner;
  - Align their ICT strategic plans with departmental performance and budgeting processes to support the successful execution of key ICT projects by applying sound project management principles; and
  - Collaborate to coordinate and consolidate ICT strategies at the provincial level, thereby promoting teamwork and synergy across similar IT systems.

Internal Audit conducted one (1) audit review in IT Infrastructure. This assessment received an improvement opportunity rating, highlighting deficiencies and weaknesses in the internal control system and identifying significant risks that require corrective measures. The department has made substantial efforts to address the issues identified.

- Accounting and auditing concerns identified as a result of internal and external audits.

Neither of the independent assurance providers, i.e., internal and external auditors, encountered any scope limitations while performing their mandates in the 2025/26 fiscal year.

- Compliance with legal and regulatory provisions

The Committee was satisfied with the Department's compliance with applicable laws and regulations, to the extent that these had been reviewed and confirmed by both Internal and External Auditors. The Committee noted that Provincial Treasury, through Provincial Internal Audit Services (PIAS), has developed a Provincial Compliance Framework to promote a standardized, coordinated approach to compliance management across provincial departments. The framework is intended to strengthen compliance governance, improve the consistency of compliance processes, and facilitate the timely identification and mitigation of compliance risks (including financial penalties, reputational damage, and service delivery disruptions) arising from non-compliance with applicable legislation.

- The quality of the in-year management and the monthly/quarterly reports submitted in accordance with legislation.

The Committee reviewed the quarterly financial reports at its meetings. It was satisfied with their content and quality, and with the way they were prepared and issued by the Department's Accounting Officer during the year under review, for in-year monitoring and quarterly performance, in accordance with the PFMA and the Division of Revenue Act.

- Combined Assurance

The Department has made progress in adopting and implementing the provincial combined assurance framework, as evidenced by the approval of the combined assurance policy, the designation of the chief risk officer as the combined assurance champion, and the establishment of the combined assurance forum with approved terms of reference. The Department is encouraged to fully embrace the principles of combined assurance by aligning its risks with assurance providers and by maintaining consistent reporting to both the risk management and audit committees on assurance effectiveness for key risks.

- Evaluation of the annual financial statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, the AGSA, and Internal Audit.
- Reviewed the AGSA's Management Report.
- Reviewed the Department's processes for compliance with legal and regulatory provisions.
- Reviewed the conclusion regarding the usefulness and reliability of performance information resulting from the Department's external audit.

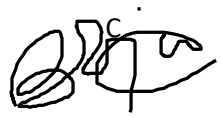
The Committee commended the Department for submitting Annual Financial Statements free of material misstatements.

- Auditor-General's Report

The Audit Committee concurs with and accepts the AGSA's conclusions regarding the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the AGSA's report.

- Conclusion

The Audit Committee wishes to express its appreciation to the Department's management, the AGSA, and Internal Audit for their cooperation and support in fulfilling the Committee's mandate.



Ms Bongeka Jojo

Chairperson of the Cluster Audit and Risk Committee

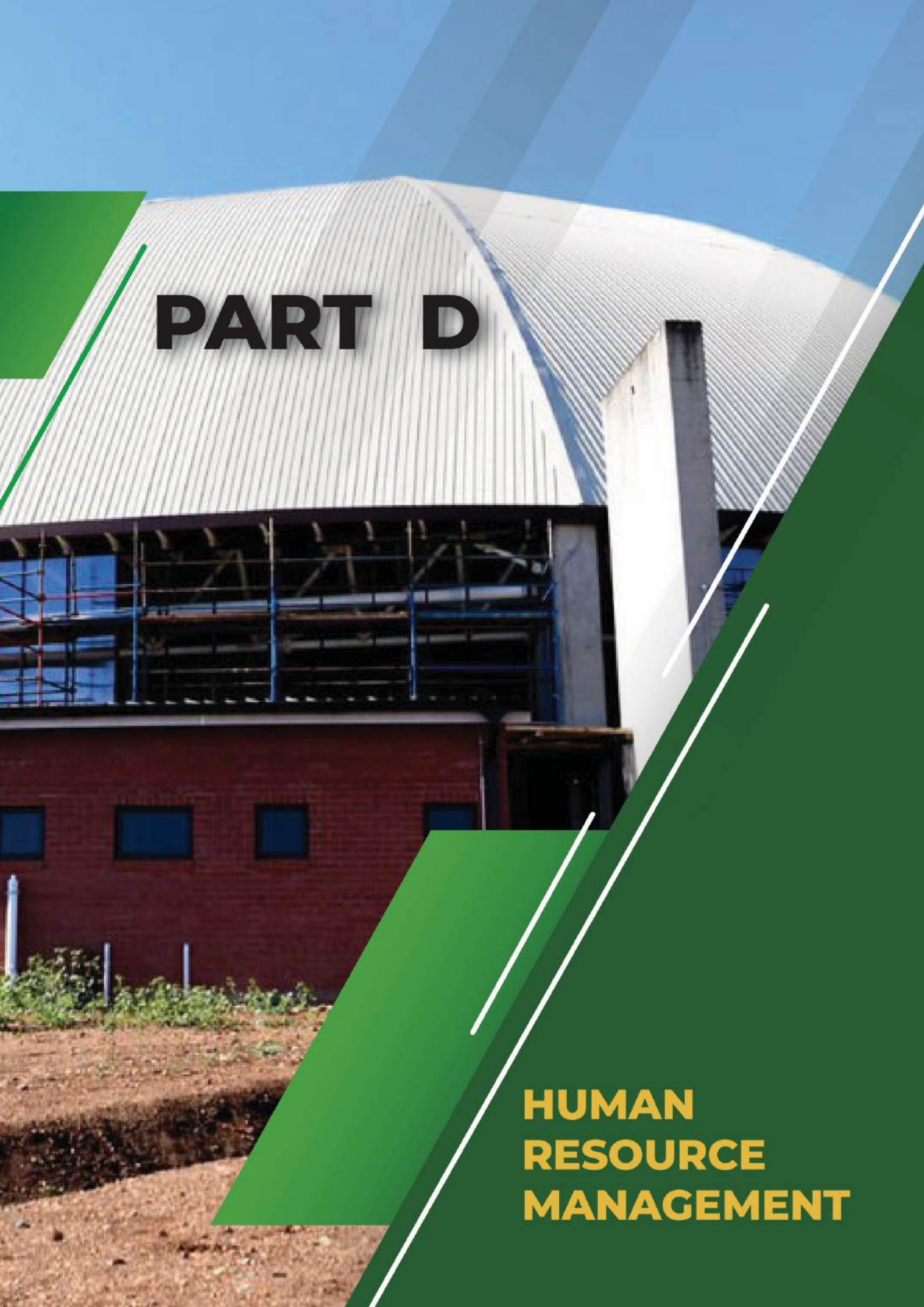
Department of Public Works and Infrastructure

Date 10/09/2026

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (*include a discussion on your response and indicate what measures have been taken to comply*)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	NO	
Developing and implementing a preferential procurement policy?	YES	The KZN DPWI has developed and implemented a Preferential Procurement Policy which is 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	No such incentives in place, points are allocated for the achievement of Specific goals



PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The status of Human Resources in the department.

The Department had 1205 posts filled and 40 employees additional to the establishment based on the actual headcount on 31 March 2026. An average headcount of employees from 01 April 2025 to 31 March 2026 equals to 1245.

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

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.

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 **2025/2026** financial year, 1 218 out of 1245 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 **2025/2026** performance cycle 1097 out of 1265 employees at salary level 1-12 submitted their reports, whereas 15 out of 27 SMS members submitted their reports timeously.

Employees also submit Annual Performance Assessment reports which are due by 31 July of the following year annually and SMS members by 31 December of the following year. In the **2025/2026** performance cycle 699 out of 975 employees at salary level 1-12 submitted their reports, whereas 3 out of 27 SMS members submitted their reports timeously.

Level 1-12

Document	**Submitted**	**No of employees**	**Due Date**
PA	1 218	1285	31 May 2025
Half Yearly	1 097	1265	30 October 2025
Annual Assessment	699	1205	31 July 2025

SMS

Document	Submitted	No of SMS	Due Date
PA	26	27	31 May 2025
Half Yearly	15	27	30 November 2025
Annual Assessment	3	27	31 December 2025

Employee Wellness Programmes.

Twelve (12) Employee Health and Wellness (EHW) newsletters developed and circulated departmentally. Thirty-five (35) Wellness screenings and HCT conducted at Head Office and Regions nine (09) blood drives campaigns held at Head Office and Regions. There were twenty-five (25) Occupational Health and Safety (OHS) Compliance Inspections conducted departmentally. First Aid items for Twenty-eight (28) first aid boxes Procured and refilled at Head Office. There were thirty-nine (39) Financial, eleven (11) Stress Management, OHS and Healthy Lifestyle Workshops conducted at Head Office and in the Regions. 5 Physical Activity programmes, 25 Fire Drills,34 preventative and curative workshops Newly employed Interns were inducted on EHW matters. Midlands and North Coast Region attended Districts Tournament in promoting Healthy Lifestyle among employees. There were eleven (11) Injury on Duty cases reported and attended to.

- Well screenings were conducted on quarterly basis.
- Blood Drive is conducted on Quarterly basis.
- Social Ill 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
- Injury on Duty administration.
- OHS Circular circulated Departmentally quarterly.
- Fire Drill and Workshops has been conducted Departmentally during 2025/2026
- OHS Inspections were conducted Departmentally during 2025/2026
- DPSA reports are submitted to OTP on quarterly basis.
- Statement of intent was signed and displayed in all offices.
- Annual fire equipment maintenance at Head Office and Regions

Management of discipline and grievance

There were fifty-five (55) misconduct cases for the financial year 2025/2026, forty-seven (47) cases were finalised, and eight (08) cases were carried over to the financial year 2026/2027. This marked 85% achievement.

There were thirteen (13) grievance cases for the financial year 2025/2026. Twelve (12) cases were resolved, and one (01) case was carried over to the 2026/2027 Financial year. This marked 92% achievement.

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

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2025 and 31 March 2026

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	497 603	343,529	2471	0	15.4	521
2.Public Works Infrastructure	1 694 524	361,674	0	0	16.2	693
3. Expanded Public Works	40 767	39,760	452	0	1.8	1,729
Total	**2,232,894**	744,963	**3,741**	**0**	33.4	**618**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2025 and 31 March 2026

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)	3 470	0.5	10.00	347,000
Skilled (Levels 3-5)	158,155	21.2	424.00	373,007
Highly skilled production (Levels 6-8)	240,447	32.3	420.00	572,492
Highly skilled supervision (Levels 9-12)	253,664	34.1	273.00	929,172
Senior management (Levels 13-16)	39,721	5.3	27.00	1 471,14
Contract (1-2)	190	0.03	1.00	190,000
Contract (3-5)	1 458	0.2	4.00	364,500
Contract (6-8)	1 677	0.2	2.00	838,500

Contract (9-12)	32,974	4.4	37.00	891, 189
Contract (13-16)	2 930	0.4	1.00	2,930,000
Contract Other	522	0.1	46	11,347
Periodical Remuneration	19 743	2.60	3 366	5,685
Total	**744,963**	**99.20%**	**4 611.00**	**164,179**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2025 and 31 March 2026

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
1 Administration	343,529	46.1	414	0	13,685	1.8	29,761	4
2 Public Works Infrastructure	361,674	48.5	0	0	352	0.05	556	0.1
3 Expanded Public Works	39,760	5.3	34	0	10,703	1.4	19,190	2.6
Total	**744,963**	**100%**	**448**	**0**	**24,741**	**3**	**49,508**	**6.6**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	208,700	28	54.00	0.01	306	0.04	613	0.1
Skilled (Levels 3-5)	110,695	14.9	75.00	0.01	10,041	1.3	20,459	2.7
Highly skilled production (Levels 6-8)	163,875	22	195.00	0.03	6,698	0.9	19,640	2.6
Highly skilled supervision (Levels 9-12)	175,226	23.5	116	0.02	4,459	0.6	8,328	1.1
management (Levels 13-16)	34,976	4.7	0	0	194	0.03	291	0.04
Contract (1-2)	190	0.03	0	0	0	0	0	0
Contract (3-5)	1,449	0.2	8.00	0.001	0	0	0	0
Contract (6-8)	1,570	0.2	0	0	0	0	0	0
Contract (9-12)	25,424	3.4	0	0	43	0.01	60	0.01
Contract (13-16)	2,593	0.3	0	0	0	0	28	0.003
Contract Other	522	0.1	0	0	0	0	0	0
Periodical Remuneration	19,743	2.7	0	0	0	0	0	0
Total	**744,963**	**100**	**448.00**	**0.06**	**24,741**	**3.30**	**49,508**	**6.60**

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2026

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
1 Administration	696	660	5.17	1
2 Public Works & Infrastructure	526	522	0.760	0
3 Expanded Public Works	23	23	0	39
Total	**1245**	**1 205**	**3.2**	**40**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2026

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)	11	10	9.1	1
Skilled (Level 3-5)	438	434	0.9	1
Highly skilled production (Levels 6-8)	451	421	6.7	15
Highly skilled supervision (Level 9-12)	311	302	2.9	23
Senior management (Levels 13-16)	27	27	0	0
Contract (Levels 1-2)	3	3	0	0
Contract (Levels 3-5)	1	1	0	0
Contract (Levels 6-8)	3	5	0	0
Contract (Levels 9-12)	0	1	0	0
Contract (Level13) remuneration	0	1	0	0
Total	**1245**	**1205**	**3.2**	**40**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2026

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	13	18.75	8
Quantity Survey	24	12	50	12
Construction Project Manager	43	19	55.8	6
Total	**108**	**55**	**49%**	**49**

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2026

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100%	0	0
Salary level 16	0	0	0	0	0
Salary Level 15	1	0	0%	1	100%
Salary Level 14	5	3	60%	2	40%
Salary Level 13	25	23	92%	2	8%
Total	**32**	**27**	**84.4%**	**5**	**15.6%**

Table 3.3.2 SMS post information as on 30 September 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
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0	0	0%
Salary Level 15	1	0	0	1	100%
Salary Level 14	5	3	60%	2	40%
Salary Level 13	25	23	92%	2	8%
Total	**32**	**27**	**84%**	**5**	**15,6%**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2025 and 31 March 2026

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	1	1	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	2	0	1
Salary Level 13	2	0	1
Total	**5**	**1**	**2**

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 2025 and 31 March 2026

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

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 2025 and 31 March 2026

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 2025 and 31 March 2026

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Level 1-2)	10	0	0	0	0	0	0
Contract (1-2)	1	0	0	0	0	0	0
Contract (3-5)	4	0	0	0	0	0	0
Contract (6-8)	23	0	0	0	0	0	0
Contract (9-12)	50	0	0	0	0	0	0
Contract (Other)	16	0	0	0	0	0	0
Skilled (Levels 3-5)	424	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	420	20	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	297	23	0	0	0	0	0
Senior Management Service (level 13 -16)	0	9	0	0	0	0	0
Periodic Remuneration	0	0	0	0	0	0	0
Total	**1245**	**52**	**0**	**0**	**0**	**0**	**0**

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2025 and 31 March 2026

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**

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2025 and 31 March 2026

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2025 and 31 March 2026

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 2025 and 31 March 2026

Salary band	Number of employees at beginning of period-1 April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	17	0	1	5.9
Skilled (Levels 3-5)	463	0	34	7.3
Highly skilled production(Levels 6-8)	447	1	25	5.6
Highly skilled supervision (Levels 9-12)	328	1	8	2.4
Other Permanent	1	8	2	22.2
Senior Management Service (Level 13 – 16)	26	1	3	11.1
Contract (1-2) Permanent	0	0	0	0
Contract (3-5) Permanent	0	0	1	100
Contract (6-8) Permanent	0	0	7	100
Contract (9-12) Permanent	0	9	21	2.3
Contract (13-16) Permanent	1	0	0	0%
Contract (Other)	0	1	1	0%
Total	**1283**	**21**	**103**	**7.9**

Table 3.5.2* Annual *turnover rates by critical occupation for the period 1 April 2025 and 31 March 2026

Critical occupation	Number of employees at beginning of period-1 April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineer	35	8	16	37.2
Architect	17	1	5	27.7
Quantity Surveyor	26	3	8	27.6
Construction Project Manager	31	6	4	10.8
Total	**109**	**18**	**33**	**25.9**

Table 3.5.3 Reasons why staff left the department for the period 1 April 2025 and 31 March 2026

Termination Type	Number	% of Total Resignations
Death	10	9.7%
Resignation	26	25.24%
Expiry of Contract	22	21.35%
Discharged due to ill-health	2	1.94%
Dismissal – misconduct	2	1.94%
Retirement	41	39.8%
Total	**103**	**100%**
Total number of employees who left as a % of total employment		**8.5%**

Table 3.5.4 Promotions by critical occupation for the period 1 April 2025 and 31 March 2026

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	35	1	2.85%	0	0
Architect	17	0	0	0	0
Quantity Surveyor	26	0	0		
Construction Project Manager	31	0	0	0	0
Total	**109**	**1**	**0.91%**	**0**	**0**

Table 3.5.5 Promotions by salary band for the period 1 April 2025 and 31 March 2026

Salary Band	Employees 1 April 2025	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)	17	0	0%	9	52.9
Skilled(Levels 3-5)	463	0	0%	389	84
Highly skilled product (Levels 6-8)	447	2	0.4%	305	68.2
Highly skilled supervision (Levels 9-12)	328	1	0.3%	157	47.9
Snr management (Levels13-16)	26	3	11.5%	11	42.30
Other (permanent)	0	0			
Contract (Levels 1-2)	0	0	0%	14	100
Contract (Levels 3-5)	0	0	0%	1	100
Contract (Levels 6-8)	0	0	0%	0	0
Contract (Levels 9-12)	0	0	0	1	100
Contract (13-16)	1	0			
Contract (Other)	1	0	0	0	0
Periodic Remuneration	0	0	0	0	0
Total	**1283**	**7**	**0.5%**	**887**	**69.1%**

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	62	1	9	1	53	1	8	1	136
Professionals	77	0	13	6	91	3	17	3	210
Technicians	132	1	8	2	155	4	13	5	320
Clerks	71	1	6	1	168	4	11	13	275
Service and sales workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	67	0	2	1	6	0	0	0	76
Plant and machine operators and assemblers	28	0	0	0	2	0	0	0	28
Elementary occupations	84	0	2	0	33	0	0	0	119
Other Perm	33	0	1	1	6	0	0	0	41
Total	**554**	**3**	**41**	**12**	**514**	**12**	**49**	**22**	**1205**
Employees with disabilities	**13**	**0**	**0**	**1**	**5**	**0**	**2**	**1**	**22**

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	1	1	0	0	0	0	2
Senior Management 13-14	10	0	2	0	12	0	2	0	26
Professionally qualified and experienced specialists and mid-management 10-12	101	1	14	5	70	2	18	3	214

Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents 6-9	219	1	16	5	238	9	22	7	517
Semi-skilled and discretionary decision making 3-5	203	1	8	1	177	1	7	12	410
Unskilled and defined decision making 1- 2	19	0	0	0	17	0	0	0	36
Contract	**27**	**0**	**5**	**0**	**15**	**1**	**4**	**0**	**52**
Total	**552**	**3**	**41**	**12**	**514**	**12**	**49**	**22**	**1205**

Table 3.6.3 Recruitment for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	1	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	3	0	0	0	1	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making	2	0	0	0	3	0	0	0	5
Total	**7**	**0**	**1**	**0**	**5**	**0**	**0**	**0**	**13**
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	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 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	1	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	56	1	0	0	2	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14	0	1	0	8	1	0	1	25
Semi-skilled and discretionary decision making	25	0	0	0	8	1	0	0	34
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Other (permanent)	1	0	0	0	1	0	0	0	2
Top Management (contract)	1	0	0	0	0	0	0	0	1
Contract (Prof qualified) Permanent	14	0	0	1	4	0	2	0	21
Contract (Skilled technician) Permanent	2	0	0	0	5	0	0	0	7
Contract (Unskilled permanent	1	0	0	0	0	0	0	0	1
Total	**66**	**1**	**2**	**1**	**28**	**2**	**2**	**1**	**103**
Employees with disabilities	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**2**

Table 3.6.6 Disciplinary action for the period 1 April 2025 to 31 March 2026

Disciplinary action	Male				Female				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 Counselling	0	0	0	0	0	0	0	0	0
Verbal Warning	0	0	0	0	0	0	0	0	0
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 2025 to 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	84	1	4	0	65	1	3	0	158
Professionals	21	2	9	3	10	0	2	4	51
Technicians and associate professionals	124	0	4	2	50	0	0	0	180
Clerks	101	0	8	11	272	7	20	0	419
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 assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	97	0	2	0	20	0	0	0	119
Total	**427**	**3**	**27**	**16**	**417**	**8**	**25**	**4**	**920**
Employees with disabilities	**4**	**0**	**0**	**1**	**1**	**0**	**1**	**1**	**8**

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2025

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	3.2
Salary Level 14	4	3	3	9.6
Salary Level 13	28	26	25	80.6
Total	**35**	**31**	**29**	**93.5**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2026

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2026

Reasons
N/A

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2025 to 31 March 2026

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African Female	0	514	0	0	0
African Male	0	552	0	0	0
Asian Female	0	49	0	0	0
Asian Male	0	41	0	0	0
Coloured Female	0	12	0	0	0
Coloured Male	0	3	0	0	0
White Female	0	22	0	0	0
White Male	0	12	0	0	0
Employees with a disability	0	0	0	0	0
Total	**0**	**1205**	**0**	**0**	**0**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2025 to 31 March 2026

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (Levels 1-2)	0	10	0	0	0	0
Skilled (Levels 3-5)	0	424	0	0	0	0
Highly skilled production (Levels 6-8)	0	420	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	0	0	0	0	0
Total	0	**1245**	0	0	0	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2025 to 31 March 2026

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Engineer	0	5	0	0	0
Architect	0	23	0	0	0
Quant Surveyor	0	25	0	0	0
Construction Project Manager	0	16	0	0	0
Total	**0**	**69**	**0%**	0	0

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2025 to 31 March 2026

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
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

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2025 and 31 March 2026

Salary band	01 April 2025		31 March 2026		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)	1	16.7	1	16.7	0	0
Highly skilled supervision (Levels 9-12)	5	83.3	5	83.3	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	**6**	**100%**	**6**	**100%**	**0**	**0%**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2025 and 31 March 2026

Major occupation	01 April 2025		31 March 2026		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 2025 to 31 December 2025

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)	135	96.6%	11	1.2%	12	101
Skilled (Levels 3-5)	3 522	88.6%	326	35.5%	11	4 132
Highly Skilled production (levels 6-8)	3 208	82.2%	334	36.4%	10	6 468
Highly Skilled Production (levels 9-12)	1 869	84.4%	203	22.10%	9	6 208
Senior management (levels 13-16)	105	88.6%	14	1.5%	8	549
Contract (Levels 1-2)	2	100%	1	0.10%	2	1
Contract (Levels 3-5)	24	91.7%	3	0.30%	8	29
Contract (Levels 6-8)	8	37.5%	5	0.50%	2	16
C135/8651023737ontract (Levels 9-12)	82	84.1%	19	2.10	4	257
Contract (Levels 13-16)	8	25%	2	0.20%	4	4
Total	**8 963**	**82.56%**	**918**	**100%**	**10**	**17 765**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2025 to 31 December 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	865	100	11	55%	79	1 027
Highly skilled production (Levels 6-8)	275	100	6	30%	46	438
Highly skilled supervision (Levels 9-12)	331	100	3	15%	110	1 044
Snr management (Levels 13-16)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Level 13-16)	0	0	0	0	0	0
Total	**1471**	**100%**	**20**	**100%**	**74**	**2509**

Table 3.10.3 Annual Leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	349	16	22
Skilled Levels 3-5)	11 861	459	26
Highly skilled production (Levels 6-8)	11 451	446	26
Highly skilled supervision(Levels 9-12)	7 336	283	26
Senior management (Levels 13-16)	593	30	20
Contract (Levels 1-2)	4	1	4
Contract (Levels 3-5)	83	5	17
Contract (Levels 6-8)	81	8	10
Contract (Levels 9-12)	803	53	15
Contract (Level 13-16)	19	1	19
Contract (Other)	44	8	6
Total	**32 624**	**1 310**	**25**

Table 3.10.4 Capped leave for the period 1 January 2025 to 31 December 2025

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 December 2025
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	12	6	2	61
Highly skilled production (Levels 6-8)	0	0	0	64
Highly skilled supervision (Levels 9-12)	0	0	0	60
Senior Management (Level 13-16)	0	0	0	87
Total	**12**	**6**	**2**	**62**

Table 3.10.5 Leave payouts for the period 1 April 2025 and 31 March 2026

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2025/26 due to non-utilisation of leave for the previous cycle	37	1	37
Capped leave payouts on termination of service for 2025/26	4 705	43	109.42
Current leave payout on termination of service for 2025/26	2 999	80	37.49
Total	**7 741**	**124**	**62.43**

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		Ms SD Zakwe: Director: Human Resource Management & Development
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		**Head Office**: Deputy Director: Ms ZL Mtolo, Admin Wellness: Ms N Tshangana, and Workplace Safety Officer: 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. Budget is available even though it is limited/not sufficient for EHW activities.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		The Department is implementing four pillars of the Employee Health and Wellness Programmes and Health Promotion Programmes in Line with the EHW strategic framework. These pillars are as follows: HIV, TB, and STIs Management, Health and Productivity Management, Safety Health Environment Risk and Quality Management (SHERQ), and Wellness Management, e.g., Counselling services, wellness screenings, HIV Counselling and Testing (HCT), physical activity programmes, stress management, financial education, injury on duty administration, EHW promotional material, EHW workshops, etc.
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		Departmental SHERQ Committee: Ms Khan: Chief Director: Corporate Services, Ms SD Zakwe: Director: Human Resource Management and Development, Ms X Ntanzi: Acting DDG: IAM, Ms N Orie: Director: Budget and Accounting Services, Mrs N Khumalo: Director: EPWP, Ms N Mngomezulu: Director: Security and Facility Management, Mr M Mdunge: DD: Labour Relations, Mr Mncadi: Regional

			Director: Southern Region, Mr S Mahaye: Regional Director: North Coast Region, Mr S Davids: Acting Regional Director: Midlands Region, Mr D Soobramoney: Acting Regional Director: eThekwini Region, Mrs ZL Mtolo: DD: EHW, DDs HRM Administration and Development in all Regions, ADs HRM Administration and Wellness in four Regions, EHW Practitioners, Occupational Health and Safety Officers, Organised Labour: NEHAWU and PSA, Health and Safety Representatives
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV, TB, and STIs, Wellness Management, SHERQ Management, Wellness Management, Bereavement Management in the workplace
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		A formal policy prohibiting unfair discrimination on the basis of HIV status or perceived HIV status. Confidentiality protections to ensure that employees' HIV-related information is kept private and disclosed only with consent. Equal access to employment opportunities, training, promotion, and benefits regardless of HIV status. Workplace awareness and education programmes aimed at reducing stigma, misinformation, and prejudice related to HIV/AIDS. Procedures for reporting and addressing discrimination, harassment, or victimisation linked to HIV status. Reasonable accommodation and support measures for affected employees where necessary. Compliance with labour legislation and constitutional protections relating to equality, dignity, and non-discrimination. Promotion of voluntary counselling, testing, wellness, and employee assistance programmes in a non-coercive manner. These measures are intended to create a safe, inclusive, and non-discriminatory working environment for all employees.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.			The Department encourages employees to undergo HIV Voluntary Counselling and Testing (HCT) through EHW wellness screenings and awareness programmes. As a result, the Department has achieved increased awareness of HIV/AIDS, improved uptake of testing services, early identification and access to treatment and support, reduced

			stigma and discrimination in the workplace, and strengthened Employee Health and Wellness initiatives. These efforts have contributed to a healthier, more informed, and supportive working environment.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	Number of HCT screenings conducted, number of health promotion campaigns conducted, Number of employees reached through awareness programmes

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2025 and 31 March 2026

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

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 2025 and 31 March 2026

Outcomes of disciplinary hearings	Number	% of total
Final written warning	5	9.09%
Official Resigned	1	1.8%
Not Guilty	2	3.6%
Contract ended	1	1.8%
Suspended without pay	4	7.27%
Written warning	13	23.6%
Verbal warning	14	25.45%
Correctional counseling	1	1.8%
Fine	0	0

Demotion	0	0
Dismissal	2	3.6%
Case withdrawn	4	7.27%
Pending	8	14.54%
Total	**55**	**100%**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2025 and 31 March 2026

Type of misconduct	Number	% of total
Negligence	9	19.14%
Intimidating Threats	0	0
Unsatisfactory work performance	0	0
Coming to work under influence of alcohol	0	0
Use of abusive language	0	0
Abuse of State equipment viz. Telephone	2	4.25%
Failure to adhere to official hours	0	0
Failure to comply with leave procedure	1	2.12%
Failure to comply with given instructions	0	0
Assault	0	0
Failure to attend a counselling session	0	0
Unauthorized absence	1	2.12%
Theft	0	0
Social grant	0	0
Other	34	72.3%
Total	**47**	**100%**

Table 3.12.4 Grievances logged for the period 1 April 2025 and 31 March 2026

Grievances	Number	% of Total
Number of grievances resolved	12	92.3%
Number of grievances not resolved	1	7.6%
Total number of grievances lodged	**13**	**99.9%**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2025 and 31 March 2026

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	12.5%
Total number of disputes pending	7	87.5%
TOTAL	**8**	**99.9%**

Table 3.12.6 Strike actions for the period 1 April 2025 and 31 March 2026

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 2025 and 31 March 2026

Number of people suspended	9
Number of people whose suspension exceeded 30 days	07
Average number of days suspended	186
Cost of suspension(R'000)	**R4 663 989.14**

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators senior officials and managers	Female	102	0	66	43	109
	Male	135	0	29	38	67
Professionals	Female	23	0	52	8	60
	Male	46	0	91	6	97
Technicians & associated professionals	Female	20	0	62	0	62
	Male	24	0	63	0	63
Clerks	Female	408	0	225	8	233
	Male	215	0	101	10	111
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	7	0	7
	Male	222	0	13	0	13

Sub Total	Female	641	0	412	59	471
	Male	642	0	297	54	351
Total		**1283**	0	**709**	**113**	**822**

Table 3.13.2 Training provided for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	102	0	68	68	136
	Male	135	0	89	89	178
Professionals	Female	23	0	0	0	0
	Male	46	0	16	16	32
Technicians and associate professionals	Female	20	0	35	35	70
	Male	24	0	50	50	100
Clerks	Female	408	0	130	130	260
	Male	215	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
	Female	0	0	37	0	0

Interns (Built Environment & Admin)	Male	0	0	42	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	88	0	0	68	68
	Male	222	0	0	99	99
Sub Total	Female	642	0	0	0	534
	Male	641	0	0	68	409
Total		**1283**	0	**878**	**878**	**943**

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2025 and 31 March 2026

Nature of injury on duty	Number	% of total
Required basic medical attention only	11	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	**11**	**100%**

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2025 and 31 March 2026

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
N/A			

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2025 and 31 March 2026

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 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management 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 2025 and 31 March 2026

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



PART E

HUMAN RESOURCE MANAGEMENT

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

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	149 743	333 049
Adjustment to opening balance	23 670	-5 130
Opening balance as restated	173 413	327 919
Add: Irregular expenditure confirmed	17 425	5 454
Less: Irregular expenditure condoned	-97 980	-183 628
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable[1]	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**92 858**	**149 743**

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure that was under assessment	35 643	144 289
Irregular expenditure that relates to the prior year and identified in the current year	39 790	-
Irregular expenditure for the current year	17 425	5 454
Total	**92 858**	**149 743**

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

c) Description[2]	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	179 620	-
Total	**179 620**	**0**

Note : An amount of R102, 508 million of potential irregular expenditure noted during the audit is currently under investigation and not confirmed, therefore not reflected in the AFS of the Department.

[1] Transfer to receivables
[2] Group similar items

d) Details of irregular expenditure condoned

Description	2025/2026	2024/2025
	R'000	R'000
Lease contract extensions not approved by Treasury - As per annexure A	32 932	-
Pre-approval not obtained for deviations regarding extension of leases for isolation and quarantine facilities	51 151	-
Extension contract without approval exceeds the prescribed 15% of the original contract value (Business connection)	10 290	-
2024/2025 - 14 cases of SCM Disclosure for Non-compliance with Legislature	2 543	-
2024/2025 - 14 cases of SCM Disclosure for Non-compliance with Legislature	1 064	-
Lease contract extensions not approved by Treasury	-	182 109
eThekwini Region: Local content requirements on the procurement of office furniture was not applied.	-	727
SCM Head Office: Limitation of scope- SBD6.2 declaration of interest not provided	-	166
North Coast Region Incomplete declaration of local content SBD6.2 Local Content	-	190
Declaration of Interest (SBD 4) and Bidder's Past Supply Chain Management Practices (SBD 8) not signed by bidder	-	436
Total	**97 980**	**183 628**

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

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	**-**	**-**

f) Details of irregular expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	**-**	**-**

g) Details of irregular expenditure written off (irrecoverable)

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure written off	-	-
Total	**-**	**-**

Additional disclosure relating to Inter-Institutional Arrangements

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	2025/2026	2024/2025
	R'000	R'000
n/a		
Total		

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
In terms of the outcomes from determination assessments done on the cases, disciplinary cases have been finalised, and the respective officials have been issued with their respective sanctions.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	49 197	-
Adjustment to opening balance	19 013	-
Opening balance as restated	68 210	-
Add: Fruitless and wasteful expenditure confirmed	698	49 197
Less: Fruitless and wasteful expenditure recoverable[4]	-2	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**68 906**	**49 197**

[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

[4] Transfer to receivables

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	49 195	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	19 013	49 195
Fruitless and wasteful expenditure for the current year	698	2
Total	**68 906**	**49 197**

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

Description[5]	2025/2026	2024/2025
	R'000	**R'000**
Fruitless and wasteful expenditure under assessment	19 711	2
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	49 195	49 195
Total	**68 906**	**49 197**

Note :The Labour Court Appeal Judgment relating to the unfair dismissal of former Head of Department, Department of Public Works and Infrastructure (DPWI), serving from 1 October 2011 to 31 March 2017, was finalized, with the KZN Office of the Premier (OTP) as the respondent ordered to pay all outstanding back pay. In line with guidance from Provincial Treasury and the National Office of the Accountant-General, DPWI was not responsible in the recruitment or dismissal of the official and thus not responsible to disclose the fruitless and wasteful expenditure. DPWI as the budget holder in respect of the employment of the applicant, DPWI effected payment of R9,449,977.48 for the arbitration award together with R2,597,366.02 in interest, totalling R12,047,343.50. The matter was referred to OTP on 24 July 2026, and DPWI is pending receipt of the determination assessment and approval of the condonation application in terms of the of the UIFW framework.

c) Details of fruitless and wasteful expenditure recoverable

Description	2025/2026	2024/2025
	R'000	**R'000**
Fruitless and wasteful expenditure recoverable	2	-
Total	**2**	**-**

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

Description	2025/2026	2024/2025
	R'000	**R'000**
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

[5] Group similar items

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

Disciplinary steps taken
n/a
Total

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2025/2026	2024/2025
	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	**-**	**-**

Reconciling notes

Description	2025/2026	2024/2025
	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	**-**	**-**

[6] Transfer to receivables

[7] This amount may only be written off against available savings

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

Description[8]	2025/2026	2024/2025
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	**-**	**-**

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	2025/2026	2024/2025
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

b) Details of other material losses

Nature of other material losses	2025/2026	2024/2025
	R'000	R'000
(*Group major categories, but list material items)*	-	-
Total		

[8] Group similar items
[9] Information related to material losses must be disclosed in the annual financial statements.

c) Other material losses recoverable

Nature of losses	2025/2026	2024/2025
	R'000	R'000
(*Group major categories, but list material items)*	-	-
Total		

d) Other material losses not recoverable and written off

Nature of losses	2025/2026	2024/2025
	R'000	R'000
(*Group major categories, but list material items)*	-	-
Total		

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	**25 008**	**4 797 706**
Invoices paid **within** 30 days or agreed period	**18 640**	**3 621 180**
Invoices paid **after** 30 days or agreed period	**2 663**	**633 359**
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	**3 705**	**543 167**
Invoices older than 30 days or agreed period (***unpaid and in dispute***)	**-**	**-**

The Department was unable to make the required property rates payments due to insufficient baseline funding. The monthly disbursement of the 8.33% equitable share allocation further constrained the Department's ability to meet its payment obligations.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project Description	Name of Supplier	Type of Procurment by other Means	Contract Number	Value of contract
Hire of office accommodation: Department of Community Safety and Liaison: Request for approval to deviate from normal bid processes and enter into a new lease and negotiate rates with Rosedew Investments cc at John Ross House, 20/36 Margaret Mncadi Avenue, Durban, in terms of paragraph 4.1 PFMA SCM instruction not 3 of 2021/22, for a period not exceeding 16 months with effect from 01 May 2025.	Rosedew Investments CC	Procurement that occurs in emergency situations and urgent cases	ZNT 03100	R770 385,00
Hire of office accommodation: 41 Bisset Street: Port Shepstone	Kunzaan Properties	Procurement that occurs in emergency situations and urgent cases	ZNT3026(B)	R7 848 260,26
Hire Of Office Accommodation: 171 Boshoff Street: Pietermaritzburg	Amathubesizwe Investments PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT3209W	R9 358 590,12
Hire of Office Accommodation: Albert House	Greenville Trading 89 CC	Procurement that occurs in emergency situations and urgent cases	ZNT 03075W	R1 688 154,00

Hire of Office Accommodation: Department of Finance: 212 Langalibalele Street: Pietermaritzburg	Sirela Trading CC	Procurement that occurs in emergency situations and urgent cases	ZNT3210(B)	R10 625 310,00
Hire of Office Accommodation: Department of Social Development: Umzinto Service Office	Umzinto Municipality	Procurement that occurs in emergency situations and urgent cases	ZNT3108(B)	R2 469 530,70
Hire of Office Accommodation: Department of Social Development: 174 Mayors Walk: Pietermaritzburg	Delta Property Fund Limited	Procurement that occurs in emergency situations and urgent cases	ZNT3246(B)	R9 901 500,00
Department of Health: Hire of Office Accommodation	Marburg Enterprises CC	Procurement that occurs in emergency situations and urgent cases	ZNT3255W	R36 348 619,07
Department of Health: Hire of Office Accommodation: 1 Nelson Mandela Drive	Amtray Properties PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT3233(B)	R1 664 225,35
Hire of Office Accommodation: Department of Education: 45 Murchison Street: Ladysmith	Janora Trading PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT5816W	R22 643 386,56
Department of Sport, Arts and Culture : Hire of office accommodation : Hluhluwe office on a month-to-month basis for a period not exceeding 24 Months	Siyanda Stationeries CC	Procurement that occurs in emergency situations and urgent cases	ZNT 7791W	R2 548 565,23

Hire of office accommodation: Office of the Premier at the Marine Building portion of 8th, 14th & 15th floors, 22 Dorothy Nyembe Street	Delta Property Fund	Procurement that occurs in emergency situations and urgent cases	ZNT 03093	R12 304 600,28
Hire of Office accommodation: Department of Health: 107 & 108 Marine Drive, Port Shepstone	Bizprop Shelly Beach	Procurement that occurs in emergency situations and urgent cases	ZNT3241(b)	R3 532 800,00
Hire of Office Accommodation: Department of Human Settlements: 201-203 Church Street, Pietermaritzburg	Tupac Business Enterprise CC	Procurement that occurs in emergency situations and urgent cases	ZNT3239(B)	R5 126 175,60
Hire of Office Accommodation: Department of Social Development: 29 Lawrence Road: Mooi River	East Gold Trading PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT3257(B)	R1 490 393,10
Hire of Office Accommodation: Department of Health: Madadeni Nurses College	Amajuba TVET College	Procurement that occurs in emergency situations and urgent cases	ZNT5973W	R3 912 480,00
Hire of Office Accommodation: Department of Human Settlements: 199 Pietermaritz Street: Pietermaritzburg	Daywood CC	Procurement that occurs in emergency situations and urgent cases	ZNT3239(C)	R6 054 708,60

The appointment of a multi-disciplinary team compromising of a lead architectural entity (PA) to provide a multi-disciplinary team for the urgent repairs and replacement of the storm and water damaged roofs, associated buildings and infrastructure components at the Ulundi Legislative Complex Administration Building in The North Coast Region	Sakhisizwe Architects Cc	Procurement that occurs in emergency situations and urgent cases	ZNT 08/25/26W: WIMS no 029108	R10 113 857,92
Appointment of Legal Service Provider to assist with Arbitration Proceedings	Cowan-Harper Madikizela INC	Procurement that occurs in emergency situations and urgent cases	ZNQ 105/24/25	R14 490,00
Appointment of Legal Service Provider to assist with Arbitration Proceedings	Kirchmanns Incorporated	Procurement that occurs in emergency situations and urgent cases	ZNQ 105/24/25	R8 920,17
Appointment of Legal Service Provider to assist with Initiator Services for Disciplinary Hearing	Kirchmanns Incorporated	Procurement that occurs in emergency situations and urgent cases	ZNQ 17/25/26	R150 649,51
Appointment of Legal Service Provider to assist with Arbitration Proceedings	Advocate Siyanda Giba	Procurement that occurs in emergency situations and urgent cases	ZNQ 17/25/26	R260 000,00
Renewal of Entire Connection Software license subscription	Software AG South Africa PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNQ 34/25/26	R24 053,00
Hire of Office Accommodation: Department of	Greenville Trading 89 CC	Procurement that occurs in emergency	ZNTD2900W	R34 504 853,27

Education: Stanger, Corner Link and R102 Road		situations and urgent cases		
Ulundi Legislative Assembly Complex: Extension of Private Security Contract	Ocean Dawn Trading & Projects	Procurement that occurs in emergency situations and urgent cases	ZNQ 25/26/0008/NCR	R2 640 964,95
Hire of Office Accommodation: Department of Health: 107 Dollar Drive: Richards Bay	Lonestar Family Trust	Procurement that occurs in emergency situations and urgent cases	ZNT 7782W	R475 808,64
Hire of Office Accommodation: Department of Education: 16 Claughton Street: Mooi River	East Gold Trading PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT 3217W (B2)	R229 135,20
Hire of Office Accommodation: Department of Economic Development, Tourism & Environmental Affairs: 181 Hoosen Haffajee Street, PMBURG	Rosedew Investments CC	Procurement that occurs in emergency situations and urgent cases	ZNT 3228(B)	R14 196 715,78
Hire of Office Accommodation: Department of Co-Operative Governance & Traditional Affairs: 46 Aiken Street: Port Shepstone	Kunzaan Property Trust	Procurement that occurs in emergency situations and urgent cases	ZNT3262(B)	R1 566 308,97
Hire of Office Accommodation: Department of Social Development: Bergville	Yassfri Investments CC	Procurement that occurs in emergency situations and urgent cases	ZNT6057W	R7 338 657,17
Hire of Office Accommodation: Department of Health: 34 Wilson Street: Dundee	Izintombi Zodumo PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT5898W	R7 630 329,78

Hire of Office Accommodation: Department of Social Development: Impendle Service Office: Ikhwezi Street	Impendle Municipality	Procurement that occurs in emergency situations and urgent cases	ZNT3142(B)	R379 051,50
KZN Department of Public Works & Infrastructure: Legislative & Administration Complex: Ulundi: Urgent repairs and replacement of storm damaged roofs	Jeamba's Marketing & Distribution Enterprises	Procurement that occurs in emergency situations and urgent cases	ZNTU04273W WIMS: 029108	R18 973 470,50
Hire of Office Accommodation: Department of Agriculture & Rural Development: Albert House: Stanger	Greenville Trading 89 CC	Procurement that occurs in emergency situations and urgent cases	ZNT03075W	R2 250 872,00
Hire of Office Accommodation: Department of Economic Development, Tourism & Environmental Affairs:	Marburg Enterprises CC	Procurement that occurs in emergency situations and urgent cases	ZNT3251W	R12 886 536,55
Hire of Office Accommodation: Department of Education: 8 Union Street: Empangeni	Dynavest Twenty-Six PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT7721W	R1 497 967,10
Hire of Clinic Accommodation: Marburg, Margate, South Port, Shelley Beach, Port Shepstone	Ray Nkonyeni Municipality	Procurement that occurs in emergency situations and urgent cases	ZNT3176(B)	R2 696 764,28
Hire of Office Accommodation: 38 Lawrence Street: Mooi River	Kamson Family Trust	Procurement that occurs in emergency situations and urgent cases	ZNT3270(B)	R398 268,00

Hire of Office Accommodation: Department of Health: EMS	Emkhonjana PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT 5802W	R12 841 775,74
Hire of Office Accommodation: Department of Social Development: Imbabazane Service Office	Inkosi Langalibalele Municipality	Procurement that occurs in emergency situations and urgent cases	ZNT6040W	R1 756 071,16
Hire of Office Accommodation: Human Settlements	Magnacorp 186 CC	Procurement that occurs in emergency situations and urgent cases	ZNT6075W	R4 777 295,02
Hire of Office Accommodation: Department of Education: Phumelela Circuit: Umlazi	Crystal Lagoon Investments 44 CC	Procurement that occurs in emergency situations and urgent cases	ZNT02881W	R1 664 091,07
Hire of Office Accommodation: Department of Health: 11/13 Main Road: IXOPO	Ixopo Mall CC	Procurement that occurs in emergency situations and urgent cases	ZNT3276(B)	R2 066 043,54
Hire of Office Accommodation: Department of Social Development: 6 Musgrave Road: Harding	Nightbreeze Investments CC	Procurement that occurs in emergency situations and urgent cases	ZNT3261(B)	R2 244 629,34
Hire of Vacant Land: Department of Transport	Impendle Local Municipality	Procurement that occurs in emergency situations and urgent cases	ZNT3273(B)	R5 571 039,54
Hire of office accommodation: Department of Community Safety and Liaison: 46 Bisset Street, Port Shepstone	Pacific Blaze Investments 8 PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT3216C	R610 885,93

Hire of Office Accommodation: Department of Education: 16 Claughton Street: Mooi River	East Gold Trading PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT3269W (B)	R469 727,16
Hire of office Accommodation: Department of Social Development: Mooi River	The Rosco Family Trust	Procurement that occurs in emergency situations and urgent cases	ZNT3232W	R6 872 365,73
Hire of Office Accommodation: Department of Health: 107 Dollar Drive: Richards Bay	Lonestar Family Trust	Procurement that occurs in emergency situations and urgent cases	ZNT7782W	R1 455 974,44
Hire of Office Accommodation: Department of Health: EMS Harding	Mbuthuma Family Holdings	Procurement that occurs in emergency situations and urgent cases	ZNT3214W	R4 154 514,40
Hire of Office Accommodation: Department of Agriculture & Rural Development: 1 Nelson Mandela Drive, Port Shepstone	Amtray Properties PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT3268C	R1 436 480,64
Hire of Office Accommodation: Department of Health: PHC Mobile Clinic	KNA Property Investments	Procurement that occurs in emergency situations and urgent cases	ZNT03075W	R1 723 145,27
Hire of Office Accommodation: 46 Bisset Street: Port Shepstone	Pacific Blaze Investments 8 PTY LTD	Procurement that occurs in emergency situations and urgent cases	ZNT3274B	R1 247 775,30
Hire of Office Accommodation: Department of Social Development: Amahluthi Thusong Centre	Inkosi Langalibalele Municipality	Procurement that occurs in emergency situations and urgent cases	ZNT6078W	R379 327,94

Hire of Office Accommodation: Department of Agriculture & Rural Development: 1 Aloe Loop: Richards Bay	Greenville Trading 89 CC	Procurement that occurs in emergency situations and urgent cases	ZNT7794W	R3 903 452,64
			TOTAL	**R 309 699 953,02**

3.2. Contract variations and expansions

Project Description	Name of Supplier	Contract modification type (Expansion or Variation)	Contract Number	Original contract value	Value of contract expansion or variation of contract	Value of previous contract expansion or variation of contract
RENDERING OF PRIVATE SECURITY AT THE LEGISLATIVE ASSEMBLY COMPLEX IN ULUNDI	CIJAYIPHI PROTECTION SERVICES	EXPANSION	ZNQ 25/26/0012/NCR	R815 138-00	R815 138-00	R815 138,00
DLTC ROSSBURGH	KWANGAWANE CONTRACTING & TRADING	VARIATION	077449	R 11 741 850,99	R2 516 438,24 (ADD)	R1 822 573,89 (ADD)
HLOMENDLINI TAC	PIE PLUMBERS	VARIATION	076860	R 2 770 068,25	12582,17 (OMIT)	R68045,51 (ADD)
NGQUNGQULE TAC: REHABILITATION, REFURBISHMENT AND MAINTENANCE	MKHANDI GROUP	VARIATION	078027	R 1 619 597,16	R141 001,86 (OMIT)	NIL
MAHATMA GANDHI MEMORIAL HOSPITAL:	BATHUS TRADING & CONTRACTING	VARIATION	077182	R 11 564 192,90	R465 452,75 (OMIT)	R2 301 274,39 (ADD)

REPAIRS TO STORM DAMAGE						
HLOPE TAC: REHABILITATION, REFURBISHMENT AND MAINTENANCE	NIDGE HOLDINGS	VARIATION	053859	R 2 350 880,00	R921,91 (OMIT)	R0,00
SINENHLANHLA S/S	ZIPHOZETHU TRADING 110 CC	VARIATION	063520	R 4 551 476,90	R26 166,05 (OMIT)	R0,00
BHEKUMUSA PRIMARY-COMPLETION CONTRACT - ECDS	MYBUKO TRADING CC	VARIATION	062846	1 294 764,00	-138 137,19	R0,00
EKULINGWENI PRIMARY-COMPLETION CONTRACT - ECDS	MYBUKO TRADING CC	VARIATION	062841	1 151 008,00	-142 708,92	R0,00
ENDOMBENI PRIMARY-COMPLETION CONTRACT - ECDS	MYBUKO TRADING CC	VARIATION	062845	1 272 318,00	-124 294,02	R0,00
DULIKHULU PRIMARY COMPLETION CONTRACT	MYBUKO TRADING CC	VARIATION	062844	2 394 849,56	-489 403,43	R0,00
GWALIWENI PRIMARY-COMPLETION CONTRACT - ECDS	MYBUKO TRADING CC	VARIATION	062843	1 028 095,00	-101 319,85	R0,00
URGENT REPAIRS & REPLACEMENT OF STORM DAMAGED ROOF -ULUNDI PHASE 1	JEAMBA'S MARKETING & DISTRIBUTION ENTERPRISES	VARIATION	029108	18 973 470,50	383 190,00	R0,00

CEDARA COLLEGE: COMPLETION CONTRACT	ENZA CONSTRUCTION	VARIATION	ZNTM01229W	R 52 626 747,79	R149 284,43	R0,00
CEDARA COLLEGE: COMPLETION CONTRACT	ENZA CONSTRUCTION	VARIATION	ZNTM01229W	R 52 626 747,79	R89 836,56	R0,00
CEDARA COLLEGE: COMPLETION CONTRACT	ENZA CONSTRUCTION	VARIATION	ZNTM01229W	R 52 626 747,79	R199 166,79	R0,00
MAKHANYA SOBOAKHONA TAC	AMABHAKA BHAKA TRADING	VARIATION	077332	R2 191 716,00	R6 367,45 (OMIT)	R0,00
HILLCREST HOSPITAL	SERVIGYN 12 CC	VARIATION	077170	R2 893 637,01	R337 764,12 (OMIT)	R0,00
UMPHUMULO HOSPITAL	FIKEKHAYA TRADING CC	VARIATION	074358	R3 830 454,50	R83 808,34 (OMIT)	ADD R151 807.08
GENERAL JUSTICE GIZENGA MPANZA REGIONAL HOSPITAL	CAPITAL POWER	VARIATION	073335	R5 800 000,00	R55 543,42 (ADD)	R814 096,96 ADD
OTIMATI P/S	GLOBACON (PTY) LTD	VARIATION	063919	R5 982 037,80	R702,75 (OMIT)	R0,00
THE APPOINTMENT OF QUANTITY SURVEYOR TO CONDUCT ASSESSMENT OF 4(NR) FACILITIES AS CITIED IN THE AUDITOR	RAMGOOLAM PTY LTD	VARIATION	ZNQ 69/25/26	R 349 600,00	R1 401 896,00	R0,00

GENERAL REPORT						
EXTENSION OF APPOINTMENT FOR THE AUDIT OF THE ARCHIBUS SYSTEM	S A ESSA T/A FINANCIAL EXCELLENCE	EXPANSION		R 747 325,50	R1 850 000,00	R0,00

4. ANNUAL REPORT DISCLOSURE

Compliance with Provincial Treasury Instruction Note 1 of 2024/25 – Cost Cutting Measures

4.1 INTERNATIONAL TRAVEL

Description	Number	Total Expenditure (R)
Total number of overseas trips undertaken	**01**	
Total number of officials that travelled overseas	**03**	
Number of trips exceeding approved budget by more than 15%	**none**	
Total overseas travel expenditure		**R 241 039.22**

4.2 EVENTS, CONFERENCES AND SPORTS

Type of Event	Number of events held	Total Expenditure (R)
Public consultations / Imbizos	03	R 121 663,75
Official launches	07	R1 856 200,00
Commemorative events	0	0
Conferences / Summits	01	R 49 105,09
Cultural / Sporting events	0	R0
Strategic engagements	0	R0
Contractor handover / Sod-turning events	02	R 49 175,00
Internal Sports day, Including interdepartmental sports	0	R0
Other	0	
Total	13	**R 2 076 143,84**



PART F

FINANCIAL INFORMATION



AUDIT REPORT

KwaZulu-Natal Department of Public Works and Infrastructure

2025-26

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the KwaZulu-Natal: Department of Public Works and Infrastructure as set out on pages 163 to 336, which comprise the appropriation statement, statement of financial position as at 31 March 2026, 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 KwaZulu-Natal Department of Public Works and Infrastructure as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as issued by National Treasury of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 2 of 2025 (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 matters below. My opinion is not modified in respect of these matters.

Going concern

7. Note 20 in the financial statements deals with the possible effects of funding and cash flow constraints on the department's ability to continue meeting its operational obligations and commitments. Management have described how these circumstances are being addressed, including the actions considered in concluding that no material uncertainty exists.

Impairment of receivables

8. As disclosed in note 14.6 to the financial statements, the department disclosed an impairment of receivables of R238,90 million (2024-25: R323,10 million).

Responsibilities of the accounting officer for the financial statements

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

10. 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

11. 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.

12. 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 page 7 to 8, forms part of my auditor's report.

Report on the audit of the annual performance report

13. 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.

14. I selected the following programme presented in the annual performance report for the year ended 31 March 2026. I selected a programme that measures the department's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2 - Public works Infrastructure	[39-45]	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.

15. 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.

    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.

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

17. I did not identify any material findings on the reported performance information for the selected programme.

Report on compliance with legislation

18. 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.

19. 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.

20. 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.

21. I did not identify any material findings on compliance with the selected legislative requirements.

Other information in the annual report

22. 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.

23. 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.

24. 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.

25. The other information I obtained prior to the date of this auditor's report is the general information, governance information, human resource management information, the performance information that has not been specifically reported on in this auditor's report and the PFMA compliance report. The audit committee report has not been submitted and it is expected to be made available to me after 7 September 2026.

26. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

27. When I do receive and read the audit committee report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. 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.

29. I did not identify any significant deficiencies in internal control.

Other reports

30. 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.

31. The provincial forensic unit conducted 19 investigations, which covered the period August 2015 to November 2025. These investigations related to allegations of possible irregularities with the tender process as well as alleged fraud and corruption. Eight investigations have been completed where recommendations are currently being implemented while 11 investigations are still in progress at the date of this report.

Auditor-General

Pietermaritzburg
7 September 2026

AUDITOR-GENERAL
SOUTH AFRICA

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 and regulations	Sections and paragraphs
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
Division of Revenue Act 2 of 2025	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

KWAZULU-NATAL PROVINCE

PUBLIC WORKS & INFRASTRUCTURE
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS FOR KZN DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

For the year ended 31 March 2026

Date authorised for issue: _____
Authorised by: _____

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Appropriation per programme

	2025/26							2024/25	
	Adjusted 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	485,689	-	11,914	497,603	497,603	-	100%	463,981	463,981
2. Public Work Infrastructure	1,734,844	-	(7,490)	1,727,354	1,694,524	32,830	98,1%	1,613,449	1,613,449
3. Expanded Public Works	45,191	-	(4,424)	40,767	40,767	-	100%	59,911	59,903
Subtotal	2,265,724	-	-	2,265,724	2,232,894	32,830	98,6%	2,137,341	2,137,333
Statutory Appropriation	-	-	-	-	-	-	-	-	-
TOTAL	2,265,724	-	-	2,265 724	2,232 894	32,830	98,6%	2,137,341	2,137,333

	2025/26				2024/25	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	16,118				11,333	
NRF Receipts	-				-	
Aid assistance	-				-	
Actual amounts per statement of financial performance (Total revenue)	2,281,842				2,148,674	
ADD						
Aid assistance		-				-
		0				
Prior year unauthorised expenditure approved without funding		0				0
Actual amounts per statement of financial performance (Total expenditure)		2,232,894				2,137,333

Appropriation per economic classification

	2025/26							2024/25	
	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	1,037,830	(3,095)	(14,577)	1,020,158	1,020,158	-	100,0%	1,018,999	1,018,991
Compensation of employees	762,126	-	(17,163)	744,963	744,963	-	100,0%	755,251	755,243
Salaries and wages	646,325	-	(16,763)	629,562	629,562	-	100,0%	644,097	644,089
Social contributions	115,801	-	(400)	115,401	115,401	-	100,0%	111,154	111,154
Goods and services	275,704	(3,095)	2,538	275,147	275,147	-	100,0%	263,746	263,746
Administrative fees	892	-	(237)	655	655	-	100,0%	418	418
Advertising	1,380	-	(340)	1,040	1,040	-	100,0%	1,601	1,601
Minor assets	3,361	-	(3,128)	233	233	-	100,0%	41	41
Audit costs: External	11,243	-	(1,797)	9,446	9,446	-	100,0%	15,924	15,924
Bursaries: Employees	686	-	(408)	278	278	-	100,0%	1,242	1,242
Catering: Departmental activities	645	-	(300)	345	345	-	100,0%	1,219	1,219
Communication (G&S)	11,512	-	(1,934)	9,578	9,578	-	100,0%	11,551	11,551
Computer services	57,655	(3,095)	(317)	54,243	54,243	-	100,0%	41,572	41,572
Consultants: Business and advisory services	10,791	-	10,713	21,504	21,504	-	100,0%	11,741	11,741
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-

Legal services	**5,957**	**-**	**4,031**	**9,988**	**9,988**	**-**	**100,0%**	**7,769**	**7,769**
Contractors	**2,783**	**-**	**456**	**3,239**	**3,239**	**-**	**100,0%**	**3,941**	**3,951**
Agency and support/outsourced services	**17,689**	**-**	**(577)**	**17,112**	**17,112**	**-**	**100,0%**	**8,660**	**8,660**
Entertainment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fleet services (including government motor transport)	**12,688**	**-**	**(953)**	**11,735**	**11,735**	**-**	**100,0%**	**17,355**	**17,355**
Housing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Clothing material and accessories	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Farming supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Food and food supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Fuel, oil and gas	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Learner and teacher support material	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Materials and supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Medical supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Medicine	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Medsas inventory interface	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Other supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Consumable supplies	**5,142**	**-**	**(2,064)**	**3,078**	**3,078**	**-**	**100.0%**	**4,349**	**4,349**
Consumable: Stationery, printing and office supplies	**3,282**	**-**	**(672)**	**2,610**	**2,610**	**-**	**100.0%**	**2,532**	**2,522**
Operating leases	**5,463**	**-**	**(500)**	**4,963**	**4,963**	**-**	**100.0%**	**4,085**	**4,085**

Property payments	106,531	-	4,619	111,150	111,150	-	100.0%	106,906	106,906
Transport provided: Departmental activity	-	-	-	-	-	-	-	900	900
Travel and subsistence	11,296	-	(2,906)	8,390	8,390	-	100.0%	16,500	16,500
Training and development	2,401	-	70	2,471	2,471	-	100.0%	3,833	3,833
Operating payments	3,893	-	(836)	3,057	3,057	-	100.0%	1,378	1,378
Venue and facilities	-	-	-	-	-	-	-	175	175
Rental and hiring	414	-	(382)	32	32	-	100.0%	54	54
Interest and rent on land	-	-	48	48	48	-	100.0%	2	2
Interest (Inc. Interest on unitary payments (PPP)	-	-	48	48	48	-	100.0%	2	2
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,170,452	-	12,567	1,183,019	1,183,019	-	100.0%	1,098,070	1,098,070
Provinces and municipalities	1,159,822	-	(16)	1,159,806	1,159,806	-	100.0%	1,087,506	1,087,506
Provinces	281	-	(18)	263	263	-	100.0%	281	281
Provincial Revenue Funds	281	-	(18)	263	263	-	100.0%	281	281
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	1,159,541	-	2	1,159,543	1,159,543	-	100.0%	1,087,225	1,087,225
Municipal bank accounts	1,159,541	-	2	1,159,543	1,159,543	-	100.0%	1,087,225	1,087,225
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production(pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production(pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	10,630	-	12,583	23,213	23,213	-	100.0%	10,564	10,564
Social benefits	8,169	-	(167)	8,002	8,002	-	100.0%	7,169	7,169
Other transfers to households	2,461	-	12,750	15,211	15,211	-	100.0%	3,395	3,395
Payments for capital assets	57,442	3,095	2,010	62,547	29,717	32,830	47.5%	20,272	20,272
Buildings and other fixed structures	49,681	-	(1,125)	48,556	15,726	32,830	32.4%	12,733	12,733
Buildings	49,681	-	(1,125)	48,556	15,726	32,830	32.4%	12,733	12,733
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7,761	-	3,135	10,896	10,896	-	100.0%	7,424	7,424
Transport equipment	-	-	1,872	1,872	1,872	-	100.0%	-	-
Other machinery and equipment	7,761	-	1,263	9,024	9,024	-	100.0%	7,424	7,424
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-

Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and intangible assets	-	3,095	-	3,095	3,095	-	100.0%	115	115
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2,265,724	-	-	2,265,724	2,232,894	32,830	98.6%	2,137,341	2,137,333

Programme 1: Administration

	2025/26							2024/25	
	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	15,042	-	729	15,771	15,771	-	100.0%	16,608	16,608
2. Management of the Department	279,711	-	8,898	288,609	288,609	-	100.0%	281,276	281,276
3. Corporate Support	190,936	-	2,287	193,223	193,223	-	100.0%	166,097	166,097
Total for sub programmes	485,689	-	11,914	497,603	497,603	-	100.0%	463,981	463,981
Economic classification									
Current payments	474,631	(3,095)	(6,360)	465,176	465,176	-	100.0%	450,058	450,058
Compensation of employees	350,068	-	(6,539)	343,529	343,529	-	100.0%	333,906	333,906
Salaries and wages	289,166	-	(6,236)	282,930	282,930	-	100.0%	276,601	276,601
Social contributions	60,902	-	(303)	60,599	60,599	-	100.0%	57,305	57,305
Goods and services	124,563	(3,095)	156	121,624	121,624	-	100.0%	116,152	116,152
Administrative fees	156	-	(33)	123	123	-	100.0%	8	8
Advertising	1,380	-	(340)	1,040	1,040	-	100.0%	1,601	1,601
Minor assets	1,833	-	(1,610)	223	223	-	100.0%	7	7
Audit costs: External	11,243	-	(1,797)	9,446	9,446	-	100.0%	15,924	15,924
Bursaries: Employees	686	-	(408)	278	278	-	100.0%	1,242	1,242
Catering: Departmental activities	442	-	(179)	263	263	-	100.0%	160	110
Communication (G&S)	11,100	-	(1,522)	9,578	9,578	-	100.0%	11,551	11,551
Computer services	51,913	(3,095)	810	49,628	49,628	-	100.0%	37,751	37,751

Consultants: Business and advisory services	**270**	**-**	**(251)**	**19**	**19**	**-**	**100.0%**	**105**	**100**
Infrastructure and planning services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Laboratory services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Scientific and technological services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Legal services	**5,476**	**-**	**4,111**	**9,587**	**9,587**	**-**	**100.0%**	**7,292**	**7,367**
Contractors	**2,719**	**-**	**474**	**3,193**	**3,193**	**-**	**100.0%**	**2,701**	**2,662**
Agency and support/outsourced services	**8,445**	**-**	**3,817**	**12,262**	**12,262**	**-**	**100.0%**	**174**	**174**
Entertainment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fleet services (including government motor transport)	**12,688**	**-**	**(953)**	**11,735**	**11,735**	**-**	**100.0%**	**17,355**	**17,355**
Housing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Clothing material and accessories	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Farming supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Food and food supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Fuel, oil and gas	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Learner and teacher support material	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Materials and supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Medical supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Medicine	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Medsas inventory interface	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Other supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Consumable supplies	**1,304**	**-**	**(449)**	**855**	**855**	**-**	**100.0%**	**1,330**	**1,369**
Consumable: Stationery, printing and office supplies	**2,655**	**-**	**(390)**	**2,265**	**2,265**	**-**	**100.0%**	**2,193**	**2,193**
Operating leases	**4,577**	**-**	**(402)**	**4,175**	**4,175**	**-**	**100.0%**	**3,265**	**3,319**
Property payments	**7**	**-**	**(5)**	**2**	**2**	**-**	**100.0%**	**3,591**	**3,591**

Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	3,628	-	(385)	3,243	3,243	-	100.0%	4,885	4,818
Training and development	2,401	-	70	2,471	2,471	-	100.0%	3,833	3,833
Operating payments	1,640	-	(402)	1,238	1,238	-	100.0%	1,183	1,176
Venue and facilities	-	-	-	-	-	-	-	1	1
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	23	23	23	-	100.0%	-	-
Interest (Inc. Interest on unitary payments (PPP)	-	-	23	23	23	-	100.0%	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	6,423	-	12,941	19,364	19,364	--	100,0%	7,617	7,617
Provinces and municipalities	281	-	(18)	263	263	-	100,0%	281	281
Provinces	281	-	(18)	263	263	-	100,0%	281	281
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production(pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-

Subsidies on products and production(pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6,142	-	12,959	19,101	19,101	-	100.0%	7,336	7,336
Social benefits	3,681	-	209	3,890	3,890	-	100.0%	3,941	3,941
Other transfers to households	2,461	-	12,750	15,211	15,211	-	100.0%	3,395	3,395
Payments for capital assets	4,635	3,095	5,333	13,063	13,063	-	100.0%	6,306	6,306
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4,635	-	5,333	9,968	9,968	-	100.0%	6,191	6,191
Transport equipment	-	-	1,872	1,872	1,872	-	100.0%	-	-
Other machinery and equipment	4,635	-	3,461	8,096	8,096	-	100.0%	6,191	6,191
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and intangible assets	-	3,095	-	3,095	3,095	-	100.0%	115	115
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	485,689	-	11,914	497,603	497,603	-	100.0%	463,981	463,981

Programme 2: Public Work Infrastructure

	2025/26							2024/25	
	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. Immovable Asset Management	1,260,576	-	2,474	1,263,050	1,263,050	-	100.0%	1,192,925	1,192,925
2. Construction	474,268	-	(9,964)	464,304	431,474	32,830	92.9%	420,524	420,524
Total for sub programmes	1,734,844	-	(7,490)	1,727,354	1,694,524	32,830	98.1%	1,613,449	1,613,449
Economic classification						-	100,0%		
Current payments	518,171	-	(3,831)	514,340	514,340	-	100.0%	509,191	509,191
Compensation of employees	369,673	-	(7,999)	361,674	361,674	-	100.0%	367,742	367,742
Salaries and wages	317,633	-	(7,929)	309,704	309,704	-	100.0%	317,303	317,303
Social contributions	52,040	-	(70)	51,970	51,970	-	100.0%	50,439	50,439
Goods and services	148,498	-	4,143	152,641	152,641	-	100.0%	141,447	141,447
Administrative fees	706	-	(185)	521	521	-	100.0%	410	410
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	1,528	-	(1,518)	10	10	-	100.0%	34	34
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	41	-	(41)	-	-	-	-	46	46
Communication (G&S)	412	-	(412)	-	-	-	-	-	-
Computer services	5,742	-	(1,127)	4,615	4,615	-	100.0%	3,821	3,821

Consultants: Business and advisory services	**10,521**	**-**	**10,962**	**21,483**	**21,483**	**-**	**100.0%**	**11,636**	**11,563**
Infrastructure and planning services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Laboratory services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Scientific and technological services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Legal services	**481**	**-**	**(80)**	**401**	**401**	**-**	**100.0%**	**477**	**402**
Contractors	**64**	**-**	**(18)**	**46**	**46**	**-**	**100.0%**	**593**	**593**
Agency and support/outsourced services	**8,244**	**-**	**(3,394)**	**4,850**	**4,850**	**-**	**100.0%**	**7,506**	**7,506**
Entertainment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fleet services (including government motor transport)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Clothing material and accessories	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Farming supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Food and food supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Fuel, oil and gas	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Learner and teacher support material	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Materials and supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Medical supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Medicine	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	3,825	-	(1,626)	2,199	2,199	-	100.0%	3,017	2,978
Consumable: Stationery, printing and office supplies	618	-	(281)	337	337	-	100.0%	339	329
Operating leases	836	-	(79)	757	757	-	100.0%	770	733
Property payments	106,524	-	4,624	111,148	111,148	-	100.0%	103,315	103,315
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	6,500	-	(2,067)	4,433	4,433	-	100.0%	9,296	9,523
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	2,233	-	(424)	1,809	1,809	-	100.0%	187	194
Venue and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	223	-	(191)	32	32	-	100.0%	-	-
Interest and rent on land	-	-	25	25	25	-	100.0%	2	2
Interest (Inc. Interest on unitary payments (PPP)	-	-	25	25	25	-	100.0%	2	2
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,163,866	-	(336)	1,163,530	1,163,530	-	100.0%	1,090,292	1,090,292
Provinces and municipalities	1,159,541	-	2	1,159,543	1,159,543	-	100.0%	1,087,225	1,087,225
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Municipalities	1,159,541	-	2	1,159,543	1,159,543	-	100.0%	1,087,225	1,087,225

Municipal bank accounts	**1,159,541**	**-**	**2**	**1,159,543**	**1,159,543**	**-**	**100.0%**	**1,087,225**	**1,087,225**
Municipal agencies and funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Departmental agencies and accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Social security funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Departmental agencies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Higher education institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign governments and international organisations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Public corporations and private enterprises	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Public corporations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Subsidies on products and production(pc)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other transfers to public corporations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Private enterprises	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Subsidies on products and production(pe)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other transfers to private enterprises	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-profit institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Households	**4,325**	**-**	**(338)**	**3,987**	**3,987**	**-**	**100.0%**	**3,067**	**3,067**
Social benefits	**4,325**	**-**	**(338)**	**3,987**	**3,987**	**-**	**100.0%**	**3,067**	**3,067**

Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	52,807	-	(3,323)	49,484	16,654	32,830	33.7%	13,966	13,966
Buildings and other fixed structures	49,681	-	(1,125)	48,556	15,726	32,830	32.4%	12,733	12,733
Buildings	49,681	-	(1,125)	48,556	15,726	32,830	32.4%	12,733	12,733
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,126	-	(2,198)	928	928	-	100.0%	1,233	1,233
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3,126	-	(2,198)	928	928	-	100.0%	1,233	1,233
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1,734,844	-	(7,490)	1,727,354	1,694,524	32,830	98.1%	1,613,449	1,613,449

Programme 3: Expanded Public Works									
	2025/26							2024/25	
	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	25,405	-	(4,563)	20,842	20,842	-	100.0%	25,650	25,650
2. Community Development	19,786	-	139	19,925	19,925	-	100.0%	34,261	34,253
Total for sub programmes	45,191	-	(4,424)	40,767	40,767	-	100.0%	59,911	59,903
Economic classification									
Current payments	45,028	-	(4,386)	40,642	40,642	-	100.0%	59,750	59,742
Compensation of employees	42,385	-	(2,625)	39,760	39,760	-	100.0%	53,603	53,595
Salaries and wages	39,526	-	(2,598)	36,928	36,928	-	100.0%	50,193	50,185
Social contributions	2,859	-	(27)	2,832	2,832	-	100.0%	3,410	3,410
Goods and services	2,643	-	(1,761)	882	882	-	100.0%	6,147	6,147
Administrative fees	30	-	(19)	11	11	-	100.0%	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	162	-	(80)	82	82	-	100.0%	1,013	1,063
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-

Consultants: Business and advisory services	**-**	**-**	**2**	**2**	**2**	**-**	**100.0%**	**-**	**78**
Infrastructure and planning services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Laboratory services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Scientific and technological services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Legal services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Contractors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**647**	**696**
Agency and support/outsourced services	**1,000**	**-**	**(1,000)**	**-**	**-**	**-**	**-**	**980**	**980**
Entertainment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fleet services (including government motor transport)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Clothing material and accessories	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Farming supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Food and food supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Fuel, oil and gas	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Learner and teacher support material	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Materials and supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Medical supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Medicine	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Medsas inventory interface	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory: Other supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Consumable supplies	**13**	**-**	**11**	**24**	**24**	**-**	**100.0%**	**2**	**2**

Consumable: Stationery, printing and office supplies	**9**	**-**	**(1)**	**8**	**8**	**-**	**100.0%**	**-**	**-**
Operating leases	**50**	**-**	**(19)**	**31**	**31**	**-**	**100.0%**	**50**	**33**
Property payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transport provided: Departmental activity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**900**	**900**
Travel and subsistence	**1,168**	**-**	**(454)**	**714**	**714**	**-**	**100.0%**	**2,319**	**2,159**
Training and development	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operating payments	**20**	**-**	**(10)**	**10**	**10**	**-**	**100.0%**	**8**	**8**
Venue and facilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**174**	**174**
Rental and hiring	**191**	**-**	**(191)**	**-**	**-**	**-**	**-**	**54**	**54**
Interest and rent on land	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest (Inc. Interest on unitary payments (PPP)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rent on land	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers and subsidies	**163**	**-**	**(38)**	**125**	**125**	**-**	**100,0%**	**161**	**161**
Provinces and municipalities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provinces	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provincial Revenue Funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Municipalities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Municipal bank accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Municipal agencies and funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Departmental agencies and accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Higher education institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign governments and international organisations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Public corporations and private enterprises	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Public corporations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Subsidies on products and production(pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production(pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	163	-	(38)	125	125	-	100,0%	161	161
Social benefits	163	-	(38)	125	125	-	100,0%	161	161
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	45,191	-	(4,424)	40,767	40,767	-	100.0%	59,911	59,903

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 Expanded Public Works

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
1.**Administration**	497,603	497,603	-	0%

The expenditure is in line with the approved budget

Programme name **2. Public Works Infrastructure**	1,727,354	1,694,524	32,830	2%

The under-spending of R32,830 million owing to repairs to the Legislature Assembly (LA) Building Complex in Ulundi. Roll over of funds requested.

Programme name 3. **Expanded Public Works**	40,767	40,767	-	0%

The expenditure is in line with the approved budget.

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments	**1,020,158**	**1,020,158**	**0**	**0%**
Compensation of employees	744,963	744,963	-	0%
Goods and services	275,147	275,147	-	0%
Interest and rent on land	48	48	-	0%
Transfers and subsidies	**1,183,019**	**1,183,019**	**0**	**0%**
Provinces and municipalities	1,159,806	1,159,806	-	0%
Departmental agencies and accounts	-	-	-	-

Higher education institutions	-	-	-	-
Public corporations and private enterprises	-	-	-	-
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	23,213	23,213	-	0%
Payments for capital assets	**62,547**	**29,717**	**32,830**	52%
Buildings and other fixed structures	48,556	15,726	32,830	68%
Machinery and equipment	10,896	10,896	-	0%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Software and other intangible assets	3,095	3,095	-	-
Payments for financial assets	-	-	-	-

The under-spending of R32,830 million owing to repairs to the Legislature Assembly (LA) Building Complex in Ulundi. Roll over of funds requested.

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
EPWP Integrated Grant for Provinces	5,418	5,418	-	0%

Conditional grant fully spent.

4.4 Per Statutory Appropriation

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

	Note	2025/26 R'000	2024/25 R'000
REVENUE			
Annual appropriation	1	2,265,724	2,137,341
Statutory appropriation	2	-	-
Departmental revenue	3	16,118	11,333
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		**2,281,842**	**2,148,674**
EXPENDITURE			
Current expenditure			
Compensation of employees	5	744,963	755,244
Goods and services	6	275,148	263,745
Interest and rent on land	7	48	2
Aid assistance	4	-	-
Total current expenditure		**1,020,159**	**1,018,991**
Transfers and subsidies			
Transfers and subsidies	9	1,183,019	1,098,070
Aid assistance	4	-	-
Total transfers and subsidies		**1,183,019**	**1,098,070**
Expenditure for capital assets			

Tangible assets	*10*	26,621	20,157
Intangible assets	*10*	3,095	115
Total expenditure for capital assets		**29,716**	**20,272**
Unauthorised expenditure approved without funding			**-**
Payments for financial assets	*8*	-	**-**
TOTAL EXPENDITURE		**2,232,894**	**2,137,333**
SURPLUS/(DEFICIT) FOR THE YEAR		**48,948**	**11,341**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		32,830	8
Annual appropriation		32,830	8
Statutory appropriation		-	-
Conditional grants		-	-
Departmental revenue and NRF receipts	*19*	16,118	11,333
Aid assistance	*4*	-	-
Capitalisation reserve		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		**48,948**	**11,341**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2026

	Note	2025/26 R'000	2024/25 R'000
ASSETS			
Current assets		**444,501**	**817,003**
Cash and cash equivalents	11	28	28
Other financial assets	12	-	-
Prepayments and advances	13	-	-
Receivables	14	444,473	816,975
Loans	16	-	-
Voted funds receivable	17	-	-
Statutory Appropriation receivable	18	-	-
Aid assistance prepayments	4	-	-
Aid assistance receivable	4	-	-
Non-current assets		**18,078**	**16,696**
Investments	15	-	-
Prepayments and advances	13	-	-
Receivables	14	18,078	16,696
Loans	16	-	-
Other financial assets	12	-	-
TOTAL ASSETS		**462,579**	**833,699**
LIABILITIES			

Current liabilities		**442,529**	**815,231**
Voted funds to be surrendered to the Revenue Fund	*17*	32,830	8
Statutory Appropriation to be surrendered to the Revenue Fund	*18*	-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	*19*	6,570	613
Bank overdraft	*20*	388,737	799,600
Payables	*21*	14,392	15,010
Aid assistance repayable	*4*	-	-
Aid assistance unutilised	*4*	-	-
Non-current liabilities			
Payables	*22*	-	-
TOTAL LIABILITIES		**442,529**	**815,231**
NET ASSETS		**20,050**	**18,468**

	Note	**2025/26** **R'000**	**2024/25** **R'000**
Represented by:			
Capitalisation reserve			-
Recoverable revenue		20,050	18,468
Retained funds			-
Revaluation reserves			-
Unauthorised expenditure			-
TOTAL		**20,050**	**18,468**

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2026

	Note	2025/26 R'000	2024/25 R'000
Capitalisation reserves			
Opening balance		-	-
Transfers			
Movement in equity		-	-
Movement in operational funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		18,468	14,550
Transfers:		**1,582**	**3,918**
Recoverable revenue written off	*8.3*	-	-
Debts revised		927	1,138
Debts recovered (included in departmental revenue)		-529	-1,207
Debts raised		1,184	3,987
Closing balance		**20,050**	**18,468**
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Transferred from CARA Funds		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
Revaluation reserve			

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2026

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	-	-
Current	-	-
Capital	-	-
Transfers and subsidies	-	-
Less: Amounts recoverable	-	-
Less: Amounts written off	-	-
Closing Balance	-	-

TOTAL	**20,050**	**18,468**

CASH FLOW STATEMENT
for the year ended 31 March 2026

	Note	2025/26 R'000	2024/25 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**2,277,996**	**2,147,449**
Annual appropriation funds received	1.1	2,265,724	2,137,341
Statutory appropriation funds received	2	-	-
Departmental revenue received	3	11,732	9,335
Interest received	3.3	540	773
NRF receipts		-	-
Aid assistance received	4	-	-
Net (increase)/decrease in net working capital		370,502	-105,681
(Surrendered to) / Received from the Revenue Fund	17,18,19	-10,169	-12,796
Surrendered to RDP Fund/Donor		-	-
Current payments		-1,020,111	-1,018,991
Interest paid	7	-48	-
Payments for financial assets	8	-	-
Transfers and subsidies paid		-1,183,019	-1,098,070
Net cash flow available from operating activities	23	435,151	-88,089
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	10	-29,716	-20,272
Proceeds from sale of capital assets	3.4	3,846	1,225
(Increase)/decrease in loans	16	-	-

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2026

(Increase)/decrease in investments	*15*	-	-
(Increase)/decrease in other financial assets	*12*	-	-
(Increase)/decrease in non-current receivables	*14*	-	-
(Increase)/decrease in non-current prepayments and advances	*13*	-	-
Net cash flow available from investing activities		**-25,870**	**-19,047**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		1,582	3,918
Increase/(decrease) in non-current payables	*22*	-	-
Net cash flows from financing activities		**1,582**	**3,918**
Net increase/(decrease) in cash and cash equivalents		410,863	-103,218
Cash and cash equivalents at beginning of period		-799,572	-696,354
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	*24*	**-388,709**	**-799,572**

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, which are direct charges against the Revenue Fund authorised in terms of enabling legislation). Appropriated funds are recognised as revenue 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 those 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. 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 unspent 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. 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 [or R1000 for specific assets per MCS 11.72A] where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
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 a present legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4	**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** 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** [*Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]*
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. 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.

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

	2025/26			2024/25		
	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	497,603	497,603	-	463,981	463,981	-
Public Works Infrastructure	1,727,354	1,727,354	-	1,613,449	1,613,449	-
Expanded Public Works	40,767	40,767	-	59,911	59,911	-
Total	**2,265,724**	**2,265,724**	**-**	**2,137,341**	**2,137,341**	**-**

Appropriation funds received accordingly.

1.2. Conditional grants

	Note	2025/26 R'000	2024/25 R'000
Total grants received	*45*	5,418	3,772
Provincial grants included in total grants received		-	-

2. Statutory Appropriation

	Note	2025/26 R'000	2024/25 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	-	-
Sector education and training authorities	-	-
Auditor-General of South Africa	-	-
Debt service costs	-	-
ESKOM	-	-
International Oil Pollution Compensation Fund	-	-
Civil and Military Pensions Contribution and Other Benefits	-	-
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	-	-

No statutory appropriation received by the Department.

3. Departmental revenue

	Note	2025/26 R'000	2024/25 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	*3.1*	7,485	8,141
Fines, penalties and forfeits	*3.2*	-	-
Interest, dividends and rent on land	*3.3*	638	1,125
Sales of capital assets	*3.4*	3,846	1,225
Transactions in financial assets and liabilities	*3.5*	4,149	842
Transfers received	*3.6*	-	-
Total revenue collected		**16,118**	**11,333**
Less: Own revenue included in appropriation	*19*	-	-
Total		**16,118**	**11,333**

Increase in revenue is mainly due to sale of land, and transactions in financial assets &liabilities.

3.1. Sales of goods and services other than capital assets

	Note	2025/26 R'000	2024/25 R'000
Sales of goods and services produced by the department		7,481	8,135
Sales by market establishment		5,936	7,108
Administrative fees		-	-
Other sales		1,545	1,027
Sales of scrap, waste and other used current goods		4	6
Total	*3*	**7,485**	**8,141**

3.2. Fines, penalties and forfeits

	Note	2025/26 R'000	2024/25 R'000
Fines		-	-
Penalties		-	-
Forfeits		-	-
Total	*3*	**-**	**-**

3.3. Interest, dividends and rent on land

	Note	2025/26 R'000	2024/25 R'000
Interest		540	773
Dividends		-	-
Rent on land		98	352
Total	*3*	**638**	**1,125**

3.4. Sales of capital assets

	Note	2025/26 R'000	2024/25 R'000
Tangible capital assets		**3,846**	**1,225**
Buildings and other fixed structures		821	-
Machinery and equipment		904	-
Heritage assets		-	-

Specialised military assets		-	-
Land and subsoil assets		2,121	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*	**3,846**	**1,225**

3.5. Transactions in financial assets and liabilities

	Note	**2025/26 R'000**	**2024/25 R'000**
Loans and advances		-	-
Receivables		405	767
Forex gain		-	-
Other receipts including Recoverable Revenue		3,744	75
Gains on GFECRA		-	-
Total	*3*	**4,149**	**842**

Increase is due to prior year conversion payments

3.6. Transfers received

	Note	**2025/26 R'000**	**2024/25 R'000**
Other governmental units		-	-
Higher education institutions		-	-
Foreign governments		-	-
International organisations		-	-
Public corporations and private enterprises		-	-
Households and non-profit institutions		-	-
Total	*3*	**-**	**-**

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

	Note	2025/26 R'000	2024/25 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)*

	2025/26			
Name of entity	**Opening balance R'000**	**Amount received R'000**	**Amount paid to the revenue fund R'000**	**Closing balance R'000**
Please specify	-	-	-	-
		-	-	-
		-	-	-
Total		-	-	-

	2024/25			
Name of entity	**Opening balance R'000**	**Amount received R'000**	**Amount paid to the revenue fund R'000**	**Closing balance R'000**
Please specify	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	-	-	-	**-**

4. Aid assistance

	Note	2025/26 R'000	2024/25 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		**-**	**-**

4.1. Analysis of balance by source

	Note	2025/26 R'000	2024/25 R'000
Aid assistance from RDP		-	-
Aid assistance from other sources		-	-
CARA Funds		-	-
Closing balance	*4*	**-**	**-**

4.2. Analysis of balance

	Note	2025/26 R'000	2024/25 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		-	-

4.2.1. Aid assistance prepayments (expensed)

Name of entity	Amount as at 1 April 2025	Less: Received in the current year	Less: Other	Amount as at 31 March 2026
	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
Total	**-**	**-**	**-**	**-**

	2024/25			
Name of entity	Amount as at 1 April 2024	Less: Received in the current year	Add / 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	**-**	**-**	**-**	**-**

4.3. Prior period error

Nature of prior period error	Note	2024/25 R'000
Relating to 2023/24		-
		-

	-
Relating to 2024/25	-
	-
	-
Total prior period errors	**-**

4.4. Aid assistance expenditure per economic classification

	Note	2025/26 R'000	2024/25 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)*

	Note	2025/26 R'000	2024/25 R'000
List aid assistance received in-kind	*Annex 1I*	-	-
		-	-
		-	-
Total aid assistance received in kind		**-**	**-**

5. Compensation of employees

5.1. Analysis of balance

	Note	2025/26 R'000	2024/25 R'000
Basic salary		500,731	505,697
Performance award		-	15
Service based		1,740	2,249
Compensative/circumstantial		2,230	1,321
Periodic payments		19,732	30,957
Other non-pensionable allowances		105,129	103,850
Total		**629,562**	**644,089**

Decrease is due to vacancies not filled

5.2. Social contributions

Employer contributions	Note	2025/26 R'000	2024/25 R'000
Pension		62,219	61,686
Medical		49,774	46,342
UIF		241	653
Bargaining council		174	154
Official unions and associations		-	-
Insurance		2,993	2,320
Total		**115,401**	**111,155**
Total compensation of employees		**744,963**	**755,244**
Average number of employees		**1,245**	**1,337**

Decrease is due to vacancies not filled

6. Goods and services

	Note	2025/26 R'000	2024/25 R'000
Administrative fees		654	419
Advertising		1,040	1,601
Minor assets	6.1	232	40
Bursaries (employees)		278	1,242
Catering		345	1,219
Communication		9,577	11,552
Computer services	6.2	54,243	41,573
Consultants: Business and advisory services	6.9	21,504	11,740
Infrastructure and planning services		-	-

Laboratory services		-	-
Scientific and technological services		-	-
Legal services		9,988	7,768
Contractors		3,239	3,950
Agency and support / outsourced services		17,113	8,660
Entertainment		-	-
Audit cost - external	*6.3*	9,446	15,924
Fleet services		11,735	17,355
Inventories	*6.4*	-	-
Consumables	*6.5*	5,687	6,872
Housing		-	-
Operating leases		4,964	4,085
Property payments	*6.6*	111,151	106,905
Rental and hiring		33	54
Transport provided as part of the departmental activities		-	900
Travel and subsistence	*6.7*	8,390	16,499
Venues and facilities		-	175
Training and development		2,471	3,833
Other operating expenditure	*6.8*	3,058	1,379
Total		**275,148**	**263,745**

Increase resulting from project related costs and inflation.

6.1. Minor assets

	Note	2025/26 R'000	2024/25 R'000
Tangible capital assets		**232**	40
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		232	40
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*	**232**	**40**

6.2. Computer services

	Note	2025/26 R'000	2024/25 R'000
SITA computer services		38,625	29,910
External computer service providers		15,618	11,663
Total	*6*	**54,243**	**41,573**

6.3. Audit cost - external

	Note	2025/26 R'000	2024/25 R'000
Regularity audits		9,446	15,924
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total	*6*	**9,446**	**15,924**

6.4. Inventories

	Note	2025/26 R'000	2024/25 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

	Note	2025/26 R'000	2024/25 R'000
Ammunition and security supplies		-	-
Assets for distribution		-	-
Machinery and equipment		-	-
School furniture		-	-
Sports and recreation		-	-
Library material		-	-
Other assets for distribution		-	-
Other		-	-
Total	*6.4*	-	**-**

6.5. Consumables

	Note	2025/26 R'000	2024/25 R'000
Consumable supplies		3,077	4,350
Uniform and clothing		1,766	2,060
Household supplies		649	954
Building material and supplies		-	-
Communication accessories		-	-
IT consumables		-	206
Other consumables		662	1,130
Stationery, printing and office supplies		2,610	2,522
Total	*6*	**5,687**	**6,872**

6.6. Property payments

	Note	2025/26 R'000	2024/25 R'000
Municipal services		40,246	25,313

Property management fees		-	-
Property maintenance and repairs		13,941	10,767
Other		56,964	70,825
Total	*6*	**111,151**	**106,905**

6.7. Travel and subsistence

	Note	**2025/26 R'000**	**2024/25 R'000**
Local		8,130	15,901
Foreign		260	598
Total	*6*	**8,390**	**16,499**

Decrease is due to implementation of cost containment measures.

6.8. Other operating expenditure

	Note	**2025/26 R'000**	**2024/25 R'000**
Professional bodies, membership and subscription fees		1,582	-
Resettlement costs		137	31
Other		1,339	1,348
Total	*6*	**3,058**	**1,379**

Increase due to best practice project assessment fees for CIDB.

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

Name of Commission / Committee of Inquiry	*Note*	**2025/26 R'000**	**2024/25 R'000**
		-	-
		-	-
		-	-
Total		**-**	**-**

7. Interest and rent on land

	Note	2025/26 R'000	2024/25 R'000
Interest paid		48	2
Rent on land		-	-
Total		**48**	**2**

Interest paid on overdue accounts.

8. Payments for financial assets

	Note	2025/26 R'000	2024/25 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*	-	-
Forex losses	*8.5*	-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		**-**	**-**

No debts written- off

8.1. Other material losses

Nature of other material losses	Note	2025/26 R'000	2024/25 R'000
Group major categories, but list material items		-	-
		-	-
		-	-
		-	-
Total	*8*	**-**	**-**

8.2. Other material losses written off

Nature of losses	Note	2025/26 R'000	2024/25 R'000
Group major categories, but list material items			
		-	-
		-	-
		-	-
Total	*8*	**-**	**-**

8.3. Debts written off

Nature of debts written off	Note	2025/26 R'000	2024/25 R'000
Group major categories, but list material items			
Irregular expenditure written off		-	-
		-	-
		-	-
		-	-
Total		-	-
Recoverable revenue written off		-	-
		-	-
		-	-
		-	-
Total		-	-
Other debt written off			
		-	-
		-	-
		-	-
Total		-	-
Total debt written off	*8*	**-**	**-**

8.4. Details of theft

Nature of theft	Note	2025/26 R'000	2024/25 R'000
Group major categories, but list material items			
		-	-
		-	-
		-	-
Total	*8*	**-**	**-**

8.5. Forex losses

Nature of losses	Note	2025/26 R'000	2024/25 R'000
Group major categories, but list material items			
		-	-
		-	-
		-	-
Total	*8*	**-**	**-**

9. Transfers and subsidies

	Note	2025/26 R'000	2024/25 R'000
Provinces and municipalities	*46,47*	1,159,806	1,087,506
Departmental agencies and accounts	*Annex 1B*	-	-
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*	23,213	10,564
Total		**1,183,019**	**1,098,070**

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

	Note	2025/26 R'000	2024/25 R'000
	Annex 1J		
Gifts		-	-
Donations		-	-
Sponsorships		-	-
Total		**-**	**-**

10. Expenditure for capital assets

	Note	2025/26 R'000	2024/25 R'000
Tangible capital assets		26,621	**20,157**
Buildings and other fixed structures		15,725	12 733
Heritage assets		-	-
Machinery and equipment		10,896	7,424
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible capital assets		3,095	115
Software		3,095	115
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names and trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		**29,716**	**20,272**
The following amounts have been included as project costs in Expenditure for capital assets			
Compensation of employees		-	-
Goods and services		-	-
Total		**-**	**-**

Increase is due to the procurement of new motor vehicles, computers, e-submission & e-leave systems.

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

	2025/26		
	Voted funds	Aid assistance	Total
Name of entity	**R'000**	**R'000**	**R'000**
Tangible capital assets	**26,621**	**-**	**26,621**
Buildings and other fixed structures	15,725	-	15,725
Heritage assets	-	-	-
Machinery and equipment	10,896	-	10,896
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible capital assets	**3,095**	**-**	**3,095**
Software	3,095	-	3,095
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names and trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	**29,716**	**-**	**29,716**

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

10.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2025/26 R'000	2024/25 R'000
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		144	190
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Total		**144**	**190**

Finance lease expenditure relates to cell phone handset.

11. Cash and cash equivalents

	Note	2025/26 R'000	2024/25 R'000
Consolidated Paymaster General Account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		28	28
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		**28**	**28**

Petty cash

12. Other financial assets

Current	Note	2025/26 R'000	2024/25 R'000
Local			
Group major categories, but list material items			
		-	-
		-	-

Total	-	-
Foreign		
Group major categories, but list material items		
	-	-
	-	-
Total	-	-
Total Current other financial assets	**-**	**-**

Non-current	*Note*	**2025/26 R'000**	**2024/25 R'000**
Local			
Group major categories, but list material items			
		-	-
		-	-
Total		-	-
Foreign			
Group major categories, but list material items			
		-	-
Total		-	-
Total Non-current other financial assets		**-**	**-**

13. Prepayments and advances

	Note	**2025/26 R'000**	**2024/25 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	**-**	**-**

13.1. Advances paid (Not expensed)

		2025/26				
		Amount as at 1 April 2025	**Less: Amounts expensed in current year**	**Add / Less: Other**	**Add Current year advances**	**Amount as at 31 March 2026**
	Note	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
National departments		-	-	-	-	-
Provincial departments		-	-	-	-	-
Public entities		-	-	-	-	-
Other entities		-	-	-	-	-
Total	*13*	-	-	-	-	-

	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*	**-**	**-**	**-**	**-**	**-**

13.2. Prepayments (Not expensed)

2025/26

	Note	Amount as at 1 April 2025	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay-ments	Amount as at 31 March 2026
		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*	-	-	-	-	-

2024/25

	Note	Amount as at 1 April 2024	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	R'000
Goods and services		-	-	-	-	-
Interest and rent on land		-	-	-	-	-
Transfers and subsidies		-	-	-	-	-
Capital assets		-	-	-	-	-
Other		-	-	-	-	-

Total	*13*	**-**	**-**	**-**	**-**	**-**

13.3. Prepayments (Expensed)

	2025/26			
	Amount as at 1 April 2025	**Less: Received in the current year**	**Less: Other**	**Amount as at 31 March 2026**
	R'000	**R'000**	**R'000**	**R'000**
Goods and services	-	-	-	-
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

	2024/25			
	Amount as at 1 April 2024	**Less: Received in the current year**	**Add / 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	**-**	**-**	**-**	**-**

13.4. Advances paid (Expensed)

	2025/26			
	Amount as at 1 April 2025	**Less: Received in the current year**	**Less: Other**	**Amount as at 31 March 2026**

	R'000	R'000	R'000	R'000
National departments	-	-	-	-
Provincial departments	-	-	-	-
Public entities	-	-	-	-
Other entities	-	-	-	-
Total	-	-	-	-

	2024/25			
	Amount as at 1 April 2024	Less: Received in the current year	Add / Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
National departments	-	-	-	-
Provincial departments	-	-	-	-
Public entities	-	-	-	-
Other entities	-	-	-	-
Total	**-**	**-**	**-**	**-**

14. Receivables

		2025/26			2024/25		
		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	441,518	-	441,518	814,200	-	814,200
Trade receivables	14.2	-	-	-	-	-	-
Recoverable expenditure	14.3	-	-	-	-	-	-
Staff debt	14.4	2,919	18,078	20,997	2,775	16,696	19,471
Other receivables	14.5	36	-	36	-	-	-
Total		**444,473**	**18,078**	**462,551**	**816,975**	**16,696**	**833,671**

Claims recoverable decreased due to intensified credit control and debt collection strategies.

14.1. Claims recoverable

	Note	2025/26 R'000	2024/25 R'000
National departments		47	325
Provincial departments		428,080	800,003
Foreign governments		-	-
Public entities		13,391	13,872
Private enterprises		-	-
Higher education institutions		-	-
Households and non-profit institutions		-	-
Local governments		-	-
Total	14	**441,518**	**814,200**

Claims recoverable decreased due to intensified credit control and debt collection strategies.

14.2. Trade receivables

	Note	2025/26 R'000	2024/25 R'000
Group major categories, but list material items			
		-	-
		-	-

		-	-
Total	*14*	**-**	**-**

14.3. Recoverable expenditure

	Note	2025/26 R'000	2024/25 R'000
Group major categories, but list material items			
		-	-
		-	-
		-	-
Total	*14*	**-**	**-**

14.4. Staff debt

	Note	2025/26 R'000	2024/25 R'000
Group major categories, but list material items			
Breach of Contract		18,352	16,943
Employee		595	699
Ex-employee		1,384	1,207
Other		666	622
Total	*14*	**20,997**	**19,471**

14.5. Other receivables

	Note	2025/26 R'000	2024/25 R'000
Group major categories, but list material items			
Unauthorised expenditure		-	-
Irregular expenditure		-	-
Fruitless and wasteful expenditure		-	-
Sal: Reversal control acc		36	-
		-	-
		-	-
Total	*14*	**36**	**-**

Reversed salary.

14.6. Impairment of receivables

	Note	2025/26 R'000	2024/25 R'000
Estimate of impairment of receivables		238,901	323,097
Total		**238,901**	**323,097**

15. Investments

Non-current	Note	2025/26 R'000	2024/25 R'000
Shares and other equity			
List investments at cost			
		-	-
		-	-
		-	-
Total		-	-

Securities other than shares	Note	2025/26 R'000	2024/25 R'000
	Annex 2A		
		-	-
		-	-
		-	-
Total		-	-
Total non-current investments		**-**	**-**

Analysis of non-current investments	Note	2025/26 R'000	2024/25 R'000
Opening balance		-	-
Additions in cash		-	-
Disposals for cash		-	-
Non-cash movements		-	-
Closing balance		**-**	**-**

15.1. Impairment of investments

	Note	2025/26 R'000	2024/25 R'000
Estimate of impairment of investments		-	-
Total		**-**	**-**

16. Loans

	Note	2025/26 R'000	2024/25 R'000
Public corporations		-	-
Higher education institutions		-	-
Foreign governments		-	-
Private enterprises		-	-
Non-profit institutions		-	-
Staff loans		-	-
Total		**-**	**-**

Analysis of balance of loans	Note	2025/26 R'000	2024/25 R'000
Opening balance		-	-
New issues		-	-
Repayments		-	-
Write-offs		-	-
Closing balance		**-**	**-**

16.1. Impairment of loans

	Note	2025/26 R'000	2024/25 R'000
Estimate of impairment of loans		-	-
Total		**-**	**-**

17. Voted funds to be surrendered to the Revenue Fund / (Voted funds receivable)

	2025/26	2024/25

	Note	R'000	R'000
Opening balance		8	149
Prior period error	17.2		-
As restated		8	149
Transferred from Statement of Financial Performance (as restated)		32,830	8
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	-	-
Received / (Paid) during the year		-8	-149
Closing balance		**32,830**	**8**

R32,830 relates to funds specifically and exclusively appropriated for LA Building.

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

	Note	2025/26 R'000	2024/25 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	2024/25 R'000
Relating to 2023/24 *[affecting the opening balance]*		-
		-
		-
Relating to 2024/25		-
		-
		-
Total prior period errors		**-**

17.3. Reconciliation on unspent conditional grants

	2025/26	2024/25

	Note	R'000	R'000
Opening balance		-	-
Total conditional grants received	1.2	5,418	3,722
Total conditional grants spent		-5,418	-3,722
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		**-**	**-**

18. Statutory Appropriation to be surrendered to the Revenue Fund / (Statutory Appropriation receivable)

	Note	2025/26 R'000	2024/25 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	-	-
Received / (Paid) during the year		-	-
Closing balance		**-**	**-**

18.1. Prior period error

Nature of prior period error	Note		2024/25 R'000
Relating to 2024/25 *[affecting the opening balance]*		-	-
		-	-
		-	-
Relating to 2024/25		-	-
		-	-
		-	-
Total prior period errors		**-**	**-**

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

	2025/26	2024/25

	Note	R'000	R'000
Opening balance		613	1,927
Prior period error	19.1		-
As restated		613	1,927
Transferred from Statement of Financial Performance (as restated)		16,118	11,333
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		-10,161	-12,647
Closing balance		**6,570**	**613**

19.1. Prior period error

Nature of prior period error	Note	**2024/25 R'000**
Relating to 2024/25 *[affecting the opening balance]*		-
		-
		-
Relating to 2024/25		-
		-
		-
Total prior period errors		**-**

20. Bank overdraft

	Note	2025/26 R'000	2024/25 R'000
Consolidated Paymaster General account		388,737	799,600
Fund requisition account		-	-
Overdraft with commercial banks (Local)		-	-
Overdraft with commercial banks (Foreign)		-	-
Total		**388,737**	**799,600**

Decrease due to positive collection of IDA receivables.

21. Payables - current

	Note	2025/26 R'000	2024/25 R'000
Amounts owing to other entities		-	-
Advances received	21.1	10,309	10,309
Clearing accounts	21.2	161	33

Other payables	*21.3*	3,922	4,668
Total		**14,392**	**15,010**

21.1. Advances received

	Note	2025/26 R'000	2024/25 R'000
National departments		-	-
Provincial departments		10,309	10,309
Public entities		-	-
Other institutions		-	-
Total	*21*	**10,309**	**10,309**

21.2. Clearing accounts

Description	Note	2025/26 R'000	2024/25 R'000
Identify major categories, but list material items			
Sal: Income Tax		133	18
Sal: ACB Recalls		3	-
Sal: GEHS Refund control		-	15
Sal: Pension fund: CL		25	-
Total	*21*	**161**	**33**

Pending pay over and Persal programmatic transactions.

21.3. Other payables

Description	Note	2025/26 R'000	2024/25 R'000
Identify major categories, but list material items			
Tender Deposit		1,007	1,329
Unallocated credits (Comm safety)		2,352	3,339
Payables:/AD/P: Dept KZN Adv acc: cl		563	-
		-	-
Total	*21*	**3,922**	**4,668**

22. Payables - non-current

	2025/26		2024/25

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

22.1. Advances received

	Note	2025/26 R'000	2024/25 R'000
National departments		-	-
Provincial departments		-	-
Public entities		-	-
Other institutions		-	-
Total	22	**-**	**-**

22.2. Other payables

Description	Note	2025/26 R'000	2024/25 R'000
Identify major categories, but list material items			
		-	-
		-	-
		-	-
Total	22	**-**	**-**

23. Net cash flow available from operating activities

	Note	2025/26 R'000	2024/25 R'000
Net surplus/(deficit) as per Statement of Financial Performance		48,948	11,341
Add back non-cash/cash movements not deemed operating activities		386,203	-99,430
(Increase)/decrease in receivables		371,120	-108,268
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-

Increase/(decrease) in payables - current	-618	2,587
Proceeds from sale of capital assets	-3,846	-1,225
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	29,716	20,272
Surrenders to / Received from the Revenue Fund	-10,169	-12,796
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	**435,151**	**-88,089**

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

	Note	2025/26 R'000	2024/25 R'000
Consolidated Paymaster General account		-388,737	-799,600
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		28	28
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		**-388,709**	**-799,572**

25. Contingent liabilities and contingent assets

25.1. Contingent liabilities

Liable to	Nature	Note	2025/26 R'000	2024/25 R'000
Motor vehicle guarantees	Employees	*Annex 3A*	-	-
Housing loan guarantees	Employees	*Annex 3A*	-	-

Other guarantees	*Annex 3A*	-	-
Claims against the department	*Annex 3B*	3,506	3 940
Intergovernmental contingent liabilities	*Annex 5*	12,161	24 093
Environmental rehabilitation liability	*Annex 3B*	-	-
Other	*Annex 3B*	-	-
Total		**15,667**	**28 033**

Claims against the department and unconfirmed IDA payables.

25.2. Contingent assets:

Nature of contingent asset	*Note*	**2025/26 R'000**	**2024/25 R'000**
Claim to damages on vehicles		113	64
Recovery on Guarantee		28,800	28,800
Salary Overpayment & Unjust enrichment		-	253
Recoveries for cancellation of contract		7,036	7,036
Breach of contract		28,405	28,405
Recoveries of bursary debt		3,248	3,084
Recoveries on fraudulent payment		620	620
Rental		48	48
Claim for professional negligence		-	15,801
Counterclaim for recovery of value of remedial work and overpayment		13,217	-
Penalties and theft of the overhead projector		883	1,883
Recovery of damages for defective design		43,269	43,269
Total		**125,639**	**129,262**

Claims by the department

26. Capital commitments

	Note	**2025/26 R'000**	**2024/25 R'000**

Buildings and other fixed structures	17,568	1,824
Heritage assets	-	-
Machinery and equipment	2 159	-
Specialised military assets	-	-
Land and subsoil assets	-	-
Biological assets	-	-
Intangible assets	-	-
Total	**19 727**	**1,824**

The increase in buildings and other fixed structures relates mainly to repairs for Legislature Assembly (LA) Building Complex in Ulundi. Machinery and equipment commitments relate to procurement of Laptops.

27. Accruals and payables not recognised

27.1. Accruals

		2025/26			2024/25
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	**R'000**	**R'000**	**R'000**	**R'000**
Goods and services		7,582	197	7,779	13,899
Interest and rent on land		-	-	-	-
Transfers and subsidies		27,519	195,469	222,988	12
Capital assets		-	-	-	63
Other		-	-	-	-
Total		**35,101**	**195,666**	**230,767**	**13,974**

	Note	2025/26 R'000	2024/25 R'000
Intergovernmental accruals *(included above)*	*Annex 5*	142	256

Bulk of invoices relates to property rates.

27.2. Payables not recognised

		2025/26			2024/25
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	**R'000**	**R'000**	**R'000**	**R'000**
Goods and services		411	30	441	24,919
Interest and rent on land		-	-	-	-
Transfers and subsidies		95,723	394,124	489,847	421,559
Capital assets		-	-	-	559
Other		-	-	-	-
Total		**96,134**	**394,154**	**490,288**	**447 037**

	Note	2025/26 R'000	2024/25 R'000
Intergovernmental payables not recognised *(included above)*	*Annex 5*	319	1,786

Bulk of invoices relates to property rates.

28. Employee benefits

	Note	2025/26 R'000	2024/25 R'000
Leave entitlement		39,869	40,437
Service bonus		16,100	19,449
Performance awards		-	-
Capped leave		19,330	23,193
Other		1,557	3,919
Total		**76,856**	**86,998**

	Note	2025/26 R'000	2024/25 R'000
Intergovernmental employee benefits *(included above)*	*Annex 5*	-	-

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

29. Lease commitments

29.1. Operating leases

	2025/26				
	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	-	-	-	2,698	2,698
Later than 1 year and not later than 5 years	-	-	-	2,045	2,045
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	**4,743**	**4,743**

	2024/25				
	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	-	-	-	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**

Photocopying machines leases.

	Note	2025/26 R'000	2024/25 R'000
Rental earned on sub-leased assets	3	-	-
Total		-	-

29.2. Finance leases **

	2025/26				
	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	-	-	-	45	45
Later than 1 year and not later than 5 years	-	-	-	6	6
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	**51**	**51**

	2024/25				
	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	-	-	-	140	140
Later than 1 year and not later than 5 years	-	-	-	44	44
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	**184**	**184**

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

Cell phone handset leases.

	Note	2025/26 R'000	2024/25 R'000
Rental earned on sub-leased assets	3	-	-
Total		-	-

29.3. Operating lease future revenue

	2025/26				
	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	**-**	**-**	**-**	**-**	**-**

	2024/25				
	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

	Note	2025/26 R'000	2024/25 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		1,370	2,340
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Other		-	-
Total		**1,370**	**2,340**

Decrease due to revenue accrual written off

30.1. Analysis of accrued departmental revenue

	Note	2025/26 R'000	2024/25 R'000
Opening balance		2,340	3,296
Less: amounts received		152	1,259
Less: services received in lieu of cash		-	-
Add: amounts recorded		666	303
Less: amounts written off/reversed as irrecoverable		1,484	-
Less: amounts transferred to receivables for recovery		-	-
Other (*Specify)*		-	-
Closing balance		**1,370**	**2,340**

Decrease due to revenue accrual written off

30.2. Accrued departmental revenue written off

Nature of losses	Note	2025/26 R'000	2024/25 R'000
		-	-
Total		**-**	**-**

30.3. Impairment of accrued departmental revenue

	Note	2025/26 R'000	2024/25 R'000
Estimate of impairment of accrued departmental revenue		-	-
Total		**-**	**-**

31. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2025/26 R'000	2024/25 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		17,425	5,454
Fruitless and wasteful expenditure - current year		698	2
Total		**18,123**	**5,456**

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

Revenue received	Note	2025/26 R'000	2024/25 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		**-**	**-**

	2025/26	2024/25

Payments made	*Note*	**R'000**	**R'000**
Compensation of employees		-	-
Goods and services		-	-
Interest and rent on land		-	-
Expenditure for capital assets		-	-
Payments for financial assets		-	-
Transfers and subsidies		-	-
Total		**-**	**-**

Year end balances arising from revenue/payments	*Note*	**2025/26 R'000**	**2024/25 R'000**
Receivables from related parties		-	-
Payables to related parties		-	-
Total		**-**	**-**

Loans to/from related parties	*Note*	**2025/26 R'000**	**2024/25 R'000**
Non-interest bearing loans to/(from)		-	-
Interest bearing loans to/(from)		-	-
Total		**-**	**-**

Other	*Note*	**2025/26 R'000**	**2024/25 R'000**
Guarantees issued/received		-	-
List other contingent liabilities between the department and related party		-	-
Total		**-**	**-**

In-kind goods and services (provided)/received	*Note*	**2025/26 R'000**	**2024/25 R'000**
List in-kind goods and services between the department and related party		-	-
Total		**-**	**-**

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.

33. Key management personnel

	2025/26 R'000	2024/25 R'000
Political office bearers (*provide detail below)*	2,306	2,186
Officials:	-	-
HOD	2,248	2,260
Chief Directors	4,569	6,027
Directors & DD Acting as CD & CFO	6,690	2,566
Family members of key management personnel	1,687	2,084
Total	**17,500**	**15,123**

Key management personnel (Parliament/Legislatures)	2025/26 R'000	2024/25 R'000
Speaker to Parliament/Legislature	-	-
Deputy Speaker	-	-
Secretary to Parliament/Legislature	-	-
Deputy Secretary	-	-
Chief Financial Officer	-	-
Legal advisor	-	-
Other	-	-
Total	**-**	**-**

34. Public private partnership

	Note	2025/26 R'000	2024/25 R'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		-	-
Prepayments and advances		-	-
Pre-production obligations		-	-
Other obligations		-	-

Any guarantees issued by the department are disclosed in the Note on *Contingent liabilities*.

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

	Note	2025/26 R'000	2024/25 R'000
Please specify			
		-	-
Total		**-**	**-**

36. Provisions

	Note	2025/26 R'000	2024/25 R'000
Retention		668	104
		-	-
Total		**668**	**104**

36.1. Reconciliation of movement in provisions - Current year

	2025/26			
	Provision 1	**Provision 2**	**Provision 3**	**Total provisions**
	R'000	**R'000**	**R'000**	**R'000**
Opening balance	-	104	-	104
Increase in provision	-	564	-	564
Settlement of provision	-	-	-	-
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	**-**	**668**	**-**	**668**

Reconciliation of movement in provisions - Prior 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**

37. Non-adjusting events after reporting date

		2025/26
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		**-**

38. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	2025/26				
	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	201,164		9 868	10,676	200,356
Transport assets	72,450		1,872	6,659	67,663
Computer equipment	79,523		3,964	3,839	79,648
Furniture and office equipment	14,631		801	166	15,266
Other machinery and equipment	34,560		3,231	12	37,779
SPECIALISED MILITARY ASSETS	-	-	-	-	
Specialised military assets	-	-	-	-	
BIOLOGICAL ASSETS	-	-	-	-	
Biological assets	-	-	-	-	
FINANCE LEASE ASSETS	403	-	12	-	415
Finance lease assets	403	-	12	-	415
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**201,567**	**-**	**9,880**	**10,676**	**200,771**

Movable Tangible Capital Assets under investigation

	Note	Number	Value 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		**-**	**-**

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

	2024/25				
	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	195,700	-9	6,623	1 150	201,164
Transport assets	72,815	-	-	365	72,450
Computer equipment	74,457	-276	6,046	704	79,523
Furniture and office equipment	14,133	-	571	73	14,631
Other machinery and equipment	34,295	267	6	8	34,560
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**	**-9**	**6,735**	**1,150**	**201,567**

38.1.1. Prior period error

Nature of prior period error	Note	2024/25 R'000
Relating to 2023/24 *[affecting the opening balance]*		**-9**
Computer Equipment		-276
Other Machinery & equipment		267
Relating to 2024/25		
		-
		-
Total prior period errors		**-9**

38.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	2025/26						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	12,853		27	12,880
Value adjustments	-	-	-	-		-	-
Additions	-	-	-	233		-	233
Disposals	-	-	-	128		-	128
Total Minor assets	-	-	-	**12,958**		**27**	**12,985**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of R1 minor assets	-	-	-	11,167	-	-	11,167
Number of minor assets at cost	-	-	-	7,868	-		7,876

						8	
Total number of minor assets	**-**	**-**	**-**	**19,035**	**-**	**8**	**19,043**

Minor capital assets under investigation

	Note	Number	Value 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			-

Minor Assets

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

	2024/25						
	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological 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
Prior period error	-	-	-	-	-	-	-
Additions	-	-	-	41	-	4	45
Disposals	-	-	-	136	-	-	136
Total Minor assets	**-**	**-**	**-**	**12,853**	**-**	**27**	**12,880**

	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological 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**

38.2.1. Prior period error

Nature of prior period error	*Note*	**2024/25 R'000**
Relating to 2023/24		-
		-
		-
Relating to 2024/25		-
		-
Total prior period errors		**-**

38.3. Movable capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2026

	2025/26						
	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Finance lease assets**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Assets written off	-	-	-	-	-	-	-
Total movable assets written off	-	-	-	-	-	-	-

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

	2024/25						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological 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

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

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2026

		2025/26			
	Note	Opening balance 1 April 2025	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2026
		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	Note	2025/26 R'000	2024/25 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 2025

		2024/25				
		Opening balance 1 April 2024	Prior period error	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	R'000
Heritage assets		-	-	-	-	-
Machinery and equipment		-	-	-	-	-
Specialised military assets		-	-	-	-	-
Biological assets		-	-	-	-	-
Total	*Annex 7*	**-**	**-**	**-**	**-**	**-**

39. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	2025/26			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	7,504	3,095	-	10,599
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	**7,504**	**3,095**	**-**	**10,599**

Intangible Capital Assets under investigation

	Note	Number	Value 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		-	-

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

	2024/25				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	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	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	7,389	-	115	-	7,504

39.1.1. Prior period error

Nature of prior period error	Note	2024/25 R'000
Relating to 2023/24		-
		-
		-
Relating to 2024/25		-
		-
		-
Total prior period errors		**-**

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

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2026

	Note	Opening balance 1 April 2025	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2026
		R'000	R'000	R'000	R'000
Intangible assets	*Annex 7*	-	-	-	-
Total		**-**	**-**	**-**	**-**

Payables not recognised relating to Capital WIP	Note	2025/26 R'000	2024/25 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 2025

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

40. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	2025/26			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**20,573,893**	**335,287**	**21,317**	**20,887,864**
Dwellings	691,468	-	1,767	689,701
Non-residential buildings	19,882,425	335,287	19,550	20,198,163
Other fixed structures	-	-	-	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	**1,052,606**	**3,948**	**6,579**	**1,049,975**
Land	1,052,606	3,948	6,579	1,049,975
Mineral and similar non-regenerative resources	-	-	-	-
FINANCE LEASE ASSETS	-	-	-	-
Finance lease assets	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**21,626,499**	**339,235**	**27,896**	**21,937,839**

Included in immovable assets totalling R21 937 838 171 (2025: R21 465 407 000) is an amount of R615 633 175 (2025:746 360 63) 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

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

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

	2024/25				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**20,421,759**	**-77,062**	**233,366**	**4,170**	**20,573,893**
Dwellings	689,838	-16,398	18,028	-	691,468
Non-residential buildings	19,731,921	-60,664	215,338	4,170	19,882,425
Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	**1,043,649**	**729**	**9,290**	**1,062**	**1,052,606**
Land	1,043,649	729	9,290	1,062	1,052,606
Mineral and similar non-regenerative resources	-	-	-	-	-
FINANCE LEASE ASSETS	-	-	-	-	-
Finance lease assets	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**21,465,408**	**-76,333**	**242,656**	**5,232**	**21,626,499**

40.1.1. Prior period error:

Nature of prior period error	Note	2024/25 R'000
Relating to 2024/25 (affecting the opening balance)		**7,999**
The adjustment relates to Item 28 (I) received in prior years, which was erroneously omitted from the Immovable Asset Register.		1,888
The adjustment relates to properties that were endorsed to the Provincial Government of KwaZulu Natal in prior period but erroneously omitted on the Provincial Asset Register		7,151
The adjustment relates to Erf 401 Ulundi A, which was erroneously included in the Immovable Asset Register in prior years. The property had already been consolidated into Erf 761 Ulundi A and is registered in the name of a private individual. The prior inclusion of the property as a Provincial asset was therefore incorrect and has been corrected as a prior period error.		-1,040
Relating to 2024/25		**-84,332**
The adjustment relates to facilities that have been endorsed and transferred from the Former Model C Schools tab to the Fixed Asset Register (FAR) tab. The transfer was erroneously not accounted for in the FMC tab.		-88,585
The adjustment relates to Item 28 (I) received in prior years, which was erroneously omitted from the Immovable Asset Register.		3,547
The adjustment relates to costs of a project that were already capitalised in prior years but were erroneously included as part of the current year's Work in Progress (WIP) in the 2024/25 financial year.		706
Total prior period errors		**-76,333**

40.2. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2026

		2025/26			
		Opening balance 1 April 2025	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2026
	Note Annex 7	R'000	R'000	R'000	R'000
Heritage assets		-	-	-	-
Buildings and other fixed structures		70,239	12,146	72,221	10,164
Land and subsoil assets		-	-	-	-
Total		**70,239**	**12,146**	**72,221**	**10,164**

Payables not recognised relating to Capital WIP	*Note*	2025/26 R'000	2024/25 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 2025

		2024/25				
	Note	Opening balance 1 April 2024	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2025
		R'000	R'000	R'000	R'000	R'000
Heritage assets		-	-	-	-	-
Buildings and other fixed structures		63,178	-706	11,219	3,452	70,239
Land and subsoil assets		-	-	-	-	-
Total		**63,178**	**-706**	**11,219**	**3,452**	**70,239**

The adjustment relates to costs of a project that were already capitalised in prior years but were erroneously included as part of the current year's Work in Progress (WIP) in the 2024/25 financial year.

40.3. Immovable tangible capital assets written off

IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2026

	2025/26				
	Buildings and other fixed structures	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 2025

	2024/25				
	Buildings and other fixed structures	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	-	-	-	-	-

40.4. Immovable capital assets (additional information)

			Note	2025/26	2024/25
		Estimated completion date		Area	Area
a)	**Unsurveyed land**	2029/2030	*Annex 9*	KZN	-
b)	**Properties deemed vested**		*Annex 9*		
	Land parcels			193	260
	Facilities				
	Schools			86	157
	Clinics			11	24
	Hospitals			3	3
	Office buildings			11	22
	Dwellings			46	54
	Storage facilities			-	-
	Other			80	106
c)	**Facilities on unsurveyed land**	**Duration of use**	*Annex 9*		
	Schools			176	182
	Clinics			37	34
	Hospitals			2	2
	Office buildings			21	26
	Dwellings			36	36
	Storage facilities			-	-
	Other			25	27

d)	**Facilities on right to use land**	**Duration of use**	*Annex 9*		
	Schools			4 043	4 108
	Clinics			341	345
	Hospitals			42	53
	Office buildings			144	157
	Dwellings			266	277
	Storage facilities			-	-
	Other			371	406

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	2025/26 R'000	2024/25 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

	Note	2025/26 R'000	2024/25 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	-	-

41.2.2. Reconciliation of funds and disbursements - Current year

	2025/26	
Category of revenue or expenditure per arrangement	**Total funds received**	**Expenditure incurred against funds**
	R'000	**R'000**
	-	-
	-	-
Total	-	-

Reconciliation of funds and disbursements - Prior year

	2024/25	
Category of revenue or expenditure per arrangement	**Total funds received**	**Expenditure incurred against funds**
	R'000	**R'000**
	-	-
	-	-
Total	-	-

41.2.3. Reconciliation of carrying amount of receivables and payables - current year

Receivables

	2025/26				
Name of principal entity	**Opening balance 1 April 2025**	**Revenue principal is entitled to**	**Less: Write offs / settlements / waivers**	**Cash received on behalf of principal**	**Closing balance 31 March 2026**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**

	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

Payables

	2025/26				
Name of principal entity	**Opening balance 1 April 2025**	**Funds received**	**Expenses incurred on behalf of the principal**	**Cash paid on behalf of the principal**	**Closing balance 31 March 2026**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

Reconciliation of carrying amount of receivables and payables - prior year

Receivables

	2024/25				
Name of principal entity	**Opening balance 1 April 2025**	**Revenue principal is entitled to**	**Less: Write offs / settlements / waivers**	**Cash received on behalf of principal**	**Closing balance 31 March 2026**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

Payables

	2024/25				
	Opening balance 1 April 2024	**Funds received**	**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	R'000
	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

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

	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	-	-	-

	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
Accounting estimate change 3: Provide a description of the change in estimate	-	-	-
Line item 1 affected by the change	-	-	-
Line item 2 affected by the change	-	-	-
Line item 3 affected by the change	-	-	-
Line item 4 affected by the change	-	-	-
Line item 5 affected by the change	-	-	-

42.2. Changes in accounting policies

		2024/25				
		Opening balance before the change (1 Apr 2024)	Adjust-ment of opening balance	Restated opening balance after the change (1 Apr 2024)	Adjust-ment for 2024/25	Restated closing balance (31 Mar 2025)
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*	-	-	-	-	-
Intangible Capital Assets	*39*	-	-	-	-	-
Immovable Tangible Capital Assets	*40*	-	-	-	-	-
Minor Assets	*38*	-	-	-	-	-

43. Prior period errors

43.1. Correction of prior period errors

		2024/25		
		Amount bef error correction	Prior period error	Restated
	Note	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		-	-	-
Line item 3 affected by the change		-	-	-

		2024/25		
		Amount be 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.)*		-	-	-
Property Payments (Municipal services)	6	25,315	-2	25,313
Interest Paid	7	-	2	2
Net effect		25,315	-	25,315

Interest paid on overdue account included under Prior year municipal services expenditure.

		2024/25		
		Amount be error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
***Assets:** (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)*				
Dwellings	40	707,866	-16,398	691,468
Non-Residential buildings		19,943,089	-60,664	19,882,425
Land		1,051,877	729	1,052,606
Machinery and equipment	38	79,799	-276	79,523
Other Machinery &equipment		34,293	267	34,560
Net effect		**21,816 924**	**-76,342**	**21,740,582**

The adjustment relates to facilities that have been endorsed and transferred from the Former Model C Schools tab to the Fixed Asset Register (FAR) tab. The transfer was erroneously not accounted for in the FMC tab. 2. The adjustment relates to Item 28 (I) received in prior years, which was erroneously omitted from the Immovable Asset Register. 3. The adjustment relates to costs of a project that were already capitalised in prior years but were erroneously included as part of the current year's Work in Progress (WIP) in the 2024/25 financial year.

		2024/25		
		Amount be error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
***Liabilities:** (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)*		-	-	-
Line item 1 affected by the change		-	-	-
Line item 2 affected by the change		-	-	-
Line item 3 affected by the change		-	-	-
Net effect		-	-	-

		2024/25		
		Amount be error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
***Other:** (E.g. Unauthorised expenditure, Irregular expenditure, Fruitless and wasteful expenditure, etc.)*		-	-	-
Line item 1 affected by the change		-	-	-
Line item 2 affected by the change		-	-	-
Line item 3 affected by the change		-	-	-
Net effect		-	-	-

44. Transfer of functions and mergers

44.1. Transfer of functions

44.1.1. Statement of Financial Position

	Note	Balance before transfer date	Functions (transferred) / received Dept name *(Specify)*	Functions (transferred) / received Dept name *(Specify)*	Functions (transferred) / received Dept name *(Specify)*	Balance after transfer date
		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	-	-	-	-	-
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	-	-	-	-	-

44.1.2. Notes

	Note	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)*	
		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	-	-	-	-	-

44.2. Mergers

44.2.1. Statement of Financial Position

	Note	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)
		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	-	-	-	-	-
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	-	-	-	-	-

44.2.2. Notes

	Note	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)*
		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		-	-	-	-	-

45. Statement of conditional grants received

	2025/26									2024/25	
	GRANT ALLOCATION					SPENT					
Name of grant	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
	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	5,418	-	-	-	5,418	5,418	5,418	-	100%	3,722	3,722
TOTAL	**5,418**				**5,418**	**5,418**	**5,418**		**100,0%**	**3,722**	**3,722**

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

46. Statement of conditional grants paid to the provinces

	2025/26											2024/25	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Province / Grant	Division of Revenue Act / Provincial grants	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations 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 / Provincial grants	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-

Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**-**	-	-	-	-	-	-	-	-	-	-	-	-

Summary by grant

TOTAL													
1. ***[Grant name]***													
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	
Free State	-	-	-	-	-	-	-	-	-	-	-	-	
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	
North West	-	-	-	-	-	-	-	-	-	-	-	-	

Western Cape	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. ***[Grant name]***												
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL												
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.

National Department surrender of unspent conditional grant not approved for rollover

	Related to conditional grants schedule of 2024/25			
Name 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**
	-	-	-	-
TOTAL	-	-	-	-

47. Statement of conditional grants and other transfers paid to municipalities:

	2025/26							2024/25	
	GRANT ALLOCATION				TRANSFER				
Name of municipality	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
eThekwini Metro	582,399	-	-	582,399	535,080	-	-	315,442	427,343
uGu Municipalities	28,764	-	-	28,764	18,092	-	-	22,901	38,682
uMgungundlovu Municipalities	156,888	-	2	156,890	166,537	-	-	118,544	147,445
uThukela Municipalities	79,323	-	-	79,323	93,463	-	-	61,565	79,771
uMzinyathi Municipalities	55,519	-	-	55,519	48,007	-	-	41,021	53,314
Amajuba Municipalities	21,093	-	-	21,093	25,083	-	-	16,795	31,459
Zululand Municipalities	74,349	-	-	74,349	72,468	-	-	59,199	95,249
*Zululand Municipalities	-	-	-	-	-	-	-	-	-
uMkhanyakude Municipalities	46,729	-	-	46,729	49,429	-	-	35,615	40,939

King Cetshwayo municipalities	62,399	-	-	62,399	69,157	-	-	48,888	97,482
iLembe Municipalities	29,721	-	-	29,721	75,030	-	-	23,665	35,478
Harry Gwala municipalities	22,357	-	-	22,357	7,197	-	-	17,795	40,063
PD Licenses	281	-	-18	263	263	-	-	375	281
TOTAL	**1,159,822**	**-**	**-16**	**1,159,806**	**1,159,806**	**-**	**-**	**761,805**	**1,087,506**

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.

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	2025/26 R'000	2024/25 R'000
Compensation of employees		-	-
Goods and services		-	-
Transfers and subsidies		-	-
Expenditure for capital assets		-	-
Other		-	-
Total	*Annex 11*	**-**	**-**

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES:

	2025/26											2024/25	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Rollovers	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National depart-ment	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	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	582,399	-	-	582,399	535,080	-	-	535,080	535,080	-	100%	315,442	427,343
uGu Municipalities	28,764	-	-	28,764	18,092	-	-	18,092	18,092	-	100%	22,901	38,682
uMgungundlovu Municipalities	156,888	-	2	156,890	166,537	-	-	166,537	166,537	-	0.0%	118,544	147,445
uThukela Municipalities	79,323	-	-	79,323	93,463	-	-	93,463	93,463	-	0.0%	61,565	79,771

uMzinyathi Municipalities	55,519	-	-	55,519	48,007	-	-	48,007	48,007	-	100%	41,021	53,314
Amajuba Municipalities	21,093	-	-	21,093	25,083	-	-	25,083	25,083	-	0.0%	16,795	31,459
Zululand Municipalities	74,349	-	-	74,349	72,468	-	-	72,468	72,468	-	100.0%	59,199	95,249
*Zululand Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-
uMkhanyakude Municipalities	46,729	-	-	46,729	49,429	-	-	49,429	49,429	-	0.0%	35,615	40,939
King Cetshwayo municipalities	62,399	-	-	62,399	69,157	-	-	69,157	69,157	-	0.0%	48,888	97,482
iLembe Municipalities	29,721	-	-	29,721	75,030	-	-	75,030	75,030	-	0.0%	23,665	35,478
Harry Gwala municipalities	22,357	-	-	22,357	7,197	-	-	7,197	7,197	-	100.0%	17,795	40,063
PD licenses	281	-	(18)	263	-	-	-	263	263	-	100.0%	375	281
TOTAL	**1,159,822**	**-**	**(16)**	**1,159,806**	**1,159,543**	**-**	**-**	**1,159,806**	**1,159,806**	**-**		**761,805**	**1,087,506**

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.

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS:

Departmental Agency or Account	2025/26						2024/25	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Compensation Commissioner	-	-	-	-	-	-	-	-
Skills Development	-	-	-	-	-	-	-	-
Com: Licences	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ANNEXURE 1C
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

	2025/26							2024/25	
	TRANSFER ALLOCATION				TRANSFER				
Higher Education Institution	Adjusted Budget	Roll overs	Adjustments	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	-	-	-	-	-	-	-	-	-

ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	2025/26								2024/25	
	GRANT ALLOCATION				EXPENDITURE					
Name of public corporation / private enterprise	Adjusted Budget	Roll overs	Adjust-ments	Total Available	Actual transfer	% of Available funds transferred	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	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-	-	-
Transfers										

Total	-	-	-	-	-	-	-	-	-	
Subsidies										
Total	-	-	-	-	-	-	-	-	-	
TOTAL	-	-	-	-	-	-	-	-	-	-

ANNEXURE 1E
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

Foreign government / International organisation	2025/26						2024/25	
	TRANSFER ALLOCATION				EXPENDITURE			
	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	-	-	-	-	-	-	-	-

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2025/26						2024/25	
	TRANSFER ALLOCATION				EXPENDITURE			
	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	-	-	-	-	-	-	-	

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS: -

	2025/26						2024/25	
	TRANSFER ALLOCATION				EXPENDITURE			
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)	2,461	-	416	2,877	2,877	100%	3,395	3,395
H/H: CLAIMS AGAINST STATE (CASH)	-	-	12,334	12,334	12,334	100%	-	-
Total	**2,461**	**-**	**12,750**	**15,211**	**15,211**		**3,395**	**3,395**
Subsidies								
H/H EMPL S/EMPL S BEN: INJURY ON DUTY	-	-	122	122	122	100%	87	161
H/H EMPL S/EMPL S BEN: LEAVE GRATUITY	8,169	-	(289)	7,880	7,880	100.0%	7,082	5,668
H/H EMPL S/EMPL S BEN: POST RETIREMENT BENEF	-	-	-	-	-	-	-	1,340

Total	8,169	-	(167)	8,002	8,002		7,169	7,169
TOTAL	**10,630**	**-**	**12,583**	**23,213**	**23,213**		**10,564**	**10,564**

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2025/26 R'000	2024/25 R'000
Received in cash		-	-
Gifts		-	-
Total gifts		-	-
Donations		-	-
Total donations		-	-
		-	-
Sponsorships		-	-
Total sponsorships		-	-
		-	-

Subtotal - received in cash	-	-
Received in kind	-	-
Gifts	-	-
Total gifts		
Donations		
Total donations		
	-	-
Sponsorships		
Total sponsorships	-	-
Subtotal – received in kind		
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED	**-**	**-**

ANNEXURE 1I
STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on / by 31 March	Closing balance
		R'000	R'000	R'000	R'000	R'000
Aid assistance received in cash		-	-	-	-	-
Subtotal		-	-	-	-	-
Aid assistance received in kind			-	-	-	-
Subtotal		-	-	-	-	-
		-	-	-	-	-
TOTAL AID ASSISTANCE RECEIVED			-	-	-	-

ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship *(Group major categories but list material items including name of organisation)*	**2025/26** **R'000**	**2024/25** **R'000**
Made in kind	-	-
Gifts	-	-
Total gifts	-	-
Donations		
	-	-
Total donations	-	-
Sponsorships		
Total sponsorships	-	-
	-	-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	-	-

ANNEXURE 1K

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ANNEXURE 1L
STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND MUNICIPALITIES

Name of Grant	GRANT ALLOCATION				SPENT
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Amount spent
	R'000	R'000	R'000	R'000	R'000
	-	-	-	-	-
TOTAL	-	-	-	-	-

ANNEXURE 2A
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 25/26	% Held 24/25	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaran-teed
				R'000		R'000		R'000		R'000		
				2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	Yes/No
National / Provincial Public entity		-	-	-	-	-	-	-	-	-	-	
Subtotal		-	-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	-	
Subtotal		-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	
TOTAL		-	-	-	-	-	-	-	-	-	-	

ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of entity	Nature of business	Cost of investments		Net Asset value of investments		Amounts owing to entities		Amounts owing by entities	
		R'000		R'000		R'000		R'000	
		2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Controlled entities		-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-
Non-controlled entities									
	Associates	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Joint Ventures	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Other non-controlled entities	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2026 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2025	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2026	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2026
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Housing	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

ANNEXURE 3A (Continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2026 - FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2025	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2026	Revaluation due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2026
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles	-	-		-	-	-	-	-
		-	-		-	-	-	-	-
	Subtotal	-	-		-	-	-	-	-
	Housing	-	-		-	-	-	-	-
		-	-		-	-	-	-	-
	Subtotal	-	-		-	-	-	-	-
	Other	-	-		-	-	-	-	-
		-	-		-	-	-	-	-
	Subtotal	-	-		-	-	-	-	-
		-	-		-	-	-	-	-
	TOTAL	-	-		-	-	-	-	-

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2026:

Nature of liability	Opening balance 1 April 2025	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2026
	R'000	R'000	R'000	R'000	R'000
Claim for motor vehicle	87	65	-	-	152
Irregular and unlawful suspension of service provider	-	-	-	-	-
Termination of contract	-	-	-	-	-
Claim for injury suffered by minor	-	-	-	-	-
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	3,175	179	-	-	3,354

Subtotal	**3,940**	**244**	**678**	**-**	**3,506**
Environmental liability					
	-	-	-	-	-
Subtotal	-	-	-	-	-
Other					
	-	-	-	-	-
Subtotal	-	-	-	-	-
TOTAL	**3,940**	**244**	**678**	**-**	**3,506**

ANNEXURE 3B (continued)

Nature of liabilities recoverable	**Details of liability and recoverability**	**Opening balance 1 April 2025**	**Movement during the year**	**Closing balance 31 March 2026**
		R'000	**R'000**	**R'000**
		-	-	-
TOTAL		**-**	**-**	**-**

ANNEXURE 4

CLAIMS RECOVERABLE:

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2025/26 *	
	31/03/2026	31/03/2025	31/03/2026	31/03/2025	31/03/2026	31/03/2025	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
DEPARTMENTS								
NATIONAL								
Correctional Services	-	-	-	-	-	-	-	-
Roads & Transport: Gauteng	-	-	7	7	7	7	-	-
National Public Works	-		-	300	-	300	-	-
Gov Comm & Info Services	-	-	26	3	26	3	-	-
SAPS	-	-	3	3	3	3	-	-
HEALTH - Mpumalanga	-	-	12	12	12	12	-	-
PROVINCIAL DEPARTMENTS								

Agriculture, Environmental Aff and Rural Dev	-	11,156	397	408	397	11,564	-	-
Economic Development and Tourism	5,546	2,654	475	347	6,021	3,001	-	-
Sports, Arts and Culture	20,021	-	1,478	15,478	21,499	15,478	-	-
Education	-	472,951	221,798	28,456	221,798	501,407	-	-
Provincial Treasury	-	-	1,258	-	1,258	-	-	-
Community Safety and Liaison	-	-		-	-	-	-	-
			-					
Health	9,025	31,470	-	65,105	9,025	96,575	-	-
Human Settlements	-	-	84,115	91,362	84,115	91,362	-	-
Office of the Premier	1,215	-	19,949	7,958	21,164	7,958	-	-
Provincial Parliament	79	643	-	11	79	654	-	-
Co-operative Governance and Traditional Affairs	3,573	5,477	898	6,503	4,471	11,980	-	-
Transport	-	-	43,808	25,847	43,808	25,847	-	-
Social Development	-	31,680	14,444	2,497	14,444	34,177	-	-
Subtotal	**39,459**	**556,031**	**388,668**	**244,297**	**428,127**	**800,328**		-
Other Government Entities								

SASSA	-	-	13,391	13,852	13,391	13,852
COGTA Agency -MISA	-	-	-	2	-	2
SITA	-	-	-	19	-	19
Govt Pension Admin Agency	-	-	-	-	-	-
	-	-	-	-	-	-
Subtotal	**-**	**-**	**13,391**	**13,872**	**13,391**	**13,872**
TOTAL	**39,459**	**556,031**	**402,059**	**258,169**	**441,518**	**814,200**

ANNEXURE 5
INTERGOVERNMENTAL CONTINGENT LIABILITIES, PROVISIONS, ACCRUALS, PAYABLES NOT RECOGNISED AND EMPLOYEE BENEFITS

GOVERNMENT ENTITY	Total		Cash-in-transit at year end 2025/26 *	
	31/03/2026	31/03/2025	Payment date up to six (6) working days after year end	Amount

	R'000	R'000		R'000
DEPARTMENTS				
Contingent liabilities				
Department of Justice	1,644	1,158	-	-
Department of Transport	-	153	-	-
SAPS	-	610	-	-
Subtotal	**1,644**	**1,921**	**-**	**-**
Provisions				
	-	-	-	-
Subtotal	-	-	-	-
Accruals				
Department of Justice	142	256	-	-
Subtotal	**142**	**256**	**-**	**-**
Payables not recognised				
Provincial Treasury	313	284	-	-
Department of Justice	1	1,370	-	-
Department of Transport	5	4	-	-
Office of the Premier	-	128	-	-

Subtotal	**319**	**1,786**	**-**	**-**
Employee benefits				
	-	-	-	-
Subtotal	-	-	-	-
Total Departments	**2,105**	**3,963**		
Contingent liabilities	1,644	1,921		
Provisions	-	-		
Accruals	142	256		
Payables not recognised	319	1,786		
Employee benefits	-	-		

OTHER GOVERNMENT ENTITIES

Contingent liabilities		
SIU	10,517	22,172
Subtotal	**10,517**	**22,172**
Provisions		
	-	-

Subtotal	-	-
Accruals		
	-	-
Subtotal	-	-
Payables not recognised		
SITA	-	8,533
Subtotal	**-**	**8,533**
Employee benefits		
	-	-
Subtotal	-	-
Total Other Government Entities	**10,517**	**30,705**
Contingent liabilities	10,517	22,172
Provisions	-	-
Accruals	-	-
Payables not recognised	-	8,533
Employee benefits	-	-

TOTAL INTERGOVERNMENT CONTINGENT LIABILITIES, PROVISIONS, ACCRUALS, PAYABLES NOT RECOGNISED AND EMPLOYEE BENEFITS	**12,622**	**34,668**

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 2026	**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	**-**	**-**	**-**	**-**	**-**

Inventories for the year ended 31 March 2025	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Total 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	**-**	**-**	**-**	**-**	**-**

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2026

	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	70,239	12,146	72,221	10,164
Dwellings				
Non-residential buildings	70,239	12,146	72,221	10,164
Other fixed structures				
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
SOFTWARE	-	-	-	-
Software	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
Mastheads and publishing titles	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-

RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS				
Recipes, formulae, prototypes, designs, models	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
Services and operating rights	-	-	-	-
	-	-	-	-
TOTAL	**70,239**	**12,146**	**72,221**	**10,164**

Movement in capital work in progress for the year ended 31 March 2025

	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	63,178	(706)	11,219	3,452	70,239
Dwellings	-	-	-	-	-
Non-residential buildings	63,178	(706)	11,219	3,452	70,239
Other fixed structures	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-

SOFTWARE	34,612	-	-	34,612	-
Computer 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					
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
Services and operating rights	-	-	-	-	-
TOTAL	**97,790**	**(706)**	**11,219**	**38,064**	**70,239**

The adjustment relates to costs of a project that were already capitalised in prior years but were erroneously included as part of the current year's Work in Progress (WIP) in the 2024/25 financial year.

ANNEXURE 8A
INTERENTITY ADVANCES PAID (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2026	31/03/2025	31/3/2026	31/03/2025	31/3/2026	31/03/2025
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
PROVINCIAL DEPARTMENTS	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
PUBLIC ENTITIES	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-

OTHER ENTITIES	-	-	-	-	-	-
	-	-	-	-	-	-
Subtotal						
TOTAL	-	-	-	-	-	-

ANNEXURE 8B
INTERENTITY ADVANCES RECEIVED (Note 21 AND Note 22)

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2026	31/03/2025	31/3/2026	31/03/2025	31/3/2026	31/03/2025
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	-	-	-	-	-	-

Subtotal	-	-	-	-	-	-
PUBLIC ENTITIES	-	-	-	-	-	-
Current	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Non-current						
Subtotal	-	-	-	-	-	-
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						

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 b
maintained. As a result of the provincial function, the properties are managed by the provincial government and include th

Land parcels	193	260
Facilities per function:		

Facilities	2026	2025
Schools	86	157
Clinics	11	24
Hospitals	3	3
Office Buildings	11	22
Housing	46	54
Storage	-	-
Other	80	106
Total	**237**	**366**

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	2026	2025
Schools	176	182
Clinics	37	34
Hospitals	2	2
Office Buildings	21	26
Housing	36	36
Storage	0	0
Other	25	27
Total	**297**	**307**

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	2026	2025
Schools	4043	4108
Clinics	341	345
Hospitals	42	53
Office Buildings	144	157
Housing	266	277
Storage	-	-

Other	371	406
Total	**5 207**	**5 346**

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	**2026**	**2025**
Schools	474	461
Clinics	49	36
Hospitals	11	5
Office Buildings	10	9
Dwellings	31	31
Storage	-	-
Other	28	49
Total	**603**	**591**

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 investigation and is thus reflected as contingent assets until clarification is achieved. The properties have been grouped according to function:

Facilities	**2026**	**2025**
Schools		0

Clinics		
Hospitals		
Office Buildings		
Dwellings		
Storage		
Other	6	5
Total	**6**	**5**

ANNEXURE 10

DEPARTMENT OF HUMAN SETTLEMENTS HOUSING RELATED EXPENDITURE CLASSIFICATION

	Note	2025/26 R'000	2024/25 R'000
Inventories		-	-
List the items for correct expenditure		-	-
		-	-
Subtotal		-	-
Expenditure for capital assets		-	-
List the items for correct expenditure			

	-	-
Subtotal	-	-
Transfers and subsidies	-	-
List the items for correct expenditure		
	-	-
Subtotal	-	-
	-	-
TOTAL	-	-

Capital commitments

	Note	2025/26 R'000	2024/25 R'000
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets		-	-
Total		-	-

ANNEXURE 11
NATURAL DISASTER OR RELIEF EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2025/26					2024/25
	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	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-
List all applicable SCOA level 4 items	-	-	-	-	-	-
Expenditure for capital assets	-	-	-	-	-	-
List all applicable SCOA level 4 items	-	-	-	-	-	-

Other expenditure not listed above	-	-	-	-	-	-
List all applicable SCOA level 4 items	-	-	-	-	-	-
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE	-	-	-	-	-	-

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 2025	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 2026
				R'000	R'000	R'000	R'000	R'000	R'000
Prepayments	-	-	-	-		-	-	-	-
Total prepayments	-	-	-	-		-	-	-	-
	-	-	-	-		-	-	-	-
Advances									
Total advances	-	-	-	-		-	-	-	-
	-	-	-	-		-	-	-	-
TOTAL PREPAYMENTS AND ADVANCES									



KWAZULU-NATAL PROVINCE

PUBLIC WORKS & INFRASTRUCTURE
REPUBLIC OF SOUTH AFRICA